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CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

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Auditor's Report [1]

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of

OMV Aktiengesellschaft, Vienna,

and of its subsidiaries (the Group) comprising the consolidated statement of financial position as of December 31, 2019, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year then ended and the notes to the consolidated financial statements except for "Oil and Gas Reserve Estimation and Disclosures (unaudited)".

Based on our audit the accompanying consolidated financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Group as of December 31, 2019 and its financial performance for the year then ended in accordance with the International Financial Reporting Standards (IFRSs) as adopted by EU, and the additional requirements under Section 245a Austrian Company Code (UGB).

Basis for Opinion

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following "EU regulation") and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISA). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the fiscal year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We considered the following matters as key audit matters for our audit:

1. Purchase Price Allocation acquisition of SapuraOMV Upstream Sdn. Bhd. and a stake in Abu Dhabi Oil Refining Company

2. Recoverability of intangible exploration and evaluation (E&E) assets

3. Estimation of oil and gas reserves

4. Recoverability of receivables from Romanian State

5. Estimation of provision for decommissioning and restoration obligations

[1] This report is a translation of the original report in German, which is solely valid. Publication or sharing with third parties of the consolidated financial statements together with our auditor's opinion is only allowed if the consolidated financial statements and the directors' report for the Group are identical with the German audited version. This audit opinion is only applicable to the German and complete consolidated financial statements with the directors' report for the Group. Section 281 paragraph 2 UGB (Austrian Company Code) applies to alternated versions.

Key Audit Matter

Purchase Price Allocation for acquisition of

- **SapuraOMV Upstream Sdn. Bhd. and a**
- **stake in Abu Dhabi Oil Refining Company**

On January 31, 2019, OMV completed the acquisition of 50% of SapuraOMV Upstream Sdn. Bhd. in Malaysia. The net assets acquired at January 31, 2019 amounted to EUR 287 mn and are fully consolidated in OMV's Group financial statements.

On July 31, 2019, OMV completed the acquisition of 15% shares of Abu Dhabi Oil Refining Company (ADNOC Refining). The total acquisition cost of EUR 2,150 mn for the 15% stake is accounted pursuant to IAS 28 and IFRS 3 using the equity method.

Under IFRS, an entity is required to allocate the purchase price in recognizing assets acquired and liabilities assumed at the acquisition date at fair values.

The valuation of assets acquired and liabilities assumed is judgmental and complex, requiring significant judgement in applying forecasts and assumptions made by management.

The principal risk relates to the initial estimates of the fair values of the identifiable assets and decommissioning and restoration obligations assumed together with the deferred taxes on acquisition in preparing the purchase price allocation.

Given the extent of the judgment in valuing these assets and obligations, we believe that the fair value calculation carries significant risk of material misstatement.

OMV management engaged an independent expert to provide valuation support with respect to the determination of the fair values of the assets acquired and liabilities assumed under IAS 28 and IFRS 3.

OMV Group's disclosures about the acquisition of SapuraOMV Upstream and shares in Abu Dhabi Oil Refining Company are included in Note 3 (Changes in group structure).

How our audit addressed the key audit matter

We assessed management's purchase price allocation. Specifically our work included, but was not limited to, the following procedures:

- Read the purchase agreement to gain an understanding of the key terms and conditions and to assess the adequacy of the accounting treatment;
- Assess the competence of external specialists and the objectivity and independence of external specialists, to consider whether they were appropriately qualified to carry out the valuation;
- Engage our internal valuation specialist to assist us in the audit of the purchase price allocation and discount rates used;
- Assess the valuation model, the cash flow forecasts, cost approaches and the key assumptions used in the calculation of the assets' and decommissioning and restoration obligations' fair value; and
- Assess the adequacy of the Group's disclosures in the financial statements.

Key Audit Matter	How our audit addressed the key audit matter
Recoverability of intangible exploration and evaluation (E&E) assets The carrying value of intangible E&E assets amounted to EUR 2,500 mn at December 31, 2019, after a write off (impairment) of EUR 92 mn in 2019. Under IFRS 6, Exploration for and Evaluation of Mineral Resources, exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying value of an exploration and evaluation asset may exceed its recoverable amount. The assessment of the carrying value requires management to apply judgement and estimates in assessing whether any impairment has arisen at year end, and in quantifying any such impairment. The principal risks relate to management's intention to proceed with a future work program for a prospect or licence, the likelihood of licence renewal, and the success of drilling and geological analysis to date. OMV Group's disclosures about intangible E&E assets and related impairment testing are included in Note 2 (Accounting policies, judgements and estimates), Note 7 (Depreciation, amortization and impairment charges) and Note 14 (Intangible assets).	We evaluated management's assessment of the carrying value of intangible E&E assets performed with reference to the criteria of IFRS 6 and the Group's accounting policy. Specifically, our work included, but was not limited to, the following procedures: ▶ Inquire whether management has the intention to carry out exploration and evaluation activity in the relevant exploration area which included the review of management's budget and discussions with senior management as to the intentions and strategy of the Group; ▶ Read Executive Board minutes of meetings and consider whether there were negative indicators that certain projects might be unsuccessful; ▶ Discuss with management about the status of the largest exploration projects; ▶ Assess whether the Group has the ability to finance any planned future exploration and evaluation activity; ▶ Identify the existence of any fields where the Group's right to explore is either at, or close to, expiry and review management's assessment whether there are any risks related to renewal of the licence; ▶ Review of supporting evidence where an E&E asset has been impaired; and ▶ Assess the adequacy of the Group's disclosures in the financial statements.

Key Audit Matter	How our audit addressed the key audit matter
Estimation of oil and gas reserves Oil and gas reserves are an indicator of the future potential of the group's performance. Furthermore, they have an impact on the financial statements as they are the basis for ▶ production profiles in future cash flow estimates ▶ depreciation, amortization and impairment charges and ▶ the valuation of the financial asset related to the reserves redetermination right out of the acquisition of an interest in the Yuzhno Russkoye field in 2017. The estimation of oil and gas reserves requires judgement and assumptions made by management and engineers due to the technical uncertainty in assessing quantities. The principal risk of the oil and gas reserves estimate is the impact on the group's financial statements through impairment testing, depreciation & amortization, decommissioning provision estimate and the valuation of the financial asset related to the reserves redetermination right. OMV Group's disclosures about oil and gas reserves and related impairment testing are included in Note 2 (Accounting policies, judgements and estimates), Note 7 (Depreciation, amortization and impairment charges), Note 18 (Financial assets) and Note 23 (Provisions).	Our procedures have focused on management's estimation process in the determination of oil and gas reserves. Specifically our work included, but was not limited to, the following procedures: ▶ Walkthrough and understand the Group's process and controls associated with the oil and gas reserves estimation process; ▶ Test controls of the oil and gas reserves review process; ▶ Analysis of the internal certification process for technical and commercial specialists who are responsible for oil and gas reserves estimation; ▶ Assess the competence of both internal and external specialists and the objectivity and independence of external specialists, to consider whether they were appropriately qualified to carry out the estimation of oil and gas reserves; ▶ Analyse the bi-annual report of DeGolyer and MacNaughton (D&M) on their review of Group's estimated oil and gas reserves (latest report as at July 1, 2018) and analyze the report of the additional external specialist engaged by OMV for one case dated February 11, 2019; ▶ Test whether significant additions or reductions in oil and gas reserves were made in the period in which the new information became available and in compliance with Group's Reserves and Resources Guidelines; ▶ Test that the updated oil and gas reserve estimates were included appropriately in the Group's consideration of impairment, in accounting for depreciation & amortization and the valuation of the financial asset related to the reserves redetermination right; and ▶ Assess the adequacy of the Group's disclosures in the financial statements.

Key Audit Matter	How our audit addressed the key audit matter
Recoverability of receivables from Romanian State As part of the privatization agreement regarding OMV Petrom SA, the Group is entitled to the reimbursement by the Romanian State of part of wells abandonment (decommissioning) and environmental costs incurred to restore and clean up areas pertaining to activities prior to privatization in 2004. Consequently, the Group has recorded receivables from the Romanian State amounting to EUR 410 mn at December 31, 2019. The assessment of the recoverability of the receivables from the Romanian State, requires management to make judgements and estimates to assess the uncertainty regarding the expenditure recoverable from Romanian State. The assessment process considers inter alia history of amounts claimed, documentation process and requirements, potential arbitration proceedings. OMV Group's disclosures about Environmental and Decommissioning State Receivables are included in Note 2 (Accounting policies, judgements and estimates) and Note 18 (Financial assets).	We assessed management's estimate regarding recoverability of the receivables from the Romanian State. Our work included, but was not limited to, the following procedures: ▶ Read the stipulations of the Annex P of the privatization agreement dated July 23, 2004, related to the acquisition by OMV Aktiengesellschaft of shares in the National Petroleum Company Petrom SA, as approved by Law no. 555/2004. Annex P includes stipulations related to the obligation of the seller (i.e. Ministry of Economy and Commerce) to reimburse the Company for historical environmental losses and abandonment costs, provided certain conditions are met; ▶ Review management's assessment of the recoverability of the receivables from the Romanian State, including the history of amounts claimed vs. amounts accepted and reimbursed, and discuss with management about the status of the notices of claims submitted by the Group and of the arbitration process; ▶ Obtained and read the independent lawyers' assessment of the status of the Arbitration, that was considered by the Company for the measurement of the State Receivable; ▶ Trace the receivables for which notices of claim have been submitted to the respective notices of claims; ▶ Trace the receivables for which decommissioning was performed but the notices of claim have not yet been submitted to the respective decommissioning costs; ▶ Trace the receivables for which decommissioning has not yet been performed against the respective decommissioning provisions; ▶ Discuss with management the estimates of timing of collection; ▶ Involve our valuation specialists to assist us in the analysis of discount rates and inflation rates; ▶ Test the mathematical accuracy of the calculation of the net present value of the receivables recorded; and ▶ Assess the adequacy of the Group's disclosures in the financial statements.

Key Audit Matter	How our audit addressed the key audit matter
Estimation of provision for decommissioning and restoration obligations The total provision for decommissioning and restoration obligations amounted to EUR 3,959 mn at December 31, 2019. Group's core activities regularly lead to obligations related to dismantling and removal, asset retirement and soil remediation activities. The principal risk relates to management's estimates of future costs, discount rates and inflation rates, which are used to project the provision for decommissioning and restoration obligations. OMV Group's disclosures about the provision for decommissioning and restoration obligations are included in Note 2 (Accounting policies, judgements and estimates) and Note 23 (Provisions).	We assessed management's annual estimation of the provision for decommissioning and restoration obligations. Specifically, our work included, but was not limited to, the following procedures: ▶ Assess the design and implementation of the controls over the decommissioning and restoration obligations estimation process; ▶ Compare current estimates of costs with actual decommissioning and restoration costs previously incurred. Where no previous data was available, we reconciled cost estimates to third party support or the Group's engineers' estimates; ▶ Inspection of supporting evidence for any material revisions in cost estimates during the year; ▶ Confirm whether the decommissioning dates are consistent with the Group's budget and business plans; ▶ Involve our valuation specialists to assist us in the analysis of discount rates and inflation rates; and ▶ Test the mathematical accuracy of the decommissioning and restoration obligation calculation; and ▶ Assess the adequacy of the Group's disclosures in the financial statements.

Responsibilities of Management and of the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements in accordance with IFRS as adopted by the EU, and the additional requirements under Section 245a Austrian Company Code (UGB) for them to present a true and fair view of the assets, the financial position and the financial performance of the Group and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Comments on the Director's Report for the Group

Pursuant to Austrian Generally Accepted Accounting Principles, the directors' report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the directors' report for the Group was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the directors' report for the Group in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the directors' report for the Group.

Opinion

In our opinion, the directors' report for the Group was prepared in accordance with the valid legal requirements, comprising the details in accordance with Section 243a Austrian Company Code (UGB), and is consistent with the consolidated financial statements.

Statement

Based on the findings during the audit of the consolidated financial statements and due to the thus obtained understanding concerning the Group and its circumstances no material misstatements in the directors' report for the Group came to our attention.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report and the annual financial report (but does not include the consolidated financial statements, the directors' report for the Group and the auditor's report thereon). From the other information we received the "Consolidated Corporate Governance Report" and the "Consolidated Report on the Payments Made to Government" prior to the date of this auditor's report. The annual report and the annual financial report including the remaining other information therein is estimated to be provided to us after the date of the auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, as soon as it is available, and, in doing so, to consider whether – based on our knowledge obtained in the audit – the other information is materially inconsistent with the consolidated financial statements or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Additional information in accordance with article 10 EU regulation

We were elected as auditor by the ordinary general meeting at May 14, 2019. We were appointed by the Supervisory Board on June 24, 2019. We are auditors without cease since 2011.

We confirm that the audit opinion in the Section "Report on the consolidated financial statements" is consistent with the additional report to the audit committee referred to in article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

Responsible Austrian Certified Public Accountant

The engagement partner on the audit resulting in this independent auditor's report is Mr. Gerhard Schwartz, Certified Public Accountant.

Vienna, March 11, 2020

Ernst & Young
Wirtschaftsprüfungsgesellschaft m. b. H.

Gerhard Schwartz m.p.
Wirtschaftsprüfer/Certified Public Accountant

Alexander Wlasto m.p.
Wirtschaftsprüfer/Certified Public Accountant

Consolidated Income Statement for 2019

Consolidated income statement

In EUR mn

	Note	2019	2018
Sales revenues	4, 5	**23,461**	**22,930**
Other operating income	6	315	517
Net income from equity-accounted investments	6, 16	386	391
Total revenues and other income		**24,162**	**23,839**
Purchases (net of inventory variation)	17	(13,608)	(14,094)
Production and operating expenses		(1,695)	(1,594)
Production and similar taxes		(496)	(392)
Depreciation, amortization and impairment charges	7	(2,337)	(1,827)
Selling, distribution and administrative expenses		(1,892)	(1,749)
Exploration expenses	7, 8	(229)	(175)
Other operating expenses	9	(322)	(485)
Operating Result		**3,582**	**3,524**
Dividend income	31	5	20
Interest income	11, 31	169	117
Interest expenses	11, 31	(304)	(290)
Other financial income and expenses	11, 31	1	(72)
Net financial result		**(129)**	**(226)**
Profit before tax		**3,453**	**3,298**
Taxes on income and profit	12	(1,306)	(1,305)
Net income for the year		**2,147**	**1,993**
thereof attributable to stockholders of the parent		1,678	1,438
thereof attributable to hybrid capital owners		75	78
thereof attributable to non-controlling interests		393	477
Basic Earnings Per Share in EUR	13	**5.14**	**4.40**
Diluted Earnings Per Share in EUR	13	**5.13**	**4.40**

Consolidated Statement of Comprehensive Income for 2019

Consolidated statement of comprehensive income

In EUR mn

	Note	2019	2018
Net income for the year		**2,147**	**1,993**
Exchange differences from translation of foreign operations		**39**	**28**
Gains/(losses) arising during the year, before income taxes		39	(87)
Reclassification of (gains)/losses to net income	3, 6, 9	—	115
Gains/(losses) on hedges	28	**(45)**	**195**
Gains/(losses) arising during the year, before income taxes		(11)	43
Reclassification of (gains)/losses to net income		(34)	152
Share of other comprehensive income of equity-accounted investments	16	**(1)**	**59**
Total of items that may be reclassified (“recycled”) subsequently to the income statement		**(7)**	**282**
Remeasurement gains/(losses) on defined benefit plans	23	**(90)**	**(114)**
Gains/(losses) on equity investments	18	**1**	**26**
Gains/(losses) on hedges that are subsequently transferred to the carrying amount of the hedged item	28	**95**	**9**
Share of other comprehensive income of equity-accounted investments	16	**(6)**	**(3)**
Total of items that will not be reclassified (“recycled”) subsequently to the income statement		**0**	**(82)**
Income taxes relating to items that may be reclassified (“recycled”) subsequently to the income statement		10	(52)
Income taxes relating to items that will not be reclassified (“recycled”) subsequently to the income statement		(7)	(3)
Total income taxes relating to components of other comprehensive income	21	**4**	**(55)**
Other comprehensive income for the year, net of tax	21	**(3)**	**144**
Total comprehensive income for the year		**2,144**	**2,137**
thereof attributable to stockholders of the parent		1,752	1,587
thereof attributable to hybrid capital owners		75	78
thereof attributable to non-controlling interests		316	472

Consolidated Statement of Financial Position as of December 31, 2019

Assets

In EUR mn

	Note	2019	2018
Intangible assets	14	4,163	3,317
Property, plant and equipment	15	16,479	15,115
Equity-accounted investments	16	5,151	3,011
Other financial assets	18	2,414	2,659
Other assets	19	56	36
Deferred taxes	25	686	759
Non-current assets		**28,950**	**24,896**
Inventories	17	1,845	1,571
Trade receivables	18	3,042	3,420
Other financial assets	18	3,121	2,727
Income tax receivables		11	9
Other assets	19	297	264
Cash and cash equivalents	26	2,931	4,026
Current assets		**11,248**	**12,017**
Assets held for sale	20	177	47
Total assets		**40,375**	**36,961**

Equity and liabilities

In EUR mn

	Note	2019	2018
Share capital		327	327
Hybrid capital		1,987	1,987
Reserves		10,698	9,591
OMV equity of the parent		**13,012**	**11,905**
Non-controlling interests	22	3,851	3,436
Total equity	21	**16,863**	**15,342**
Provisions for pensions and similar obligations	23	1,111	1,096
Bonds	24	5,262	4,468
Lease liabilities	24	934	—
Other interest-bearing debts	24	620	441
Provisions for decommissioning and restoration obligations	23	3,872	3,673
Other provisions	23	572	446
Other financial liabilities	24	301	924
Other liabilities	24	157	138
Deferred taxes	25	1,132	731
Non-current liabilities		**13,961**	**11,917**
Trade payables	24	4,155	4,401
Bonds	24	540	539
Lease liabilities	24	120	—
Other interest-bearing debts	24	148	304
Income tax liabilities		332	349
Provisions for decommissioning and restoration obligations	23	87	63
Other provisions	23	293	355
Other financial liabilities	24	2,818	2,806
Other liabilities	24	903	863
Current liabilities		**9,395**	**9,680**
Liabilities associated with assets held for sale	20	156	22
Total equity and liabilities		**40,375**	**36,961**

Consolidated Statement of Changes in Equity for 2019

Consolidated statement of changes in equity in 2019 [1]

In EUR mn

	Share capital	Capital reserves	Hybrid capital	Revenue reserves	Translation of foreign operations
January 1, 2019	**327**	**1,511**	**1,987**	**8,830**	**(809)**
Net income for the year	—	—	—	1,753	—
Other comprehensive income for the year	—	—	—	(79)	115
Total comprehensive income for the year	**—**	**—**	**—**	**1,674**	**115**
Dividend distribution and hybrid coupon	—	—	—	(673)	—
Disposal of treasury shares	—	3	—	—	—
Share-based payments	—	(8)	—	—	—
Increase/(decrease) in non-controlling interest	—	—	—	—	—
Reclassification of cash flow hedges to balance sheet	—	—	—	—	—
December 31, 2019	**327**	**1,506**	**1,987**	**9,832**	**(694)**

Consolidated statement of changes in equity in 2018 [1]

In EUR mn

	Share capital	Capital reserves	Hybrid capital	Revenue reserves	Translation of foreign operations
January 1, 2018	**327**	**1,517**	**2,231**	**8,006**	**(838)**
Adjustments on initial application of IFRS 9 and IFRS 15	—	—	—	39	—
Adjusted balance January 1, 2018	**327**	**1,517**	**2,231**	**8,045**	**(838)**
Net income for the year	—	—	—	1,516	—
Other comprehensive income for the year	—	—	—	(87)	29
Total comprehensive income for the year	**—**	**—**	**—**	**1,429**	**29**
Capital increase	—	—	496	—	—
Dividend distribution and hybrid coupon	—	—	—	(576)	—
Changes in hybrid capital	—	—	(741)	(60)	—
Disposal of treasury shares	—	4	—	—	—
Share-based payments	—	(11)	—	0	—
Increase/(decrease) in non-controlling interests	—	—	—	(8)	(0)
Reclassification of cash flow hedges to balance sheet [2]	—	—	—	—	—
December 31, 2018	**327**	**1,511**	**1,987**	**8,830**	**(809)**

[1] See Note 21 – OMV equity of the parent

[2] The amount was mainly related to inventories that were already consumed as of December 31, 2018 and consequently recognized in the income statement.

Hedges	Share of other compr. income of equity-accounted investments	Treasury shares	OMV equity of the parent	Non-controlling interests	**Total equity**
39	**26**	**(6)**	**11,905**	**3,436**	**15,342**
—	—	—	1,753	393	**2,147**
46	(8)	—	74	(77)	**(3)**
46	**(8)**	**—**	**1,827**	**316**	**2,144**
—	—	—	(673)	(188)	**(861)**
—	—	2	5	—	**5**
—	—	—	(8)	—	**(8)**
—	—	—	—	287	**287**
(43)	(1)	—	(44)	(0)	**(44)**
41	**18**	**(4)**	**13,012**	**3,851**	**16,863**

Hedges	Share of other compr. income of equity-accounted investments	Treasury shares	OMV equity of the parent	Non-controlling interests	**Total equity**
8	**(27)**	**(8)**	**11,216**	**3,118**	**14,334**
—	3	—	42	0	**42**
8	**(24)**	**(8)**	**11,259**	**3,118**	**14,377**
—	—	—	1,516	477	**1,993**
152	55	—	149	(5)	**144**
152	**55**	**—**	**1,665**	**472**	**2,137**
—	—	—	496	—	**496**
—	—	—	(576)	(161)	**(737)**
—	—	—	(800)	—	**(800)**
—	—	3	7	—	**7**
—	—	—	(10)	—	**(10)**
—	—	—	(9)	7	**(2)**
(122)	(5)	—	(126)	0	**(126)**
39	**26**	**(6)**	**11,905**	**3,436**	**15,342**

Consolidated Statement of Cash Flows for 2019

Consolidated statement of cash flows

In EUR mn

	Note	2019	2018
Net income for the year		**2,147**	**1,993**
Depreciation, amortization and impairments	7	2,430	1,886
Write-up of non-current assets	6	(35)	(106)
Deferred taxes	12	100	298
Current taxes	12	1,207	1,007
Income taxes paid		(1,263)	(831)
Tax refunds		5	2
Losses/(gains) from disposal of non-current assets and businesses	6, 9	(7)	(2)
Income from equity-accounted investments and other dividend income	6, 18, 31	(391)	(411)
Dividends received from equity-accounted investments and other companies		354	437
Interest expense	11, 31	170	131
Interest paid		(160)	(149)
Interest income	11, 31	(145)	(108)
Interest received		63	44
Increase/(decrease) in personnel provisions	23	(59)	(54)
Increase/(decrease) in provisions	23	35	(8)
Other changes	26	(187)	93
Sources of funds		**4,264**	**4,223**
Decrease/(increase) in inventories	17	(260)	(73)
Decrease/(increase) in receivables	18, 19	372	(1,041)
Increase/(decrease) in liabilities	24	(320)	1,287
Changes in net working capital components		**(208)**	**173**
Cash flow from operating activities		**4,056**	**4,396**
Investments			
Intangible assets and property, plant and equipment	3, 14, 15	(2,158)	(3,193)
Investments, loans and other financial assets	3, 18	(2,265)	(305)
Acquisitions of subsidiaries and businesses net of cash acquired	3	(460)	(357)
Disposals			
Proceeds in relation to non-current assets		209	60
Proceeds from the sale of subsidiaries and businesses, net of cash disposed	3	36	442
Cash flow from investing activities		**(4,638)**	**(3,353)**
Increase in long-term borrowings	26	1,376	1,011
Repayments of long-term borrowings	26	(980)	(1,805)
Increase/(decrease) in short-term borrowings	26	(22)	102
Dividends paid to OMV equity holders	21	(673)	(621)
Dividends paid to non-controlling interests	22	(186)	(158)
Increase hybrid bond	21	—	496
Cash flow from financing activities		**(484)**	**(975)**
Effect of foreign exchange rate changes on cash and cash equivalents		(22)	(22)
Net increase/(decrease) in cash and cash equivalents		**(1,088)**	**45**
Cash and cash equivalents at beginning of year	26	4,026	3,981
Cash and cash equivalents at end of year	26	2,938	4,026
Thereof cash disclosed within Assets held for sale		7	—
Cash and cash equivalents presented in the consolidated statement of financial position	26	**2,931**	**4,026**

Notes to the Consolidated Financial Statements

Basis of Preparation and Accounting Policies

1 Basis of preparation

OMV Aktiengesellschaft (registered in the Austrian Register of Companies with its office based at Trabrennstraße 6–8, 1020 Vienna, Austria), is an integrated, international oil and gas company with activities in Upstream and Downstream.

These financial statements have been prepared and are in **compliance with International Financial Reporting Standards (IFRSs) as adopted by the EU and in accordance with the supplementary accounting regulations pursuant to Sec. 245a, Para. 1 of the Austrian Commercial Code (UGB).** The financial year corresponds to the calendar year.

The consolidated financial statements are in general based on the historical cost principle, except for certain items that have been measured at fair value as described in Note 2 – Accounting policies, judgements and estimates.

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

The consolidated financial statements comprise the financial statements of OMV Aktiengesellschaft and the entities it controls (its subsidiaries) as at December 31, 2019. The financial statements of all consolidated companies are prepared in accordance with uniform group-wide accounting policies. A list of subsidiaries, equity-accounted investments and other investments is included under Note 38 – Direct and indirect investments of OMV Aktiengesellschaft – including consolidation method, business segment, place of business and interest held by OMV.

The consolidated financial statements for 2019 were approved and released for publication by the Supervisory Board on March 11, 2020.

2 Accounting policies, judgements and estimates

1) First-time adoption of new or amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the changes as described below.

The Group has initially adopted IFRS 16 Leases starting with January 1, 2019. The effects of this standard are described in the following chapter.

Additionally, the Group has adopted the following amended standards and interpretations with a date of initial application of January 1, 2019:

- Amendments to IFRS 9 Prepayment Features with Negative Compensation
- Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures
- Annual Improvements to IFRS Standards 2015-2017 Cycle (amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23)
- Amendments to IAS 19 Plan Amendment, Curtailment or Settlement
- IFRIC 23 Uncertainty over Income Tax Treatments

These amendments did not have a material impact on the consolidated financial statements of the Group.

2) IFRS 16 Leases

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

On transition to IFRS 16, OMV applied the practical expedient to grandfather the assessment of which transactions are leases. This means it applied

IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under the previous standard were not reassessed for whether they are leases. Additionally, OMV did not recognize any right-of-use assets and lease liabilities for contracts that expire in 2019 because they are treated as short-term leases.

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

OMV initially applied IFRS 16 on January 1, 2019, using the modified retrospective approach for transition, thus not restating comparative amounts for the comparative period presented. The right-of-use assets for previous operating leases were measured at the date of initial application at the amount of the lease liability, adjusted by prepaid or accrued lease payments as well as existing onerous contract provisions for operating leases. The lease liabilities were measured at the present value of the lease payments over the remaining lease term, discounted using the incremental borrowing rate as of January 1, 2019. The weighted average lessee's incremental borrowing rate applied to these lease liabilities on January 1, 2019, was 0.94%.

The first-time application of IFRS 16 resulted in recognizing EUR 688 mn as right-of-use assets and EUR 706 mn as lease liabilities for previous operating leases. For leases previously classified as finance leases the Group recognized the carrying amount of the lease asset and lease liability before transition as the carrying amount of the right-of-use asset and lease liability at the date of initial application. In the consolidated statement of financial position, the right-of-use assets are presented within property, plant and equipment and lease liabilities as a separate position.

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

In EUR mn

	January 1, 2019
Future minimum lease payments under non-cancellable operating leases as at December 31, 2018	**480**
less minimum lease payments for short-term leases	(27)
less minimum lease payments for low value leases	(2)
plus minimum lease payments under reasonably certain prolongation or termination options	314
Gross lease liability for previously unrecognized operating lease commitments as at January 1, 2019	**765**
less discounting effect as at January 1, 2019	(60)
Lease liability for previously unrecognized operating lease commitments as at January 1, 2019	**706**
Finance lease liability recognized as at 31 December, 2018	**288**
Lease liability recognized as at January 1, 2019	**994**

3) Amendment to IAS 12 Income taxes

The Annual Improvements to IFRS Standards 2015–2017 Cycle included a change in IAS 12 Income taxes, which requires that the income tax consequences of dividends shall be recognized in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events, which form the basis for the dividend payments.

The hybrid capital in OMV represents equity under IFRS and accordingly the interest payments to the hybrid capital owners are treated as dividends. As the profits distributed to hybrid capital owners are tax deductible, the tax consequences according to the new provision need to be recognized in profit or loss, whilst in the past the tax effects of such dividend payments were recognized directly in equity.

Because of the tax loss situation of the Austrian tax group (see Note 12 – Taxes on income and profit and Note 25 – Deferred tax) the hybrid capital interests did not lead to current tax savings but increased the tax loss carry forwards. According to the tax planning no deferred tax assets had been created for tax losses carryforward for 2018 and the years before.

4) New and revised standards not yet mandatory

OMV has not applied the following new or revised IFRSs that have been issued but are not yet effective. They are not expected to have any material effects on the Group's financial statements.
EU endorsement is still pending in some cases.

Standards and amendments	IASB effective date
Amendment to IFRS 3 Business Combinations	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform	January 1, 2020
Amendments to IAS 1 and IAS 8 Definition of Material	January 1, 2020
Amendments to References to the Conceptual Framework in IFRS Standards	January 1, 2020
IFRS 17 Insurance Contracts	January 1, 2021
Amendments to IAS 1 Classification of Liabilities as Current and Non-Current	January 1, 2022

5) Significant accounting policies, judgements and assumptions

Use of estimates and judgements

Preparation of the consolidated financial statements requires management to make estimates and judgements that affect the amounts reported for assets, liabilities, income and expenses, as well as the amounts disclosed in the notes. These estimates and assumptions are based on historical experience and other factors that are deemed reasonable at the date of preparation of these financial statements. Actual outcomes could differ from these estimates. The estimates and assumptions having the most significant impact on OMV Group results are highlighted below and should be read together with the relevant notes mentioned. Significant estimates and assumptions have been made particularly with respect to oil and gas reserves, provisions for decommissioning and restoration obligations, provisions for onerous contracts and the recoverability of intangible assets and property, plant and equipment and other financial assets, which mainly refer to the contractual position towards Gazprom with regard to the reserves redetermination of Yuzhno Russkoye field and the expenditure recoverable from the Romanian State related to decommissioning, restoration and environmental obligations.

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. Assets and liabilities of subsidiaries acquired are included at their fair value at the time of acquisition. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Any contingent consideration is measured at fair value at the date of acquisition. Contingent consideration classified as financial asset or liability is subsequently measured at fair value with the changes in fair value recognized in profit or loss.

Goodwill is calculated as the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interest and the fair value of the equity previously held by OMV in the acquired entity over the net identifiable assets acquired and liabilities assumed. Goodwill is recorded as an asset and tested for impairment at least yearly. Impairments are recorded immediately through profit or loss, subsequent write-ups are not possible. Any gain on a bargain purchase is recognized in profit or loss immediately.

b) Sales revenue

Revenue is generally recognized when control over a product or a service is transferred to a customer. It is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

When goods such as crude oil, LNG, oil products and similar goods are sold, the delivery of each quantity unit normally represents a single performance obligation. Revenue is recognized when control of the goods has transferred to the customer, which is the point in time when legal ownership as well as the risk of loss has passed to the customer and is determined on the basis of the Incoterm agreed in the contract with the customer. These sales are done with normal credit terms according to the industry standard.

Revenue from the production of crude oil, in which OMV has an interest with other producers, is recognized according to the sales method. This means that revenue is recognized based on the actual sales to third parties, regardless of the Group's percentage interest or entitlement. An adjustment of production costs is recognized at average cost for the difference between the costs associated with the output sold and the costs incurred based on entitlement to output, with a counter entry in the other assets or liabilities.

In the Downstream Oil retail business, revenues from the sale of fuels are recognized when products are supplied to the customers. Depending on whether OMV is principal or agent in the sale of shop merchandise, revenue and costs related to such sales are presented gross or net in the income statement. OMV is principal if it controls the goods before they are transferred to the customer, which is mainly indicated by OMV having the inventory risk. At filling stations, payments are due immediately at the time of purchase.

OMV's gas and power supply contracts include a single performance obligation which is satisfied over the agreed delivery period. Revenue is recognized according to the consumption by the customer and in line with the amount to which OMV has a right to invoice. Only in exceptional cases long-term gas supply contracts contain stepped prices in different periods where the rates do not reflect the value of the goods at the time of delivery. In these cases revenue is recognized based on the average contractual price.

In some customer contracts for the delivery of natural gas, the fees charged to the customer comprise a fixed charge as well as a variable fee depending on the volumes delivered. These contracts contain only one performance obligation which is to stand-ready for the delivery of gas over a certain period. The revenue from the fixed charges and the variable fees is recognized in line with the amount chargeable to the customer. Gas and power deliveries are billed and paid on a monthly basis.

Gas storage and gas transportation contracts contain a stand-ready obligation for providing storage or transportation services over an agreed period of time. Revenue is recognized according to the amount to which OMV has a right to invoice. These services are billed and paid on a monthly basis.

There are some customer contracts in OMV for the delivery of oil and gas as well as for the provision of gas storage and transportation services which have a term of more than one year. In principle, IFRS 15 requires the disclosure of the total amount of transactions prices allocated to unperformed performance obligations for such contracts. Contracts for the delivery of oil contain variable prices based on market prices as at delivery date, as it is common in the oil industry. For these contracts it is, therefore, not possible to allocate the transaction price to unsatisfied performance obligations. For gas delivery and gas storage and transportation contracts OMV applies the practical expedient according to IFRS 15.121 (b) according to which this information need not be disclosed for contracts where revenue is recognized in the amount to which the entity has a right to invoice. OMV, therefore, does not disclose this information.

c) Other revenues

Sales and purchases of commodities are reported net within other revenues when the forward sales and purchase contracts are determined to be for trading purposes and not for the final physical delivery and therefore are in the scope of IFRS 9.

Other revenues also include an adjustment of revenues from considering the national oil company's profit share as income tax in certain production sharing agreements in the Upstream segment (see 2.5f), realized and unrealized results from hedging of sales transactions as well as lease and rental income.

d) Exploration expenses

Exploration expenses relate exclusively to the business segment Upstream and comprise the costs associated with unproved reserves. These include geological and geophysical costs for the identification and investigation of areas with possible oil and gas reserves and administrative, legal and consulting costs in connection with exploration. They also include all impairments on exploration wells where no proved reserves could be demonstrated. Depreciation of economically successful exploration wells is reported as depreciation, amortization and impairment charges.

e) Research and development

Expenditure related to research activities is recognized as expense in the period in which it is incurred. Research and development (R&D) expenses, which are presented in the income statement within other operating expenses, include all direct and indirect materials, personnel and external services costs incurred in connection with the focused search for new insights related to the development and significant improvement of products, services and processes and in connection with research activities. Development costs are capitalized if the recognition criteria according to IAS 38 are fulfilled.

f) Exploration and production sharing agreements

Exploration and production sharing agreements (EPSAs) are contracts for oil and gas licenses in which the oil or gas production is shared between one or more oil companies and the host country/national oil company in defined proportions. Exploration expenditures are carried by the oil companies as a rule and recovered from the state or the national oil company through so called “cost oil” in a successful case only. Under certain EPSA contracts the host country’s/national oil company’s profit share represents imposed income taxes and is treated as such for purposes of the income statement presentation.

g) Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are recognized at costs of acquisition or construction (including costs of major inspection and general overhauls). The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset when a decommissioning provision is recognized (see 2.5s). Costs for replacements of components are capitalized and carrying values of the replaced parts are derecognized. Costs relating to minor maintenance and repairs are treated as expenses in the year in which they are incurred.

Intangible assets and depreciable property, plant and equipment (except for oil and gas assets and a contract-related intangible asset in Upstream, see 2.5h) are amortized or depreciated on a straight-line basis over the useful economic life.

Useful life		Years
Intangible assets		
Goodwill		Indefinite
Software		3–5
Concessions, licenses, contract-related intangible assets etc.		5–20, contract duration or unit-of production method
Business-specific property, plant and equipment		
Upstream	Oil and gas wells	Unit-of-production method
Downstream Gas	Gas pipelines	30
	Gas power plant	8–30
Downstream Oil	Storage tanks	40
	Refinery facilities	25
	Pipeline systems	20
	Filling stations	5–20
Other property, plant and equipment		
Production and office buildings		20–50
Other technical plant and equipment		10–20
Fixtures and fittings		4–10

h) Oil and gas assets

Upstream activities are recorded using the successful efforts method. The acquisition costs of geological and geophysical studies before the discovery of proved reserves form part of expenses for the period. The costs of wells are capitalized and reported as intangible assets until the existence or absence of potentially commercially viable oil or gas reserves is determined. Wells which are not commercially viable are expensed. The costs of exploration wells whose commercial viability has not yet been determined continue to be capitalized as long as the following conditions are satisfied:

- Sufficient oil and gas reserves have been discovered that would justify completion as a production well.
- Sufficient progress is being made in assessing the economic and technical feasibility to justify beginning field development in the near future.

Exploratory wells in progress at year end which are determined to be unsuccessful subsequent to the statement of financial position date are treated as non-adjusting events, meaning that the costs incurred for such exploratory wells remain capitalized in the financial statements of the reporting period under review and will be expensed in the subsequent period.

License acquisition costs and capitalized exploration and appraisal activities are not amortized as long as they are related to unproved reserves, but tested for impairment when there is an indicator for a potential impairment. Once the reserves are proved and commercial viability is established, the related assets are reclassified into tangible assets. Development expenditure on the construction, installation or completion of infrastructure facilities such as platforms and pipelines and drilling development wells is capitalized within tangible assets. Once production starts, depreciation commences. Capitalized exploration and development costs and support equipment are generally depreciated based on proved developed reserves by applying the unit-of-production method; only capitalized exploration rights and acquired reserves are amortized on the basis of total proved reserves, unless a different reserves basis is more adequate.

Significant estimate: Oil and gas reserves

OMV Group's oil and gas reserves are estimated by the Group's petroleum engineers in accordance with industry standards. In addition, external reviews are performed every two years. In 2018, DeGolyer and MacNaughton (D&M) reviewed the reserves as of December 31, 2017. The results of the external review did not show significant deviations from the internal estimates, except for one case. In order to obtain a reasonable assurance on the reserves numbers of the field with a material deviation to D&M, OMV engaged an independent external specialist to provide an opinion on OMV's approach for determining the reserves, which was deemed appropriate.

Proved reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulation before the time at which the contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain.

Proved oil and gas reserves were estimated based on a 12-month average price, unless prices are defined by contractual arrangements.

The reserves are reassessed by the group at least once per year. Changes to the estimates of proved oil and gas reserves impact prospectively the amount of depletion charged.

Oil and gas reserve estimates have a significant impact on the assessment of recoverability of carrying amounts of oil and gas assets of the Group. Downward revisions of these estimates could lead to impairment of the asset's carrying value and to reduced depreciation expense in the next period.

i) Impairment of non-financial assets

Intangible assets and property, plant and equipment (including oil and gas assets) are tested for impairment whenever events or changes in circumstances indicate that an asset may be impaired. Impairment tests are performed on the level of cash generating units (CGEs) which generate cash inflows that are largely independent of those from other assets or groups of assets.

If assets are determined to be impaired, the carrying amounts are written down to their recoverable amount, which is the higher of fair value less costs of disposal or value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. The pre-tax discount rate is determined by way of iteration. The cash flows are generally derived from the recent budgets and planning calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

The fair value less costs of disposal is determined on the basis of the recent market transactions, if available. If no such transactions can be identified, an appropriate valuation model is used.

If the reasons for impairment no longer apply in a subsequent period, a reversal is recognized in profit or loss. The increased carrying amount related to the reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization and depreciation) had no impairment loss been recognized in prior years.

Significant estimates and judgements: Recoverability of unproved oil and gas assets

There may be cases when costs related to unproved oil and gas properties remain capitalized over longer periods while various appraisal and seismic activities continue in order to assess the size of the reservoir and its commerciality.

Further decisions on the optimum timing of such developments are made from a resource and portfolio point of view. As soon as there is no further intention to develop the discovery, the assets are immediately impaired.

Significant estimates and judgements: Recoverability of intangible assets and property, plant and equipment

Evaluating whether assets or CGUs are impaired or whether past impairments should be reversed, require the use of different estimates and assumptions depending on the business such as oil and gas prices, inflation, discount rates, reserves, production profiles, growth rates, gross margins and spark spreads. The key estimates and assumptions used bear the risk of change due to the inherent volatile nature of the various macroeconomic factors and the uncertainty in asset or CGU specific factors like reserve volumes and production profiles, which can impact the recoverable amount of assets and/or CGUs.

The key valuation assumptions for the recoverable amounts of Upstream assets are the oil and natural gas prices, production volumes, exchange and discount rates. The production profiles were estimated based on past experience and represent management's best estimate of future production. The cash flow projections for the first five years are based on the mid-term plan and thereafter on a "life of field" planning and therefore cover the whole life term of the field.

The nominal oil and gas price assumptions and the EUR-USD exchange rates are listed below:

2019

	2020	2021	2022	2023	2024
Brent oil price (USD/bbl)	60	70	70	75	75
EUR-USD exchange rate	1.15	1.15	1.15	1.15	1.15
Brent oil price (EUR/bbl)	52	61	61	65	65
Realized gas price (EUR/MWh)	12	13	14	15	15

2018

	2019	2020	2021	2022	2023
Brent oil price (USD/bbl)	70	70	75	75	75
EUR-USD exchange rate	1.20	1.20	1.20	1.20	1.20
Brent oil price (EUR/bbl)	58	58	63	63	63
Realized gas price (EUR/MWh)	13	13	13	14	14

The long-term price assumptions from 2025 onwards are derived from the price assumptions for 2024 inflated for the remaining life of each asset. The assumptions used for oil and gas prices for short and medium term are based on management's best estimate and were consistent with external sources. The long-term assumptions were consistent with data provided by external studies and consider long-term views of global supply and demand.

In the Downstream Oil business, besides the discount rates, the recoverable amounts are mainly impacted by the indicator refinery margin and the utilization rate in the refineries and by the integrated margin and sales volumes in retail.

In the Downstream Gas business, besides the discount rates, the main valuation assumptions for the calculation of the recoverable amounts are the spark spreads for power plants and the summer/winter spreads for gas storages.

j) Assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts are to be realized by sale rather than through continued use. This is the case when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets once classified as held for sale are no longer amortized or depreciated.

k) Leases

OMV as a lessee recognizes lease liabilities and right-of-use assets for lease contracts according to IFRS 16. It applies the recognition exemption for short-term leases and leases in which the underlying asset is of low value and therefore does not recognize right-of-use assets and lease liabilities for such leases. Leases to explore for and use oil and natural gas, which comprise mainly land leases used for such activities, are not in the scope of IFRS 16. The rent for these contracts is recognized as expense on a straight-line basis over the lease term.

Non-lease components are separated from the lease components for the measurement of right-of-use assets and lease liabilities. Lease liabilities are recognized at the present value of fixed lease payments and lease payments which depend on an index or rate over the determined lease term with the applicable discount rate. Right-of-use assets are recognized at the value of the lease liability plus prepayments and initial direct costs.

OMV as a lessor entered in contracts which were assessed as operating leases, for which fixed and variable rent is recognized as revenue from rents and leases over the period of the lease.

The provisions of IFRS 16 were applied retrospectively without restating the figures of the comparative period, which continue to be reported under the previous accounting standard for leases IAS 17. Differences between the lease accounting according to IFRS 16 and IAS 17 are disclosed in Section 2 of this note.

Significant estimates and judgements: Leases

OMV has a significant number of contracts in which it leases filling stations. Many of those contracts include prolongation and termination options. Prolongation options or periods after termination options are included in the lease term if it is reasonably certain that the lease is prolonged or not terminated. When determining the lease term the Group takes into account all relevant facts and circumstances that create an economic incentive for shortening or prolonging the lease term using the available options. When assessing the lease term of leases in filling stations for periods covered by prolongation or termination options, the assumption was applied that the lease term will not exceed 20 years.

Optional periods, which have not been taken into account in the measurement of the leases, exist mainly for office buildings and gas storage caverns in Germany because they can only be exercised in the distant future.

l) Associated companies and joint arrangements

Associated companies are those entities in which the Group has significant influence, but not control nor joint control over the financial and operating policies. Joint arrangements, which are arrangements of which the Group has joint control together with one or more parties, are classified into joint ventures or joint operations. Joint ventures are joint arrangements in which the parties that share control have rights to the net assets of the arrangement. Joint operations are joint arrangements in which the parties that share joint control have rights to the assets, and obligations for the liabilities, relating to the arrangement.

Investments in associated companies and joint ventures are accounted for using the equity method, under which the investment is initially recognized at cost and subsequently adjusted for the Group's share of the profit or loss less dividends received and the Group's share of other comprehensive income and other movements in equity.

At each statement of financial position date, investments in associates and joint ventures are reviewed for any objective evidence of impairment. If there is such evidence, the amount of impairment is calculated as the difference between the recoverable amount of the associate or joint venture and its carrying amount and recognized in profit and loss.

Significant joint exploration and production activities in the Upstream segment are conducted through joint operations which are not structured through a separate vehicle. For these joint operations, OMV recognizes in the consolidated financial statements its share of the assets held and liabilities and expenses incurred jointly with the other partners, as well as the group's income from the sale of its share of the output and any liabilities and expenses that the group has incurred in relation to the joint operation. Acquisitions of interests in a joint operation, in which the activity of the joint operation constitutes a business, are accounted for according to the relevant IFRS 3 principles for business combination accounting (see 2.5a).

In addition, there are contractual arrangements similar to joint operations in the Group which are not jointly controlled and therefore do not meet the definition of a joint operation according to IFRS 11. This is the case when the main decisions can be taken by more than one combination of affirmative votes of the involved parties or where one other party has control. OMV assesses whether such arrangements are within or out of scope of IFRS 11 on the basis of the relevant legal arrangements such as concession, license or joint operating agreements which define how and by whom the relevant decisions for these activities are taken. The accounting treatment for these arrangements is basically the same as for joint operations. As acquisitions of interests in such arrangements are not within the scope of IFRS 3, OMV's accounting policy is to treat such transactions as asset acquisitions.

m) Non-derivative financial assets

At initial recognition, OMV classifies its financial assets as subsequently measured at amortized cost, fair value through other comprehensive income (OCI) or fair value through profit or loss. The classification depends both on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. All regular way trades are recognized and derecognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Debt instruments are measured **at amortized cost** if both of the following conditions are met:

- the asset is held within the business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method less any impairment losses. Interest income, impairment losses and gains or losses on derecognition are recognized in profit or loss.

OMV recognizes allowances for expected credit losses (ECLs) for all financial assets measured at amortized costs. The ECL calculation is based on external or internal credit ratings of the counterparty and associated probabilities of default. Available forward-looking information is taken into account, if it has a material impact on the amount of valuation allowance recognized.

ECLs are recognized in two stages. Where there has not been a significant increase in the credit risk since initial recognition, credit losses are measured at 12 month ECLs. The 12 month ECL is the credit loss which results from default events that are possible within the next 12 months. The Group considers a financial asset to have low credit risk when its credit risk rating is equivalent to the definition of 'investment grade'.

Where there has been a significant increase in the credit risk since initial recognition, a loss allowance is required for the lifetime ECL, i.e. the expected credit losses resulting from possible default events over the expected life of a financial asset. For this assessment, OMV considers all reasonable and supportable information that is available without undue cost or effort. Furthermore, OMV assumes that the credit risk on a financial asset has significantly increased if it is more than 30 days past due. If the credit quality improves for a lifetime ECL asset, OMV reverts to recognizing allowances on a 12 month ECL basis. A financial asset is considered to be in default when the financial asset is 90 days past due unless there is reasonable and supportable information that demonstrates that a more lagging default criterion is appropriate. A financial asset is written off when there is no reasonable expectation that the contractual cash flows will be recovered.

For trade receivables and contract assets from contracts with customers a simplified approach is adopted, where the impairment losses are recognized at an amount equal to lifetime expected credit losses. In case there are credit insurances or securities held against the balances outstanding, the ECL calculation is based on the probability of default of the insurer/securer for the insured/secured element of the outstanding balance and the remaining amount will take the probability of default of the counterparty.

Non-derivative financial assets classified as **at fair value through profit or loss** include trade receivables from sales contracts with provisional pricing and investment funds because the contractual cash flows do not represent solely payments of principal and interest on the principal amount outstanding.

Furthermore, this measurement category includes portfolios of trade receivables held with an intention to sell them. These assets are measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

Equity instruments may be elected irrevocably as measured **at fair value through OCI** if they are not held for trading. OMV elected to classify its non-listed equity investments which are held for strategic purposes under this category. Gains and losses on equity investments measured at FVOCI are never recycled to profit or loss and they are not subject to impairment assessment. Dividends are recognized in profit or loss unless they represent a recovery of part of the cost of an investment.

OMV derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Significant estimates and judgements: Fair value and recoverability of financial assets

The management is periodically assessing the receivable related to expenditure recoverable from the Romanian State related to obligations for decommissioning and restoration costs in OMV Petrom SA. The assessment process is considering inter alia the history of amounts claimed, documentation process related requirements, potential litigation or arbitration proceedings.

In 2017, as part of the acquisition of the interest in Yuzhno Russkoye gas field, OMV took over a contractual position towards Gazprom with regard to the reserves redetermination. The volume of gas reserves in Yuzhno Russkoye field is contractually agreed and, in case the reserves are higher or lower than what was assumed in the agreement, either OMV could be obligated to compensate Gazprom (but would profit in the future from higher sales volumes) or Gazprom could be obligated to compensate OMV. The payment for the reserve redetermination is linked to the actual amount of the gas reserves. The actual volume of gas reserves in Yuzhno Russkoye is expected to be agreed in 2023. The estimated volume of gas reserves in the field is assumed by OMV to be lower than the contractually agreed volume and is based on the assessment of the Group's petroleum engineers (see Note 18 – Financial Assets – for more details).

n) Derivative financial instruments and hedge accounting

Derivative instruments are used to hedge risks resulting from changes in currency exchange rates and commodity prices. Derivative instruments are recognized at fair value. Unrealized gains and losses are recognized as income or expense, except where hedge accounting according to IFRS 9 is applied.

Those derivatives qualifying and designated as hedges are either (i) a fair value hedge when hedging exposure to changes in the fair value of a recognized asset or liability or (ii) a cash flow hedge when hedging exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction.

For cash flow hedges, the effective part of the changes in fair value is recognized in other comprehensive income, while the ineffective part is recognized immediately in the income statement. Where the hedging of cash flows results in the recognition of a non-financial asset or liability, the carrying value of that item will be adjusted for the accumulated gains or losses recognized directly in OCI.

Contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, are accounted for as financial instruments and measured at fair value. Associated gains or losses are recognized in profit or loss. However, contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are not accounted for as derivative financial instruments, but rather as executory contracts.

o) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualified assets are capitalized until these assets are substantially ready for their intended use or sale. All other costs of borrowing are expensed in the period in which they are incurred.

p) Government grants

Government grants are recognized as income or deducted from the related asset where it is reasonable to expect that the granting conditions will be met and that the grants will be received.

q) Inventories

Inventories are recognized at the lower of cost and net realizable value using the average price method for acquisition or production or the individual costs for not interchangeable goods respectively. Costs of production comprise directly attributable costs as well as fixed and variable indirect material and production overhead costs. Production-related administrative costs, the costs of company pension schemes and voluntary employee benefits are also included. In refineries, a carrying capacity approach is applied according to which the production costs are allocated to product groups on the basis of their relative market values at the end of the period.

In 2019, OMV ceased to apply the special accounting treatment, which was previously applied to inventories held according to compulsory stock obligations in Austria. The additional quantities in crude oil and products held under the Austrian Oil Stockholding Act (2013) were valued using a long-term weighted average price method, applied on the basis of oil equivalents. Quantities exceeding the compulsory stocks were valued at the lower of current production or acquisition costs and the net realizable value. Due to a change in the business model, this method is no longer applied to these stock quantities but they are valued based on the average price method taking into account lower net realizable values. This change was treated prospectively as a change in accounting estimate. This change led to an increase in the carrying amount of inventories and a positive impact on operating result of EUR 92 mn.

r) Cash and cash equivalents

Cash and cash equivalents include cash balances, bank accounts and highly liquid short-term investments with low realization risk, i.e. negligible short-term exchange and interest risks. The maximum maturity at the time of acquisition for such investments is three months.

s) Provisions

A provision is recorded for present obligations against third parties when it is probable that an obligation will occur and the settlement amount can be estimated reliably. Provisions for individual obligations are based on the best estimate of the amount necessary to settle the obligation, discounted to the present value in the case of long-term obligations.

Decommissioning and environmental obligations: The Group's core activities regularly lead to obligations related to dismantling and removal, asset retirement and soil remediation activities. These decommissioning and restoration obligations are principally of material importance in the Upstream segment (oil and gas wells, surface facilities) and in connection with filling stations on third-party property. At the time the obligation arises, it is provided for in full by recognizing the present value of future decommissioning and restoration expenses as a liability. An equivalent amount is capitalized as part of the carrying amount of long-lived assets. Any such obligation is calculated on the basis of best estimates. The unwinding of discounting leads to interest expense and accordingly to increased obligations at each statement of financial position date until decommissioning or restoration. For other environmental risks and measures, provisions are recognized if such obligations are probable and the amount of the obligation can be estimated reliably.

Significant estimates and judgements: Decommissioning provisions

The most significant decommissioning obligations of the Group are related to the plugging of wells, the abandonment of facilities and the removal and disposal of offshore installations. The majority of these activities are planned to occur many years into the future, while decommissioning technologies, costs, regulations and public expectations are constantly changing. Estimates of future restoration costs are based on reports prepared by Group engineers and on past experience. Any significant downward changes in the expected future costs or postponement in the future affect both the provision and the related asset, to the extent that there is sufficient carrying amount, otherwise the provision is reversed to income. Significant upward revisions trigger the assessment of the recoverability of the underlying asset.

Provisions for decommissioning and restoration costs require estimates of discount rates, which have material effects on the amounts of the provision. In case of negative interest rates a discount rate of zero is applied. The real discount rates applied for calculating the provision for decommissioning and restoration costs were between 0.0% and 3.25% (2018: 0.0% and 3.0%).

Pensions and similar obligations: OMV has both defined contribution and defined benefit pension plans in Austria and Germany and defined benefit pension plans New Zealand. In the case of **defined contribution plans**, OMV has no obligations beyond payment of the agreed premiums, and no provision is therefore recognized. The reported expense corresponds to the contributions payable for the period.

In contrast, participants in **defined benefit plans** are entitled to pensions at certain levels and are generally based on years of service and the employee's average compensation. These defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk, inflation risk (as a result of indexation of pension) and market risk. Defined benefit pension obligations are accounted for by recognizing provisions for pensions.

Employees of Austrian Group companies whose service began before December 31, 2002 are entitled to receive severance payments upon termination of employment or on reaching normal retirement age. The entitlements depend on years of service and final compensation levels. Entitlements to severance payments for employees whose service began after December 31, 2002 are covered by defined contribution plans. Similar obligations as entitlement to severance payments also exist in other countries, where the Group provides employment.

Employees in Austria and Germany are entitled to jubilee payments after completion of a given number of years of service. These plans are non-contributory and unfunded.

Provisions for pensions, severance payments and jubilee payments are calculated using the projected unit credit method, which divides the costs of the estimated benefit entitlements over the whole period of employment and thus takes future increases in remuneration into account. Actuarial gains and losses for defined benefit pension and severance payment obligations are recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are not reclassified to profit or loss in subsequent periods. Actuarial gains and losses on obligations for jubilee payments are recognized in profit or loss. Net interest expense is calculated on the basis of the net defined benefit obligation and disclosed as part of the financial result. Differences between the return on plan assets and interest income on plan assets included in the net interest expense is recognized in other comprehensive income.

Provisions for voluntary and mandatory separations under restructuring programs are recognized if a detailed plan has been approved by management and communicated to those affected prior to the statement of financial position date and an irrevocable commitment is thereby established. Voluntary modifications to employees' remuneration arrangements are recognized on the basis of the expected number of employees accepting the employing company's offer. Provisions for obligations related to individual separation agreements which lead to fixed payments over a defined period of time are recognized at the present value of the obligation.

Significant estimates and judgements: Pensions and similar obligations

The projected unit credit method calculation of provisions for pensions, severance and jubilee entitlements requires estimates for discount rates, future increases in salaries and future increases in pensions. For current actuarial assumptions for calculating expected defined benefit entitlements and their sensitivity analysis see Note 23 – Provisions.

The biometrical basis for the calculation of provisions for pensions, severance and jubilee entitlements of Austrian Group companies is provided by AVÖ 2018 P – Rechnungsgrundlagen für die Pensionsversicherung (Biometric Tables for Pension Insurance) – Pagler & Pagler, using the variant for salaried employees. In other countries, similar actuarial parameters are used. Employee turnover was computed based on age or years of service respectively. The expected retirement age used for calculations is based on the relevant country's legislation.

Provisions for onerous contracts: If onerous contracts exist in which the unavoidable costs of meeting a contractual obligation exceed the economic benefits expected to be received under the contract, provisions are recognized at the lower amount of the cost of fulfilling the contract and any potential penalties or compensation arising in the event of non-performance.

Significant estimates and judgements: Provisions for onerous contracts
OMV concluded in the past several long-term, non-cancellable contracts that became onerous due to negative development of market conditions. This led to the recognition of onerous contract provisions in the Group's financial statements for the unavoidable costs of meeting the contract obligations.

The estimates used for calculating the positive contributions that partly cover the fixed costs were based on external sources and management expectations. For more details on the significant provisions see Note 23 – Provisions.

Emission allowances received free of cost from governmental authorities (EU Emissions Trading Scheme for greenhouse gas emissions allowances) reduce financial obligations related to CO_2 emissions; provisions are recognized only for shortfalls (see Note 23 – Provisions).

t) Non-derivative financial liabilities
Liabilities are carried at amortized cost, with the exception of derivative financial instruments, which are recognized at fair value. Long-term liabilities are discounted using the effective interest rate method.

u) Taxes on income including deferred taxes
In addition to corporate income taxes and trade earnings taxes, typical upstream taxes from oil and gas production like the country's/national oil company's profit share for certain EPSAs (see 4.5f) are disclosed as income taxes. Deferred taxes are recognized for temporary differences.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the unused tax losses, unused tax credits and deductible temporary differences can be utilized.

Significant estimates and judgements: Recoverability of deferred tax assets
The recognition of deferred tax assets requires an assessment of when those assets are likely to reverse, and a judgement as to whether or not there will be sufficient taxable profits available to offset the assets when they reverse. This assessment of recoverability requires assumptions regarding future profits and is therefore uncertain. In OMV, this assessment is based on detailed tax plannings which covers in Upstream entities the whole life of field and a five year period in the other entities.

Changes in the assumptions regarding future profits can lead to an increase or decrease of the amount of deferred tax assets recognized which has an impact on the net income in the period in which the change occurs.

Deferred tax assets and liabilities at Group level are shown net where there is a right of set-off and the taxes relate to matters subject to the same tax jurisdiction.

v) Long Term Incentive (LTI) Plans and Equity Deferral
The fair value of share-based compensation expense arising from the Long-term Incentive Plan (LTIP) – OMV's main equity settled plan – is estimated using a model which is based on the expected target achievements and the expected share prices. For cash-settled awards, a provision based on the fair value of the amount payable is built up over the vesting period, so that by the end of the vesting period the fair value of the bonus shares to be granted is fully provided for. The provision is remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognized in profit or loss. For share settled awards, the grant date fair value is recognized as an expense (including income tax), with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as expense is adjusted to subsequent changes in parameters other than market parameters. In addition, the Equity Deferral part of the annual bonus is settled in shares. Accordingly, the related expense is recognized against equity. For share-based awards, the award is settled net of tax to the participants.

w) Fair value measurement

The fair value is the amount for which an asset or liability could be transferred at the measurement date, based on the assumption that such transfers take place between participants in principal markets and, where applicable, taking highest and best use into account.

Fair values are determined according to the following hierarchy:

Level 1: Quoted prices in active markets for identical assets or liabilities. For OMV Group this category will, in most cases, only be relevant for securities, bonds, investment funds and futures contracts.

Level 2: Valuation technique using directly or indirectly observables inputs. In order to determine the fair value for financial instruments within Level 2, usually forward prices of crude oil or natural gas, interest rates and foreign exchange rates are used as inputs to the valuation model. In addition counterparty credit risk as well as volatility indicators, if applicable, are taken into account.

Level 3: Valuation techniques such as discounted cash flow models using significant unobservable inputs (e.g. long-term price assumptions and reserves estimates).

6) Foreign currency translation

Monetary foreign currency balances are measured at closing rates, and exchange gains and losses accrued at statement of financial position date are recognized in the income statement.

The financial statements of Group companies with functional currencies different from the Group's presentation currency are translated using the closing rate method. Differences arising from statement of financial position items translated at closing rates are disclosed in other comprehensive income. Income statement items are translated at average rates for the period. The use of average rates for the income statement creates additional differences compared to the application of the closing rates in the statement of financial position which are directly adjusted in other comprehensive income.

The main rates applied in translating currencies to EUR were as follows:

Foreign currency translation

	2019		2018	
	Statement of financial position date	Average	Statement of financial position date	Average
Bulgarian lev (BGN)	1.956	1.956	1.956	1.956
Czech crown (CZK)	25.408	25.671	25.724	25.647
Hungarian forint (HUF)	330.530	325.300	320.980	318.890
New Zealand dollar (NZD)	1.665	1.700	1.706	1.707
Norwegian krone (NOK)	9.864	9.851	9.948	9.598
Romanian leu (RON)	4.783	4.745	4.664	4.654
Russian ruble (RUB)	69.956	72.455	79.715	74.042
US dollar (USD)	1.123	1.120	1.145	1.181

3 Changes in group structure

A full list of OMV investments as well as changes in consolidated group can be found in Note 38 – Direct and indirect investments of OMV Aktiengesellschaft. Major changes in consolidated Group are described below.

Changes in consolidated Group – Upstream

On January 31, 2019, OMV bought a 50% stake of the issued share capital in SapuraOMV Upstream Sdn. Bhd. for an amount of USD 540 mn (subject to customary closing adjustments). SapuraOMV Upstream Sdn. Bhd. and its subsidiaries are fully consolidated because OMV has the power over the relevant activities of these entities. Although the day-to-day activities are basically managed jointly by OMV and the other shareholder, OMV has casting votes for the decisions relevant for control such as in particular determining and approving the annual budget and the update of the mid-term planning.

In addition, the parties agreed to an additional consideration of up to USD 85 mn based on certain conditions, mainly linked to the resource volume in Block 30, Mexico, at the time the final investment decision is taken. No liability was recognized at the time of acquisition. Both parties have also agreed to refinance the intercompany debt of USD 350 mn existing at the time of acquisition (shown in the line "Repayments of long-term borrowings" in the cash flow statement).

The acquisition was an additional important step in establishing Asia-Pacific as the fifth OMV core region. Alongside future growth in daily production in Malaysian offshore gas fields, this transaction will also give OMV access to exploration blocks in New Zealand, Australia and Mexico.

Acquired net assets and goodwill calculation

The non-controlling interest in SapuraOMV Upstream Sdn. Bhd. is measured at its proportionate share of the acquiree's identifiable net assets. The goodwill is mostly related to the deferred tax liability recognized for the differences in book and tax values of the assets acquired. The goodwill is not deductible for income tax purposes. The fair value of the net assets acquired, as well as the goodwill calculation, are detailed in the following tables. The fair value of the trade receivables substantially matched their carrying amount, and all contractual cash flows less immaterial credit loss effects are expected to be collected. The purchase price is still subject to customary closing adjustments, however no material impact is expected. The consideration disclosed below includes the best estimate of the expected purchase price.

Fair values acquired

In EUR mn

	SapuraOMV
Intangible assets	679
Property, plant and equipment	604
Non-current assets	**1,283**
Inventories	6
Trade receivables	18
Other financial assets	44
Other assets	10
Cash and cash equivalents	12
Current assets	**90**
Total assets	**1,372**
Lease liabilities	5
Other interest-bearing debts	305
Decommissioning and restoration obligations	69
Deferred taxes	336
Non-current liabilities	**715**
Other interest-bearing debts	9
Trade payables	49
Income tax liabilities	10
Other financial liabilities	9
Other liabilities	5
Current liabilities	**83**
Total liabilities	**798**
Net assets	**574**
Non-controlling interests	(287)
Net assets acquired	**287**

Measurement of goodwill

In EUR mn

	SapuraOMV
Consideration	479
FX hedge effect	2
Net assets acquired	287
Goodwill	**195**

In 2019, SapuraOMV contributed EUR 171 mn to consolidated sales and EUR (36) mn to consolidated net income of OMV Group since its inclusion. If the acquisition had already taken place at the beginning of the year, the calculated value of the sales and net income contribution of SapuraOMV to the OMV Group would have been EUR 186 mn and EUR (39) mn, respectively.

Changes in consolidated Group – Downstream

On July 31, 2019, OMV and ADNOC, the Abu Dhabi National Oil Company, closed the strategic equity partnerships covering both the existing ADNOC Refining business and a new Trading Joint Venture. The shareholder structure for both, the ADNOC Refining and the Trading Joint Venture, is OMV 15%, Eni 20% and ADNOC the remaining 65%. The purchase price for OMV amounted to USD 2.43 bn. OMV has significant influence in the companies and accounts for them using the equity method. The purchase price including a positive FX hedging impact of EUR 43 mn and transaction costs amounted in total to EUR 2,150 mn and was capitalized in the line “Equity-accounted investments” in the balance sheet. The purchase price includes a deferred consideration of USD 60 mn which is reflected in other short-term financial liabilities.

Cash flow impact of major acquisitions

The cash flow from investing activities contained EUR 460 mn cash outflow related to the acquisition of SapuraOMV Upstream Sdn. Bhd., reflected in the line “Acquisition of subsidiaries and businesses net of cash acquired” as detailed in the below table.

Net cash outflows related to the acquisition of subsidiaries and businesses

In EUR mn

	SapuraOMV
Consideration paid	472
less cash acquired	(12)
Net cash outflows from subsidiaries and businesses acquired	**460**

The line “Investments, loans and other financial assets” in the cash flow statement contains a cash outflow of EUR 2,095 mn related to the acquisition of the ADNOC Refining business.

Segment Reporting

4 Segment Reporting

Business operations and key markets

For business management purposes, OMV is divided into two operating Business Segments: Upstream and Downstream, as well as the segment Corporate and Other (Co&O). Each segment represents a strategic unit with different products and markets. Each Business Segment is managed independently. Strategic business decisions are made by the Executive Board of OMV. With the exception of Co&O, the reportable segments of OMV are the same as the operating segments.

Upstream (U/S) engages in the business of oil and gas exploration, development and production and focuses on the regions Central and Eastern Europe, North Sea, Russia, Middle East and Africa and Asia-Pacific.

The Downstream Oil (D/S Oil) part of the **Downstream** (D/S) Business Segment refines and markets crude, petrochemicals and other feedstock. It operates the refineries Schwechat (Austria), Burghausen (Germany) and Petrobrazi (Romania) with an annual capacity of 17.8 mn t. In these refineries, crude oil is processed into petroleum products, which are sold to commercial and private customers. OMV holds a strong position in the markets located within the areas of its supply, serving commercial customers and operating a retail network of approximately 2,100 filling stations. OMV holds minority stakes in various equity-accounted refining and petrochemicals investments, the most important being the 36% interest in Borealis AG and the 15% participation in ADNOC Refining (United Arab Emirates) with annual capacity of 7.1 mn t OMV share (see Note 16 – Equity accounted investments).

Downstream Gas (D/S Gas) operates across the gas value chain with a successful gas sales and logistics business in Europe. OMV is operating storage capacities in Austria and Germany and holds a stake in GAS CONNECT AUSTRIA GmbH which engages in the regulated gas transportation business in Austria. Downstream Gas activities also cover supply, marketing and trading of gas in Europe and Turkey and the Group’s power business activities, with one gas-fired power plant in Romania.

Group management, financing and insurance activities and certain service functions are concentrated in the **Co&O** segment.

The key measure of operating performance for the Group is Clean CCS Operating Result. Total assets include intangible assets as well as property, plant and equipment. Sales to external customers are split up by geographical areas on the basis of where the delivery of goods or services is effective. Accounting policies of the operating segments are the same as those described in the summary of significant accounting policies, with certain exceptions for intra-group sales and cost allocations by the parent company, which are determined in accordance with internal OMV policies. Management is of the opinion that the transfer prices of goods and services exchanged between segments correspond to market prices. Business transactions not attributable to operating segments are included in the results of the Co&O segment.

The disclosure of special items is considered appropriate in order to facilitate analysis of ordinary business performance. To reflect comparable figures, certain items affecting the result are added back or deducted. These items can be divided into four subcategories: personnel restructuring, unscheduled depreciation and write-ups, asset disposals 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 result. The CCS effect, also called inventory holding gains and losses, is the difference between the cost of sales calculated using the current cost of supply based on purchases from the most recent month and the cost of sales calculated using the weighted average method, after adjusting for any changes in valuation allowances. In volatile energy markets, measurement of the costs of petroleum products sold based on historical values (e.g. weighted average cost) can have distorting effects on reported results. This performance measurement indicator enhances the transparency of results and is commonly used in the oil industry. OMV, therefore, publishes this measure in addition to the Operating Result determined according to IFRS.

Segment reporting

In EUR mn

	2019								
	U/S	D/S	thereof D/S Oil	thereof D/S Gas	thereof intraseg-mental elim. D/S	Co&O	**Total**	Consoli-dation	**OMV Group**
Sales revenues [1]	6,239	20,958	15,085	5,976	(103)	345	**27,542**	(4,081)	**23,461**
Intra-group sales	(3,656)	(84)	(46)	(141)	103	(341)	**(4,081)**	4,081	**—**
External sales revenues	**2,583**	**20,874**	**15,039**	**5,835**	**—**	**4**	**23,461**	**—**	**23,461**
Other operating income	157	98	66	32	—	60	**315**	—	**315**
thereof write-up of tangible and intangible assets	35	0	0	—	—	—	**35**	—	**35**
Net income from equity-accounted investments	45	341	327	14	—	—	**386**	—	**386**
Depreciation and amortization	1,604	544	474	70	—	37	**2,186**	—	**2,186**
Impairment losses (incl. exploration & appraisal)	211	32	19	13	—	0	**243**	—	**243**
Operating Result	**1,879**	**1,847**	**1,560**	**287**	**—**	**(91)**	**3,636**	**(54)**	**3,582**
Special items for personnel restructuring	17	5	5	0	—	11	**34**	—	**34**
Special items for unscheduled depreciation and write-ups	9	30	18	12	—	—	**39**	—	**39**
Special items for asset disposal	(3)	(1)	(2)	1	—	—	**(5)**	—	**(5)**
Other special items	48	(65)	54	(119)	—	13	**(4)**	—	**(4)**
Special items	**71**	**(31)**	**74**	**(106)**	**—**	**24**	**64**	**—**	**64**
CCS effect	—	(139)	(139)	—	—	—	**(139)**	29	**(110)**
Clean CCS Operating Result	**1,951**	**1,677**	**1,495**	**182**	**—**	**(67)**	**3,561**	**(25)**	**3,536**
Segment assets [2]	15,049	5,315	4,341	974	—	277	**20,642**	—	**20,642**
Additions in PPE/IA [3]	2,046	632	544	88	—	73	**2,751**	—	**2,751**
Equity-accounted investments	457	4,695	4,635	59	—	—	**5,151**	—	**5,151**

[1] Including intra-group sales
[2] Property, plant and equipment (PPE), intangible assets (IA), not including assets reclassified to assets held for sale
[3] Excluding additions in assets reclassified to held for sale

Segment reporting

In EUR mn

	2018									
	U/S	D/S	thereof D/S Oil	thereof D/S Gas	thereof intrasegmental elim. D/S	Co&O	**Total**	Consolidation	**OMV Group**
Sales revenues [1]	5,556	20,830	14,755	6,215	(139)	339	**26,725**	(3,795)	**22,930**
Intra-group sales	(3,386)	(74)	(48)	(166)	139	(335)	**(3,795)**	3,795	**—**
External sales revenues	**2,170**	**20,756**	**14,707**	**6,049**	**—**	**4**	**22,930**	**—**	**22,930**
Other operating income	329	127	59	69	—	61	**517**	—	**517**
thereof write-up of tangible and intangible assets	106	1	1	—	—	—	**106**	—	**106**
Net income from equity-accounted investments	40	352	327	25	—	—	**391**	—	**391**
Depreciation and amortization	1,231	467	398	69	—	20	**1,718**	—	**1,718**
Impairment losses (incl. exploration & appraisal)	165	3	3	—	—	0	**168**	—	**168**
Operating Result	**2,122**	**1,420**	**1,402**	**18**	**—**	**(47)**	**3,495**	**28**	**3,524**
Special items for personnel restructuring	11	4	3	1	—	24	**40**	—	**40**
Special items for unscheduled depreciation and write-ups	(52)	1	1	—	—	—	**(51)**	—	**(51)**
Special items for asset disposal	(2)	(3)	(4)	1	—	2	**(3)**	—	**(3)**
Other special items	(52)	216	32	184	—	—	**164**	—	**164**
Special items	**(95)**	**219**	**33**	**185**	**—**	**26**	**149**	**—**	**149**
CCS effect	—	4	4	—	—	—	**4**	(31)	**(27)**
Clean CCS Operating Result	**2,027**	**1,643**	**1,439**	**204**	**—**	**(21)**	**3,649**	**(3)**	**3,646**
Segment assets [2]	13,536	4,755	3,798	957	—	141	**18,432**	—	**18,432**
Additions in PPE/IA [3]	3,003	558	501	56	—	25	**3,585**	—	**3,585**
Equity-accounted investments	428	2,582	2,509	74	—	—	**3,011**	—	**3,011**

[1] Including intra-group sales
[2] Property, plant and equipment (PPE), intangible assets (IA), not including assets reclassified to assets held for sale
[3] Excluding additions in assets reclassified to held for sale

Other special items in Upstream in 2019 mainly comprised the reassessment of reserves redetermination rights related to the field Yuzhno Russkoye partly offset by temporary hedging effects. Downstream other special items consisted of temporary hedging effects in Downstream Gas partly offset by environmental provisions in Romania in Downstream Oil.

2018 Other special items in Upstream included temporary hedging effects of EUR 89 mn, gains from divestments in Pakistan in amount of EUR 52 mn and Tunisia in amount of EUR 39 mn, partly compensated by special items related to the contingent consideration from the divestment of Rosebank and of OMV (U.K.) Limited amounting to EUR (78) mn, mainly as a result of a shift in the expected final investment decision. In Downstream other special items were impacted by divestment of the Samsun power plant in Turkey in amount of EUR (150) mn and by the impairment of the Borealis fertilizer business in amount of EUR (33) mn.

Information on geographical areas

In EUR mn

	2019			2018		
	External sales	Allocated assets [1]	Equity-accounted investments [3]	External sales	Allocated assets [1]	Equity-accounted investments [3]
Austria	6,599	3,452	2,465	6,635	3,046	2,447
Germany	4,962	1,098	29	5,161	962	28
Romania	4,389	6,265	—	3,973	6,165	—
Russia	633	896	134	697	868	92
New Zealand	528	1,199	—	256	1,406	—
United Arab Emirates	488	1,780	2,190	77	1,630	85
Malaysia	122	1,333	—	—	—	—
Rest of CEE [4]	3,564	659	—	3,649	490	14
Rest of Europe	1,379	1,954	10	1,426	2,070	9
Rest of the world [2]	799	1,456	323	1,056	1,448	336
Total	**23,461**	**20,092**	**5,151**	**22,930**	**18,084**	**3,011**
Not allocated assets	—	550	—	—	348	—
Segment assets	**—**	**20,642**	**5,151**	**—**	**18,432**	**3,011**

[1] Property, plant and equipment (PPE), intangible assets (IA), not including assets reclassified to assets held for sale
[2] Rest of world: Principally Australia, Kazakhstan, Japan, Bahrain, China, Nigeria, Libya, Pakistan, Tunisia, Yemen, Singapore, Mexico and Hong Kong
[3] Equity-accounted investments are allocated based on the seat of the registered office of the parent company
[4] Including Turkey

Not allocated assets contained goodwill in amount of EUR 199 mn related to the cash generating unit 'Sapura OMV', EUR 26 mn (2018: EUR 29 mn) related to the cash-generating unit 'Refining West' and EUR 325 mn (2018: EUR 319 mn) related to the cash-generating unit 'Middle East and Africa' as these CGUs are operating in more than one geographical area.

Notes to the Income Statement

5 Sales revenues

Sales revenues

In EUR mn

	2019	2018
Revenues from contracts with customers	22,832	22,607
Revenues from fixed lease payments	17	16
Revenues from variable lease payments	63	62
Revenues from other sources	548	246
Sales revenues	**23,461**	**22,930**

Revenues from contracts with customers

In EUR mn

	Upstream	Downstream Oil	Downstream Gas	Corporate &Other	OMV Group
			2019		
Crude Oil, NGL, condensates	1,228	1,073	—	—	**2,302**
Natural gas and LNG	876	5	4,969	—	**5,849**
Fuel, heating oil and other refining products	—	11,161	—	—	**11,161**
Petrochemicals	—	1,768	—	—	**1,768**
Gas storage, transmission, distribution and transportation	20	4	228	—	**252**
Other goods and services [1]	24	887	588	2	**1,501**
Revenues from contracts with customers	**2,148**	**14,897**	**5,785**	**2**	**22,832**
			2018		
Crude Oil, NGL, condensates	1,181	795	—	—	**1,976**
Natural gas and LNG	744	4	5,136	—	**5,884**
Fuel, heating oil and other refining products	—	11,130	—	—	**11,130**
Petrochemicals	—	1,981	—	—	**1,981**
Gas storage, transmission, distribution and transportation	11	—	207	—	**218**
Other goods and services [1]	39	843	533	2	**1,417**
Revenues from contracts with customers	**1,975**	**14,754**	**5,876**	**2**	**22,607**

[1] Mainly non-oil business in Downstream Oil and power sales in Downstream Gas

6 Other operating income and net income from equity-accounted investments

Other operating income and net income from equity-accounted investments

In EUR mn

	2019	2018
Foreign exchange gains from operating activities	80	95
Gains from fair value changes of financial assets	—	23
Gains on the disposal of businesses, subsidiaries, tangible and intangible assets	21	105
Write-up of tangible and intangible assets	35	106
Residual other operating income	179	188
Other operating income	**315**	**517**
Income from equity-accounted investments	392	394
Expenses from equity-accounted investments	(6)	(2)
Net income from equity-accounted investments	**386**	**391**

Gains on the disposal of businesses, subsidiaries, tangible and intangible assets contained a gain of EUR 11 mn relating to sales of nine marginal fields in Romania.

2018 included a gain of EUR 52 mn related to the disposal of the Upstream companies active in Pakistan and a gain on disposal of the subsidiary OMV Tunisia Upstream GmbH amounting to EUR 39 mn.

Write-up of tangible and intangible assets
On November 18, 2019, OMV agreed to sell its 69% interest in the Maari oil field, located in New Zealand's offshore Taranaki Basin, to Jadestone Energy Inc. This led to the reclassification of the assets and liabilities to "held for sale", which triggered a pre-tax write-up amounting to EUR 34 mn (see Note 20 – Assets and liabilities held for sale).

In 2018, write-ups were mainly related to reversals of past impairments recognized for oil and gas assets in Romania (Asset VII) and Norway (Gudrun) based on value in use calculation (EUR 105 mn).

Residual other operating income 2019 contained income related to clarification of a tax related topic in Romania (EUR 14 mn) as well as storage income related to Erdöl-Lagergesellschaft m.b.H. in amount of EUR 49 mn (2018: EUR 41 mn). 2018 included insurance income related to a damage claim for the Brazi power plant and the gas distribution station Baumgarten in the amount of EUR 34 mn.

Net income from equity-accounted investments decreased slightly to EUR 386 mn and primarily contained the contribution from Borealis amounting to EUR 314 mn (2018: EUR 327 mn).

7 Depreciation, amortization and impairment charges

Impairment losses are part of the income statement line "Depreciation, amortization and impairment charges", except for impairment losses related to exploration and appraisal assets which are shown in "Exploration expenses". The following tables provide a reconciliation to the amounts reported in the income statement.

Depreciation, amortization and impairment losses (excluding exploration & appraisal)

In EUR mn

	2019	2018
Depreciation and amortization	2,186	1,718
Impairment losses (excl. exploration & appraisal)	151	109
Depreciation, amortization and impairment losses (excluding exploration & appraisal)	**2,337**	**1,827**

Impairment losses (including exploration & appraisal)

In EUR mn

	2019	2018
Impairment losses (excl. exploration & appraisal)	151	109
Impairment losses (exploration & appraisal)	92	59
Impairment losses (including exploration & appraisal)	**243**	**168**

Depreciation, amortization and impairment losses – split per function

In EUR mn

	2019	2018
Depreciation and amortization	**2,186**	**1,718**
attributable to exploration expenses	—	—
attributable to production and operating expenses	1,926	1,549
attributable to selling, distribution and administrative expenses	259	169
Impairment losses (incl. exploration & appraisal)	**243**	**168**
attributable to exploration expenses	92	59
attributable to production and operating expenses	125	108
attributable to selling, distribution and administrative expenses	26	2

Impairments in Upstream

In 2019, a divestment process of 40 marginal oil and gas fields in Romania resulted in a pre-tax impairment of property, plant and equipment amounting to EUR 36 mn. For details please see Note 20 – Assets and liabilities held for sale.

Moreover, impairments in 2019 included unsuccessful workovers and obsolete or replaced assets in Romania (EUR 76 mn) as well as impairment losses related to exploration and appraisal (EUR 92 mn) which were mainly related to unsuccessful exploration wells in Romania, Austria, New Zealand and Norway.

In 2018, a sales transaction of OMV´s share in Polarled pipeline and Nyhamna gas processing facilities in the North Sea region was closed and resulted in a pre-tax impairment amounting to EUR 36 mn. Other impairments in 2018 were mainly related to the unsuccessful workovers and obsolete or replaced assets in Romania (EUR 58 mn), unsuccessful exploration wells in Romania, Norway and Bulgaria (EUR 37 mn) as well as to an impaired exploration license in Madagascar (EUR 14 mn) following an exit decision.

Impairments in Downstream

In 2019, the equity-accounted investment in Enerco Enerji Sanayi Ve Ticaret A.Ş. was fully written off following the termination of long term sales contracts, leading to an impairment loss of EUR 12 mn. Other impairments amounted to EUR 20 mn and were mainly related to assets in Downstream Oil. In 2018, there were no significant impairments in the segment.

8 Exploration expenses

The following financial information represents the amounts included within the Group totals relating to exploration for and appraisal of oil and natural gas resources. All such activities are recorded within the Upstream segment.

Exploration for and appraisal of mineral resources

In EUR mn

	2019	2018
Impairment losses (exploration & appraisal)	92	59
Other exploration costs	136	115
Exploration expenses	**229**	**175**
Total assets – exploration and appraisal expenditure incl. acquisition of unproved reserves	2,500	1,906
Net cash used in operating activities	138	133
Net cash used in investing activities [1]	261	474

[1] 2019 figures do not include the acquisition of SapuraOMV Upstream assets in Malaysia (see Note 3 – Changes in group structure – for more details) and 2018 figures do not include the acquisition of Shell's Upstream assets in New Zealand.

9 Other operating expenses

Other operating expenses

In EUR mn

	2019	2018
Foreign exchange losses from operating activities	67	64
Losses on disposals of businesses, subsidiaries, tangible and intangible assets	14	162
Losses from fair value changes of financial assets	5	85
Net impairment losses on financial assets measured at amortized cost	33	11
Personnel reduction schemes	26	34
Research and development expenses	49	40
Residual other operating expenses	128	90
Other operating expenses	**322**	**485**

Losses on the disposal of businesses, subsidiaries, tangible and intangible assets in 2018 mainly consisted of a loss on the divestment of OMV Samsun Elektrik Üretim Sanayi ve Ticaret A.Ş. of EUR 150 mn.

Losses from fair value changes of financial assets were mainly related to the negative re-evaluation of the asset from reserves redetermination rights related to the acquisition of interests in the Yuzhno Russkoye field which was triggered by reserves reassessment, partly offset by positive discounting effects. 2018 contained a negative fair value adjustment of EUR 88 mn which was recognized for the financial assets related to the contingent considerations from the divestments of Rosebank and of OMV (U.K.) Limited, triggered by a delay of the estimated final investment date for the Rosebank license. For further details see Note 18 – Financial assets.

Net impairment losses on financial assets measured at amortized cost were mainly related to impairments for receivables in Tunisia amounting to EUR 18 mn, triggered by reassessment of future production.

Residual other operating expenses contained expenses relating to various digitalization initiatives which started in 2018 and amounted to EUR 44 mn (2018: EUR 10 mn).

10 Personnel expenses

Personnel expenses

In EUR mn

	2019	2018
Wages and salaries	869	788
Costs of defined benefit plans	18	8
Costs of defined contribution plans	28	25
Net expenses for personnel reduction schemes	26	34
Other employee benefits	157	134
Taxes and social contribution	130	120
Personnel expenses	**1,228**	**1,108**

The total expenses for pensions included in the costs of defined benefit plans, costs of defined contribution plans and net expenses for personnel reduction schemes amounted to EUR 40 mn (2018: EUR 50 mn).

11 Net financial result

Interest income

In EUR mn

	2019	2018
Derivatives	—	8
Discounted receivables	24	9
Loans, receivables and cash deposits	128	98
Other	17	2
Interest income	**169**	**117**

Interest income from discounted receivables position was positively impacted by the reassessment of a grant receivable from Romanian State triggered by earlier encashment than estimated at the end of 2018.

Interest income from loans, receivables and cash deposits included EUR 70 mn (2018: EUR 51 mn) related to the Nord Stream 2 financing agreement. For further details see Note 18 – Financial assets.

The component **Other** primarily contained late payment interest income in relation to clarification of a tax related topic in Romania.

Interest expenses

In EUR mn

	2019	2018
Financial liabilities measured at amortized cost	176	151
Non-financial liabilities	4	11
Provisions for decommissioning and restoration obligations	91	84
Provisions for jubilee payments, personnel reduction plans and other employee benefits	2	3
Provisions for pensions and severance payments	19	15
Other	19	46
Interest expenses, gross	**309**	**311**
Capitalized borrowing costs	(6)	(21)
Interest expenses	**304**	**290**

Financial liabilities measured at amortized cost contained interest expenses on lease liabilities amounting to EUR 23 mn (2018: EUR 17 mn). The increase was mainly impacted by the implementation of IFRS 16. In addition to this, a higher bond position contributed to the negative development.

For OMV Petrom SA the **unwinding expenses for decommissioning provision** are included net of the unwinding income for related state receivables. For further details see Note 18 – Financial assets.

The **interest expenses on pension provisions** were netted against interest income on pension plan assets amounting to EUR 8 mn (2018: EUR 7 mn).

Other interest expenses included unwinding expenses for the Gate LNG obligation and associated transportation commitments of OMV Gas Marketing & Trading GmbH in amount of EUR 17 mn (2018: EUR 21 mn). For further details see Note 23 – Provisions. 2018 contained a negative impact of reassessment from state receivable and grant receivable from Romanian State.

Capitalized borrowings costs applied to the carrying value of qualifying assets and were mainly related to oil and gas development assets in Tunisia and Norway. The average interest rate used was 2.3% (2018: 2.4%).

Other financial income and expense

In EUR mn

	2019	2018
Financing charges for factoring and securitization	(31)	(31)
Net foreign exchange gain/ (loss)	40	(11)
Other	(8)	(30)
Other financial income and expense	**1**	**(72)**

The position **Other** was mainly related to bank charges, while 2018 was mainly impacted by breakage fees for early repayment of loans.

12 Taxes on income and profit

Taxes on income and profit

In EUR mn

	2019	2018
Current taxes	1,207	1,007
thereof related to previous years	13	21
Deferred taxes	100	298
Taxes on income and profit	**1,306**	**1,305**

Changes in deferred taxes

In EUR mn

	2019	2018
Deferred taxes January 1	28	338
Adjustments on initial application of IFRS 9 and IFRS 15	—	1
Adjusted deferred taxes January 1	**28**	**339**
Deferred taxes December 31	(445)	28
Changes in deferred taxes	**(473)**	**(310)**
Deferred taxes accounted for in equity	(4)	22
Changes in consolidated Group, exchange differences and other changes [1]	377	(9)
Deferred taxes per income statement	**(100)**	**(298)**
The deferred taxes per income statement comprise the following elements:		
Change in tax rate	5	8
Release of and allocation to valuation allowance for deferred taxes	5	118
Adjustments within loss carryforwards (not recognized in prior years, expired loss carryforwards and other adjustments)	16	(17)
Reversal of temporary differences, including additions to and use of loss carryforwards	(125)	(406)

[1] 2019 included the acquisition of SapuraOMV in amount of EUR 336 mn. 2018 included the acquisition of Shell's Upstream business in New Zealand (EUR 117 mn) as well as the disposal of OMV's share in Polarled pipeline and Nyhamna gas processing facilities in North Sea region (EUR (100) mn).

Taxes on income and profit accounted for in other comprehensive income

In EUR mn

	2019	2018
Deferred taxes	(4)	53
Current taxes	0	3
Taxes on income and profit accounted for in other comprehensive income	**(4)**	**55**

In 2019, the deferred tax impact booked in profit or loss related to the usage of tax loss carryforwards was EUR 76 mn (2018: EUR 205 mn).

OMV Aktiengesellschaft forms a **tax group** in accordance with section 9 of the Austrian Corporate Income Tax Act 1988 (KStG), which aggregates the taxable profits and losses of all the Group's main subsidiaries in Austria and possibly arising losses of one foreign subsidiary (OMV AUSTRALIA PTY LTD).

Dividend income from domestic subsidiaries is in general exempt from taxation in Austria. Dividends from EU- and EEA-participations as well as from subsidiaries whose residence state has a comprehensive mutual administrative assistance agreement with Austria are exempt from taxation in Austria if certain conditions are fulfilled. Dividends from other foreign investments that are comparable to Austrian corporations, for which the Group holds a 10% investment share or more for a minimum period of one year, are also excluded from taxation at the level of the Austrian parent company.

In 2019 as well as in the previous year, a **valuation allowance for deferred tax assets for the Austrian tax group** was recognized. The valuation allowance was reported in the income statement, except to the extent that the deferred tax assets arose from transactions or events which were recognized outside profit or loss, i.e. in other comprehensive income or directly in equity.

The **effective tax rate** is the ratio of income tax to profit before tax. The tables hereafter reconcile the effective tax rate and the standard Austrian corporate income tax rate of 25% showing the major influencing factors.

Tax rate reconciliation

In %

	2019	2018
Austrian corporate income tax rate	**25.0**	**25.0**
Tax effect of:		
Differing foreign tax rates	14.7	16.0
Non-deductible expenses	5.0	5.0
Non-taxable income	(5.3)	(5.4)
Change in tax rate	(0.2)	(0.2)
Permanent effects within tax loss carryforwards	(0.0)	0.1
Tax write-downs and write-ups on investments at parent company level	(0.6)	(0.2)
Change in valuation allowance for deferred taxes	(0.1)	(2.7)
Taxes related to previous years	(0.6)	1.1
Other	(0.1)	0.9
Effective Group income tax rate	**37.8**	**39.6**

Tax rate reconciliation

In EUR mn

	2019	2018
Theoretical taxes on income based on Austrian income tax rate	**863**	**824**
Tax effect of:		
Differing foreign tax rates	508	528
Non-deductible expenses	172	166
Non-taxable income	(182)	(178)
Change in tax rate	(5)	(8)
Permanent effects within tax loss carryforwards	(2)	2
Tax write-downs and write-ups on investments at parent company level	(20)	(6)
Change in valuation allowance for deferred taxes	(5)	(90)
Taxes related to previous years	(19)	35
Other	(4)	31
Total taxes on income and profit	**1,306**	**1,305**

The Group's effective tax rates in 2019 and 2018 were significantly impacted by high result contributions in Upstream from high tax rates fiscal regimes such as Abu Dhabi, Norway and Libya.

Non-deductible expenses in 2019 contained amongst others permanent effects in depreciation, depletion and amortization. In 2018 non-deductible expenses were mainly impacted by permanent effects related to FX losses reclassified ("Recycling") from the divestment of the Samsun power plant in Turkey as well as permanent effects in depreciation, depletion and amortization.

Non-taxable income in 2019 and 2018 was predominantly attributable to the result contribution from equity-accounted investments as well as to tax incentives in Norway.

Other also included in 2019 and 2018 positive tax effects on hybrid capital interest. For further details see Note 2 – Accounting policies, judgements and estimates.

13 Earnings Per Share

Earnings Per Share (EPS)

	2019			2018		
	Earnings attributable to stock-holders of the parent in EUR mn	Weighted average number of shares out-standing	EPS in EUR	Earnings attributable to stock-holders of the parent in EUR mn	Weighted average number of shares out-standing	EPS in EUR
Basic	1,678	326,610,239	5.14	1,438	326,651,395	4.40
Diluted	1,678	326,863,180	5.13	1,438	327,145,348	4.40

The calculation of diluted Earnings per Share takes into account the weighted average number of ordinary shares in issue following the conversion of all potentially diluting ordinary shares. This includes 252,941 (2018: 493,953) contingently issuable bonus shares related to the Long Term Incentive Plans and the Equity Deferral.

Notes to the Statement of Financial Position

14 Intangible assets

Intangible assets
In EUR mn

	Concessions, software, licenses, rights	Oil and gas assets with unproved reserves	Goodwill	Total
		2019		
Costs				
January 1	**1,769**	**2,252**	**420**	**4,441**
Foreign exchange differences	124	20	7	**150**
Changes in consolidated Group	0	678	195	**874**
Additions	46	254	—	**300**
Transfers	0	(183)	—	**(183)**
Assets held for sale	0	(26)	—	**(27)**
Disposals	(2)	(135)	—	**(137)**
December 31	**1,936**	**2,860**	**622**	**5,418**
Development of amortization				
January 1	**779**	**346**	**—**	**1,125**
Foreign exchange differences	6	2	—	**8**
Amortization	113	—	—	**113**
Impairments	0	92	—	**92**
Transfers	0	(15)	—	**(16)**
Assets held for sale	0	(1)	—	**(1)**
Disposals	(2)	(64)	—	**(66)**
December 31	**895**	**360**	**—**	**1,255**
Carrying amount January 1	991	1,906	420	**3,317**
Carrying amount December 31	**1,041**	**2,500**	**622**	**4,163**
		2018		
Costs				
January 1	**1,932**	**1,423**	**416**	**3,771**
Foreign exchange differences	(153)	8	4	**(141)**
Changes in consolidated Group	0	386	7	**393**
Additions	23	554	—	**578**
Transfers	4	(15)	—	**(11)**
Assets held for sale	(34)	(2)	(7)	**(43)**
Disposals	(3)	(103)	—	**(107)**
December 31	**1,769**	**2,252**	**420**	**4,441**
Development of amortization				
January 1	**719**	**404**	**—**	**1,123**
Foreign exchange differences	(17)	1	—	**(15)**
Amortization	109	—	—	**109**
Impairments	0	51	—	**51**
Transfers	0	(6)	—	**(6)**
Assets held for sale	(30)	(2)	—	**(32)**
Disposals	(2)	(103)	—	**(105)**
December 31	**779**	**346**	**—**	**1,125**
Carrying amount January 1	1,213	1,019	416	**2,648**
Carrying amount December 31	**991**	**1,906**	**420**	**3,317**

Changes in consolidated group in 2019 of EUR 874 mn were related to the acquisition of a 50% stake in SapuraOMV Upstream Sdn. Bhd. in Malaysia. See Note 3 – Changes in group structure – for additional details.

Intangible assets with a total carrying amount of EUR 26 mn (2018: EUR 11 mn) were transferred to assets held for sale and were related to OMV's share in the Maari field in New Zealand. For details see Note 20 – Assets and liabilities held for sale.

Goodwill arising from business combinations has been allocated to the following CGUs and groups of CGUs, for impairment testing:

Goodwill allocation

In EUR mn

	2019	2018
Middle East and Africa	325	319
SapuraOMV	199	—
Goodwill allocated to Upstream	**524**	**319**
Downstream Gas Austria	38	38
Refining West	26	29
Retail Slovakia	7	7
Refining Austria	27	27
Goodwill allocated to Downstream	**98**	**101**
Goodwill	**622**	**420**

In 2019, the goodwill allocated to Upstream increased mainly due to the acquisition of a 50% stake of SapuraOMV Upstream Sdn. Bhd. (see Note 3 – Changes in group structure - for further details) as well as due to positive foreign currency differences.

In Downstream segment, the goodwill allocated to Refining West decreased due to unfavorable foreign exchange differences.

Goodwill impairment tests based on a value in use calculation have been performed and did not lead to any impairments. For the impairment test of the goodwill allocated to Middle East and Africa, an after-tax discount rate of 8.66% (2018: 11.19%) was used. There is no reasonable change in the discount rate that would lead to an impairment. Furthermore, assuming a long term oil price of USD 60 per barrel would also not lead to an impairment.

For details on contractual obligations for the acquisition of intangible assets refer to Note 15 – Property, plant and equipment.

15 Property, plant and equipment

Property, plant and equipment including right-of-use assets

In EUR mn

	Land and buildings	Oil and gas assets	Plant and machinery	Other fixtures, fittings and equipment	Assets under construction	**Total**
			2019			
Costs						
January 1	**2,774**	**23,033**	**8,691**	**1,953**	**411**	**36,862**
Recognition of right-of-use assets on initial application of IFRS 16	620	—	3	65	—	**688**
January 1, adjusted	**3,394**	**23,033**	**8,694**	**2,018**	**411**	**37,550**
Foreign exchange differences	(21)	(6)	(54)	(7)	(4)	**(92)**
Changes in consolidated Group	5	588	0	0	10	**604**
Additions	164	1,668	239	162	218	**2,452**
Transfers	8	147	177	2	(212)	**123**
Assets held for sale	2	(1,151)	(4)	(1)	(3)	**(1,157)**
Disposals	(32)	(304)	(65)	(54)	(6)	**(462)**
December 31	**3,520**	**23,974**	**8,987**	**2,120**	**415**	**39,017**
Development of depreciation						
January 1	**1,607**	**13,060**	**5,608**	**1,459**	**12**	**21,747**
Foreign exchange differences	(9)	(5)	(31)	(5)	0	**(51)**
Depreciation	145	1,442	366	122	—	**2,075**
Impairments	13	117	3	0	6	**139**
Transfers	(25)	10	(5)	(21)	(1)	**(43)**
Assets held for sale	1	(1,038)	(3)	(1)	—	**(1,041)**
Disposals	(17)	(118)	(61)	(51)	(6)	**(253)**
Write-ups	0	(35)	(0)	(0)	—	**(35)**
December 31	**1,714**	**13,433**	**5,875**	**1,504**	**11**	**22,538**
Carrying amount January 1, adjusted	1,787	9,972	3,086	559	399	**15,803**
Carrying amount December 31	**1,806**	**10,541**	**3,111**	**616**	**404**	**16,479**

Property, plant and equipment

In EUR mn

	Land and buildings	Oil and gas assets	Plant and machinery	Other fixtures, fittings and equipment	Assets under construction	Total
				2018		
Costs						
January 1	**2,760**	**20,603**	**8,734**	**1,836**	**385**	**34,317**
Foreign exchange differences	(14)	192	(62)	(3)	(2)	**111**
Changes in consolidated Group	3	778	5	7	0	**793**
Additions	62	2,401	235	76	235	**3,008**
Transfers	17	(25)	119	73	(173)	**11**
Assets held for sale	(31)	(446)	(244)	(4)	(11)	**(735)**
Disposals	(22)	(470)	(96)	(30)	(24)	**(642)**
December 31	**2,774**	**23,033**	**8,691**	**1,953**	**411**	**36,862**
Development of depreciation						
January 1	**1,556**	**12,144**	**5,559**	**1,375**	**30**	**20,663**
Foreign exchange differences	(8)	109	(38)	(3)	0	**61**
Depreciation	84	1,091	349	84	—	**1,609**
Impairments	1	109	1	0	5	**117**
Transfers	3	(9)	(19)	33	(0)	**7**
Assets held for sale	(13)	(174)	(148)	(2)	—	**(338)**
Disposals	(15)	(107)	(93)	(28)	(23)	**(266)**
Write-ups	(1)	(103)	(2)	(0)	(0)	**(106)**
December 31	**1,607**	**13,060**	**5,608**	**1,459**	**12**	**21,747**
Carrying amount January 1	1,203	8,459	3,175	461	355	**13,654**
Carrying amount December 31	**1,167**	**9,972**	**3,083**	**494**	**399**	**15,115**

The changes in the consolidated group in 2019 of EUR 604 mn were related to the acquisition of a 50% stake in SapuraOMV Upstream Sdn. Bhd. in Malaysia. For more details please see Note 3 – Changes in group structure.

Disposals were mainly related to downward revisions of estimates for decommissioning obligations of oil and gas assets amounting to EUR 184 mn.

Property, plant and equipment with a total carrying amount of EUR 116 mn (2018: EUR 397 mn) were transferred to assets held for sale, mainly related to OMV´s share in New Zealand's Maari field and to marginal oil and gas fields in Romania. For more details please see Note 20 – Assets and liabilities held for sale.

Oil and gas assets included a write-up of EUR 34 mn related to the reclassification of the Maari field to assets held for sale. For more details please see Note 6 – Other operating income and net income from equity-accounted investments.

Further details on impairments can be found in Note 7 – Depreciation, amortization and impairment charges.

Contractual obligations for acquisitions

In EUR mn

	2019	2018
Intangible assets	491	329
Property, plant and equipment	852	674
Contractual obligations	**1,343**	**1,003**

In 2019 and in 2018 the contractual commitments were mainly related to exploration and production activities in Upstream. The increase of contractual obligations is mainly related to higher commitments in the North Sea region.

OMV as a lessee

Right-of-use assets included mainly leases of filling station sites and buildings as well as office buildings. In addition, OMV leases mainly a hydrogen plant at Petrobrazi refinery in Romania, various types of equipment, other land leases and vehicles.

Right-of-use assets recognized under IFRS 16

In EUR mn

	Land and buildings	Plant and machinery	Other fixtures, fittings and equipment	**Total**
January 1, 2019	**50**	**29**	**1**	**81**
Recognition of right-of-use assets on initial application of IFRS 16	620	3	65	688
January 1, 2019 adjusted	**670**	**33**	**66**	**768**
Changes in consolidated Group	5	—	—	**5**
Additions	81	18	79	**178**
Depreciation	(66)	(10)	(32)	**(108)**
Other movements	(23)	(4)	(2)	**(28)**
December 31, 2019	**667**	**37**	**111**	**815**

Finance leases recognized under IAS 17

In EUR mn

	Land and buildings	Oil and gas assets	Plant and machinery	Other fixtures, fittings and equipment	**Total**
January 1, 2018	**45**	**10**	**37**	**2**	**94**
Additions	5	—	—	—	**5**
Depreciation	(2)	(1)	(6)	0	**(9)**
Other movements	2	(9)	(2)	0	**(10)**
December 31, 2018	**50**	**—**	**29**	**1**	**81**

Amounts recognized in the consolidated income statement

In EUR mn

	2019
Operating result	
Short-term lease expenses	107
thereof capitalized short-term lease expenses	73
Low-value lease expenses	2
Expenses relating to variable lease payments	9
Net financial result	
Interest expense from lease liabilities	23
Net foreign exchange loss on lease liabilities	2

Expenses relating to variable lease payments (EUR 9 mn) in 2019 were mainly related to rent for leased filling stations based on actual turnover.

For information on lease liabilities please see Note 24 – Liabilities.

16 Equity-accounted investments

Material associates

OMV has a 36% (2018: 36%) interest in Borealis AG, a provider of innovative solutions in the fields of polyolefins, base chemicals and fertilizers. The company is incorporated in Vienna, Austria and operates on a global level.

OMV also holds a 15% interest in Abu Dhabi Oil Refining Company (acquired in 2019 – see Note 3 – Changes in group structure), registered in Abu Dhabi, which runs a refinery hub with integrated petrochemicals. According to the contractual agreement between the shareholders, OMV has strong participation rights which represent significant influence as per IAS 28 definition.

Furthermore, OMV has a 10% interest (2018: 10%) in Pearl Petroleum Company Limited, registered in Road Town, British Virgin Islands, which is involved in exploration and production of hydrocarbons in the Kurdistan Region of Iraq.

According to the contractual agreement between OMV and Pearl Petroleum Company Limited (Pearl), OMV has significant influence within the meaning of IAS 28, as unanimous consent is required for some strategic decisions. Therefore Pearl is accounted for using the equity method although OMV's share is just 10%.

The companies are not listed on public exchanges thus quoted market prices do not exist.

The tables below contain summarized financial information for the material associates. Income statement and other comprehensive income for Abu Dhabi Oil Refining Company represent amounts since acquisition on July 31, 2019.

Statement of comprehensive income

In EUR mn

	2019			2018	
	Abu Dhabi Oil Refining Company	Borealis	Pearl	Borealis	Pearl
Sales revenue	8,381	8,111	390	8,334	309
Net income for the year	67	873	114	907	256
Other comprehensive income	(13)	(23)	—	154	—
Total comprehensive income	53	851	114	1,061	256
Group's share of comprehensive income	8	306	11	382	26
Dividends received	34	297	31	360	34

Statement of financial position

In EUR mn

	2019			2018	
	Abu Dhabi Oil Refining Company	Borealis	Pearl	Borealis	Pearl
Current assets	4,184	2,428	280	2,658	327
Non-current assets	18,464	7,691	1,841	7,290	1,733
Current liabilities	3,389	1,491	61	2,023	108
Non-current liabilities	3,683	2,182	151	1,504	38
Equity	15,577	6,445	1,909	6,421	1,914
Group's share	2,337	2,320	191	2,312	191
Goodwill	70	30	—	30	—
OMV Group adjustments	(297)	(12)	132	(22)	144
Group's carrying amount of investment	2,109	2,339	323	2,319	336

Carrying amount reconciliation

In EUR mn

	2019			2018	
	Abu Dhabi Oil Refining Company	Borealis	Pearl	Borealis	Pearl
January 1	**—**	**2,319**	**336**	**2,307**	**329**
Changes in the consolidated group	2,150	—	—	3	—
Exchange differences	(15)	—	7	—	16
Net income	10	314	11	327	26
Other comprehensive income	(2)	(8)	—	55	—
Reclassification of cash flow hedges to balance sheet	—	(1)	—	(5)	—
Dividends and elimination of intercompany profits	(34)	(286)	(31)	(367)	(34)
December 31	**2,109**	**2,339**	**323**	**2,319**	**336**

Contingent liabilities

Borealis had two tax cases in Finland related to Borealis Technology Oy and Borealis Polymers Oy, which were previously mentioned in this note and are described in detail in the OMV Consolidated Financial Statements 2018 (Note 16 – Equity-accounted investments). On June 7, 2019, the Finnish and Austrian Tax Authorities reached an agreement on two cases regarding the taxation of Borealis Technology Oy and Borealis Polymers Oy. The dispute was resolved through a Mutual Agreement Procedure (MAP) between Finland and Austria. Borealis welcomes that an agreement has been reached which finally eliminates double taxation.

Individually immaterial associates and joint ventures

OMV holds 55.6% (2018: 55.6%) of Erdöl-Lagergesellschaft m.b.H (ELG), which is holding the major part of the emergency stock of crude and petroleum products in Austria. In spite of holding the majority of voting rights in the general assembly, OMV does not have control over ELG. The significant decisions on the financial and operating policies are delegated to the standing shareholder's committee in which a quorum of two thirds of the share capital is required for decisions.

OMV holds 15.53% (2018: 15.53%) in Trans Austria Gasleitung GmbH. As unanimous consent of the parties is required for decisions about relevant activities and OMV has rights to the net assets of Trans Austria Gasleitung GmbH based on the legal structure, OMV classified it as a joint venture according to IFRS 11.

OMV exercises joint control over Abu Dhabi Petroleum Investments LLC (ADPI, OMV's interest 25%) and Pak-Arab Refinery Limited (PARCO; indirect interest of OMV amounts to 10%) and accounts both investments at-equity. ADPI is a holding company for its 40% interest in PARCO. As unanimous consent of the parties is required for decisions about relevant activities and OMV has rights to the net assets based on the legal structure, OMV classified the companies as joint ventures according to IFRS 11.

Statement of comprehensive income for individually immaterial associates and joint ventures – Group's share

In EUR mn

	2019		2018	
	Associates	Joint ventures	Associates	Joint ventures
Sales revenue	402	224	555	35
Net income for the year	33	17	19	20
Total comprehensive income	33	17	19	20

Carrying amount reconciliation for individually immaterial associates and joint ventures

In EUR mn

	2019		2018	
	Associates	Joint ventures	Associates	Joint ventures
January 1	**202**	**154**	**214**	**63**
Exchange differences	13	(8)	(18)	—
Changes in consolidated Group	—	—	—	85
Additions and other changes	4	1	—	—
Net income	33	17	19	20
Other comprehensive income	1	—	0	—
Disposals and other changes	(1)	—	(1)	—
Impairment	(12)	—	—	—
Dividends	(8)	(14)	(13)	(15)
December 31	**230**	**150**	**202**	**154**

17 Inventories

Inventories

In EUR mn

	2019	2018
Crude oil	676	401
Natural gas	180	233
Other raw materials	219	206
Work in progress: Petroleum products	99	115
Other work in progress	1	3
Finished petroleum products	624	571
Other finished products	47	43
Inventories	**1,845**	**1,571**

Purchases (net of inventory variation)

In EUR mn

	2019	2018
Costs of goods and materials	13,629	14,100
Inventory changes	(88)	(21)
Write-downs to net realizable value and write-offs of inventories	74	16
Reversal of inventories write-down	(6)	(2)
Purchases (net of inventory variation)	**13,608**	**14,094**

18 Financial assets

Financial assets

In EUR mn

	Valued at fair value through profit or loss	Valued at fair value through other comprehensive income	Valued at amortized cost	**Total carrying amount**	thereof short-term	thereof long-term
			2019			
Trade receivables from contracts with customers	131	—	1,423	**1,553**	1,553	—
Other trade receivables	—	—	1,489	**1,489**	1,489	—
Total trade receivables	**131**	**—**	**2,911**	**3,042**	**3,042**	**—**
Investments in other companies	—	24	—	**24**	—	24
Bonds	—	—	78	**78**	18	60
Derivatives designated and effective as hedging instruments	—	284	—	**284**	255	30
Other derivatives	2,391	—	—	**2,391**	2,237	154
Loans	—	—	855	**855**	2	854
Other sundry financial assets	721	—	1,182	**1,903**	611	1,292
Total other financial assets	**3,112**	**308**	**2,115**	**5,535**	**3,121**	**2,414**
Financial assets	**3,243**	**308**	**5,026**	**8,577**	**6,163**	**2,414**
			2018			
Trade receivables from contracts with customers	82	—	1,460	**1,541**	1,541	—
Other trade receivables	—	—	1,878	**1,878**	1,878	—
Total trade receivables	**82**	**—**	**3,338**	**3,420**	**3,420**	**—**
Investments in other companies	—	21	—	**21**	—	21
Investment funds	6	—	—	**6**	—	6
Bonds	—	—	78	**78**	32	46
Derivatives designated and effective as hedging instruments	—	392	—	**392**	258	134
Other derivatives	2,384	—	—	**2,384**	1,983	401
Loans	—	—	671	**671**	2	669
Other sundry financial assets	725	—	1,108	**1,833**	452	**1,381**
Total other financial assets	**3,115**	**414**	**1,857**	**5,386**	**2,727**	**2,659**
Financial assets	**3,197**	**414**	**5,195**	**8,806**	**6,147**	**2,659**

The carrying amount of other **financial assets at fair value through profit or loss** as at December 31, 2019 was EUR 3,243 mn (2018: EUR 3,197 mn). These mainly consist of financial assets held for trading as well as an acquired contractual position towards Gazprom with regard to the reserves redetermination in amount of EUR 662 mn (2018: EUR 664 mn) in connection with the acquisition of interests in the Yuzhno Russkoye field. For further details see Note 9 – Other operating expenses. Moreover, this position included financial assets amounting to EUR 59 mn (2018: EUR 61 mn) related to the contingent considerations from the divestment of the 30% stake in Rosebank and from the divestment of OMV (U.K.) Limited, which are dependent on the date when the Rosebank project coventurers will approve the final investment decision.

In 2019, the position **Loans** included drawdowns and the related accrued interests under the financing agreements for the Nord Stream 2 pipeline project in amount of EUR 852 mn (2018: EUR 669 mn). The drawdowns made during 2019 amounted to EUR 113 mn (2018: EUR 275 mn). For further details see Note 11 – Net financial result.

Other sundry financial assets included expenditure recoverable from Romanian State amounting to EUR 410 mn (2018: EUR 378 mn) related to obligations for decommissioning, restoration and environmental costs in OMV Petrom SA. The receivables consisted of EUR 375 mn (2018: EUR 341 mn) for costs relating to decommissioning and EUR 35 mn (2018: EUR 37 mn) for costs relating to environmental cleanup.

On March 7, 2017, OMV AG, as party in the OMV Petrom privatization agreement, initiated arbitration proceedings against the Romanian Ministry of Environment, in accordance with the International Chamber of Commerce Rules, regarding certain claims unpaid by this ministry for cost incurred by OMV Petrom relating to well decommissioning and environmental restoration works. As of December 31, 2019, the amount in arbitration is EUR 60 mn and the arbitration proceedings are still ongoing.

Additionally, other sundry financial assets contain receivables towards partners in the Upstream business as well as seller participation and complementary notes in Carnuntum DAC (see Note 36 – Unconsolidated structured entities - for further details).

Equity investments measured at FVOCI

In EUR mn

	2019			2018		
Investment	Fair value	Fair value adjustment through OCI	Dividend recognized as income	Fair value	Fair value adjustment through OCI	Dividend recognized as income
Abu Dhabi Petroleum Investments LLC [1]	—	—	—	—	21	8
APK-Pensionskasse Aktiengesellschaft	3	0	0	2	(0)	0
BSP Bratislava-Schwechat Pipeline GmbH	3	—	—	3	—	—
CEESEG Aktiengesellschaft	5	(1)	0	6	3	0
CISMO Clearing Integrated Services and Market Operations GmbH	4	1	0	3	1	0
FSH Flughafen-Schwechat-Hydranten-Gesellschaft GmbH & Co OG	2	1	0	2	0	0
H2 Mobility Deutschland GmbH & Co KG	3	—	—	3	—	—
Other	4	1	4	3	(0)	6
Equity investments measured at FVOCI	**24**	**1**	**5**	**21**	**26**	**15**

[1] Abu Dhabi Petroleum Investments LLC was reclassified to equity-accounted investments as of December 31, 2018.

Impairment of trade receivables

In EUR mn

	2019	2018
January 1	**—**	**76**
Adjustment on initial application of IFRS 9	—	2
January 1, adjusted	**79**	**78**
Amounts written off	(13)	(3)
Net remeasurement of expected credit losses	(3)	5
Foreign exchange rate differences and changes in consolidated group	(1)	(0)
December 31	**62**	**79**

Net remeasurement of expected credit losses is mainly related to the trade receivables from contracts with customers.

Credit Quality of trade receivables

In EUR mn

	Equivalent to external credit rating	Probability of default	Gross carrying amount
		2019	
Risk Class 1	AAA, AA+, AA, AA—, A+, A, A—	0.07%	1,228
Risk Class 2	BBB+, BBB, BBB—	0.24%	821
Risk Class 3	BB+, BB, BB—	1.22%	825
Risk Class 4	B+, B, B—, CCC/CC	10.27%	38
Risk Class 5	SD/D	100.00%	60
Total gross carrying amount			**2,973**
Expected credit loss			(62)
Total			**2,911**
		2018	
Risk Class 1	AAA, AA+, AA, AA—, A+, A, A—	0.08%	1,935
Risk Class 2	BBB+, BBB, BBB—	0.25%	725
Risk Class 3	BB+, BB, BB—	1.25%	638
Risk Class 4	B+, B, B—, CCC/CC	10.33%	41
Risk Class 5	SD/D	100.00%	78
Total gross carrying amount			**3,417**
Expected credit loss			(79)
Total			**3,338**

Impairment of other financial assets at amortized cost

In EUR mn

	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
		2019		
January 1	**4**	**59**	**158**	**221**
Net remeasurement of expected credit losses	1	20	(1)	**20**
Foreign exchange rate differences and changes in consolidated group	0	1	(3)	**(2)**
December 31 [1]	**5**	**80**	**154**	**238**
		2018		
January 1	**—**	**54**	**170**	**224**
Adjustment on initial application of IFRS 9	3	3	—	**6**
January 1, adjusted	**3**	**57**	**170**	**230**
Amounts written off	(0)	(0)	(3)	**(3)**
Net remeasurement of expected credit losses	0	1	(9)	**(8)**
Foreign exchange rate differences and changes in consolidated group	0	3	(0)	**3**
December 31 [1]	**4**	**59**	**158**	**221**

[1] "12-month ECL" included an amount of EUR 1 mn (2018: EUR 1 mn) and "Lifetime ECL credit impaired" an amount of EUR 14 mn (2018: EUR 15 mn) related to expenditure recoverable from Romanian State, which are outside the scope of IFRS 9.

Credit Quality other financial assets at amortized cost

In EUR mn

	Equivalent to external credit rating	Probability of default	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
			2019			
Risk Class 1	AAA, AA+, AA, AA–, A+, A, A–	0.07%	405	—	4	**409**
Risk Class 2 [1]	BBB+, BBB, BBB–	0.24%	1,398	—	14	**1,412**
Risk Class 3	BB+, BB, BB–	1.22%	221	174	2	**396**
Risk Class 4	B+, B, B–, CCC/CC	10.27%	1	—	22	**22**
Risk Class 5	SD/D	100.00%	0	—	113	**114**
Total gross carrying amount			**2,024**	**174**	**155**	**2,353**
Expected credit loss [2]			(5)	(80)	(154)	**(238)**
Total			**2,020**	**94**	**1**	**2,115**
			2018			
Risk Class 1	AAA, AA+, AA, AA–, A+, A, A–	0.08%	410	—	4	**414**
Risk Class 2 [1]	BBB+, BBB, BBB–	0.25%	1,258	—	15	**1,273**
Risk Class 3	BB+, BB, BB–	1.25%	85	165	2	**252**
Risk Class 4	B+, B, B–, CCC/CC	10.33%	0	—	22	**22**
Risk Class 5	SD/D	100.00%	0	—	117	**117**
Total gross carrying amount			**1,753**	**165**	**159**	**2,078**
Expected credit loss [2]			(4)	(59)	(158)	**(221)**
Total			**1,750**	**106**	**1**	**1,857**

[1] "12-month ECL" included an amount of EUR 411 mn (2018: EUR 378 mn) and "Lifetime ECL credit impaired" an amount of EUR 14 mn (2018: EUR 15 mn) related to expenditure recoverable from Romanian State, which are outside the scope of IFRS 9.

[2] "12-month ECL" included an amount of EUR 1 mn (2018: EUR 1 mn) and "Lifetime ECL credit impaired" an amount of EUR 14 mn (2018: EUR 15 mn) related to expenditure recoverable from Romanian State, which are outside the scope of IFRS 9.

19 Other assets

Other assets

In EUR mn

	2019		2018	
	Short-term	Long-term	Short-term	Long-term
Prepaid expenses	45	12	44	14
Advance payments on fixed assets	19	—	16	—
Other payments on account	98	—	103	—
Receivables from other taxes and social security	64	39	77	15
Contract assets	1	—	1	1
Emission rights	41	—	7	—
Other non-financial assets	29	5	16	7
Other assets	**297**	**56**	**264**	**36**

20 Assets and liabilities held for sale

Assets and liabilities held for sale

In EUR mn

	2019	2018
Non-current assets	160	47
Deferred taxes	—	0
Other current assets	11	0
Cash and cash equivalents	7	—
Assets held for sale	**177**	**47**
Provisions	138	22
Deferred taxes	—	0
Liabilities	18	0
Liabilities associated with assets held for sale	**156**	**22**

Assets and liabilities held for sale – segment split

In EUR mn

	2019	2018
Upstream	164	27
Downstream	13	20
Assets held for sale	**177**	**47**
Upstream	156	22
Downstream	—	0
Liabilities associated with assets held for sale	**156**	**22**

As of December 31, 2019, assets held for sale and liabilities associated with assets held for sale in Upstream consisted of a 69% interest in Maari field, located in New Zealand's offshore Taranaki Basin and 40 marginal oil and gas fields in Romania. Furthermore, assets held for sale and liabilities associated with assets held for sale consisted of non-core assets within Downstream Oil.

The reclassification to "held for sale" triggered a pre-tax write-up of EUR 34 mn of the Maari field in New Zealand (see Note 6 – Other operating income) and an overall negative impact on operating result of EUR 46 mn related to the marginal fields in Romania, which included a pre-tax impairment of property, plant and equipment (see Note 7 – Depreciation, amortization and impairment charges).

As of December 31, 2018, assets held for sale and liabilities associated with assets held for sale consisted of marginal fields in Romania as well as various non-core assets within Downstream Oil. In 2019 these marginal fields and some of the non-core assets in Downstream Oil were sold.

21 OMV equity of the parent

Capital stock

The **capital stock** of OMV Aktiengesellschaft consists of 327,272,727 (2018: 327,272,727) fully paid no par value shares with a total nominal value of EUR 327,272,727 (2018: EUR 327,272,727). There are no different classes of shares and no shares with special rights of control. All shares are entitled to dividends for the financial year 2019, with the exception of treasury shares held by OMV Aktiengesellschaft.

As the authorized capital granted by the Annual General Meeting on May 13, 2009 expired on May 13, 2014, the Annual General Meeting decided upon a new authorized capital on May 14, 2014. Specifically, it authorized the Executive Board until May 14, 2019 to increase the share capital of OMV with the consent of the Supervisory Board – at once or in several tranches – by an amount of up to EUR 32,727,272 by issuing up to 32,727,272 new no-par value common voting shares in bearer form in return for contributions in cash. The capital increase can also be implemented by way of indirect offer for subscription after taking over by one or several credit institutions according to Section 153 Paragraph 6 Stock Corporation Act. The issue price and the conditions of issuance can be determined by the Executive Board with the consent of the Supervisory Board.

Further, the Annual General Meeting authorized the Executive Board, subject to the approval of the Supervisory Board, to exclude the subscription right of the shareholders if the capital increase serves to (i) adjust fractional amounts or (ii) satisfy stock options or long term incentive plans (including matching share plans for employees, senior employees and members of the Executive Board/management boards of the Company or one of its affiliates), or other employees' stock ownership plans.

In addition, the Supervisory Board was authorized to adopt amendments to the Articles of Association resulting from the issuance of shares according to the authorized capital.

Capital reserves

Capital reserves have been formed by the contribution of funds into OMV Aktiengesellschaft by its shareholders over and above the capital stock, on the basis of their ownership relationship.

Hybrid capital

The **hybrid capital** recognized in equity in the amount of EUR 1,987 mn consists of perpetual hybrid notes which are subordinated to all other creditors. According to IFRS, the net proceeds of the hybrid notes are fully treated as equity because the repayment of the principal and the payments of interest are solely at the discretion of OMV.

On December 7, 2015, OMV issued hybrid notes with an aggregate size of EUR 1,500 mn, in two tranches of EUR 750 mn each with the following interest payable:

- The hybrid notes of tranche 1 bear a fixed interest rate of 5.250% until, but excluding, December 9, 2021, which is the first call date of tranche 1. From December 9, 2021, until, but excluding, December 9, 2025, hybrid notes of tranche 1 will bear interest according to a reset interest rate to be determined according to the relevant five-year swap rate and an additional margin of 4.942% and, from December 9, 2025, with an additional step-up of 1% per annum.
- The hybrid notes of tranche 2 bear a fixed interest rate of 6.250% until, but excluding, December 9, 2025, which is the first call date of tranche 2. From December 9, 2025, tranche 2 will bear interest according to a reset interest rate to be determined according to the relevant five-year swap rate and an additional margin of 5.409%, with an additional step-up of 1% per annum.

Interest is due and payable annually in arrears on December 9 of each year, unless OMV elects to defer the relevant interest payments. The outstanding deferred interest must be paid under certain circumstances, in particular, if the General Meeting of OMV resolves upon a dividend payment on OMV shares.

On June 19, 2018 OMV issued a hybrid bond with a size of EUR 500 mn. The hybrid bears a fixed interest rate of 2.875% until, but excluding, June 19, 2024. From June 19, 2024 until, but excluding, June 19, 2028 the hybrid notes will bear interest at a rate according to the relevant five-year swap rate and an additional margin of 2.335% per annum and, from June 19, 2028, with an additional step-up of 1% per annum. Interest is due and payable annually in arrears on June 19 of each year, unless OMV elects to defer the relevant interest payments. The outstanding deferred interest must be paid under certain circumstances, in particular, if the General Meeting of OMV resolves upon a dividend payment on OMV shares.

The hybrid notes outstanding as of December 31, 2019 do not have a scheduled maturity date and they may be redeemed at the option of OMV under certain circumstances. OMV has, in particular, the right to repay the hybrid notes at certain call dates. Any accrued unpaid interest becomes payable when the bond is redeemed. In the case of a change of control, OMV may call the hybrid notes for redemption or else the applicable interest rate will be subject to an increase according to the terms and conditions of the hybrid notes.

Revenue reserves

The Group's **revenue reserves** included the net income and losses of consolidated subsidiaries and investments included at equity, as adjusted for the purposes of consolidation.

Treasury shares

The Annual General Meetings for the years 2000 to 2011 (with the exception of 2010) and 2019 approved the repurchase of treasury shares. The costs of repurchased shares have been reflected as a reduction in equity. Gains or losses on the re-issue of treasury shares (issue proceeds less acquisition cost) result in an increase or a reduction in capital reserves.

On May 18, 2016, the Annual General Meeting authorized the Executive Board for a period of five years from the adoption of the resolution, therefore, until (including) May 17, 2021, upon approval of the Supervisory Board, to dispose of or utilize stock repurchased or already held by the Company to grant treasury shares to employees, senior employees and/or members of the Executive Board/ management boards of the Company or one of its affiliates including for purposes of share transfer programs, in particular long term incentive plans including matching share plans or other stock ownership plans, under exclusion of the general purchasing possibility of shareholders (exclusion of subscription rights). The authorization can be exercised as a whole or in parts or even in several tranches by the Company, by a subsidiary (section 189a number 7 Austrian Commercial Code) or by third parties for the account of the Company.

On May 14, 2019 the Annual General Meeting authorized the Executive Board to repurchase bearer shares of no par value of the Company up to a maximum of 5% of the Company's nominal capital in accordance with section 65 paragraph 1 number 8 Austrian Stock Corporation Act, over a period of 15 months from the date of adoption of the resolution by the General Meeting, for a minimum consideration per share being at the utmost 30% lower than the average, unweighted stock exchange closing price over the preceding ten trading days and a maximum consideration per share being at the utmost 20% higher than the average, unweighted stock exchange closing price over the preceding ten trading days, whereby any repurchases have to be exercised in such a way that the Company does not hold more than 1,300,000 treasury shares at any time. Such repurchases may take place via the stock exchange or a public offering or by other legal means and for the purpose of share transfer programs, in particular long term incentive plans including matching share plans, equity deferrals or other stock ownership plans.

The Executive Board was further authorized to cancel stock repurchased or already held by the Company without further resolution of the General Meeting and the Supervisory Board was authorized to adopt amendments to the Articles of Association resulting from the cancellation of shares. The authorization can be exercised as a whole or in parts and also in several tranches by the Company, by a subsidiary (Section 189a Number 7 Commercial Code) or by third parties for the account of the Company and shall be exercised always in such a manner that it is to the benefit and in the best interest of the Company.

The **gains and losses recognized directly in other comprehensive income and their related tax effects** were as follows:

Tax effects relating to each component of other comprehensive income

In EUR mn

	2019			2018		
	Before-tax (expense) income	Tax (expense) benefit [1]	Net-of-tax (expense) income	Before-tax (expense) income	Tax (expense) benefit [1]	Net-of-tax (expense) income
Exchange differences from translation of foreign operations	39	(0)	39	28	(3)	25
Gains/(losses) on hedges	(45)	11	(35)	195	(49)	146
Remeasurement gains/(losses) on defined benefit plans	(90)	6	(84)	(114)	6	(108)
Gains/(losses) on equity investments	1	(0)	1	26	(6)	19
Gains/(losses) on hedges that are subsequently transferred to the carrying amount of the hedged item	95	(12)	83	9	(3)	6
Share of other comprehensive income of equity-accounted investments	(8)[2]	n.a.	(8)	55[2]	n.a.	55
Other comprehensive income for the year	**(7)**	**4**	**(3)**	**199**	**(55)**	**144**

[1] Includes valuation allowances for deferred tax assets for the Austrian tax group. For further details please refer to Note 12 – Taxes on income and profit.
[2] Represent net-of-tax amounts

For 2019, the Executive Board of OMV Aktiengesellschaft proposed a dividend of EUR 2.00 per eligible share, which is subject to confirmation by the Annual General Meeting in 2020. The dividend for 2018 was paid in May 2019 and amounted to EUR 572 mn (EUR 1.75 per share). In 2018, the payment amounted to EUR 490 mn (EUR 1.50 per share). The interest paid for hybrid bonds amounted in 2019 to EUR 101 mn (2018: EUR 86 mn).

Treasury shares

	Number of shares	Cost EUR mn
January 1, 2018	**772,230**	**8.5**
Disposals	(230,079)	(2.5)
December 31, 2018	**542,151**	**6.0**
Disposals	(169,538)	(1.9)
December 31, 2019	**372,613**	**4.1**

Number of shares in issue

	Number of shares	Treasury shares	Shares in issue
January 1, 2018	**327,272,727**	**772,230**	**326,500,497**
Used for share-based compensations	—	(230,079)	230,079
December 31, 2018	**327,272,727**	**542,151**	**326,730,576**
Used for share-based compensations	—	(169,538)	169,538
December 31, 2019	**327,272,727**	**372,613**	**326,900,114**

22 Non-controlling interests

Subsidiaries with material NCI

In EUR mn

		2019			2018		
Subsidiary	Place of business	% NCI	Net income allocated to NCI	Accumulated NCI	% NCI	Net income allocated to NCI	Accumulated NCI
OMV Petrom group	**n.a.**	**49%**	**372**	**3,411**	**49%**	**434**	**3,279**
OMV Petrom SA	Romania	49%	292	3,094	49%	364	2,974
Others	n.a.	—	80	318	—	70	305
SapuraOMV group	**n.a.**	**50%**	**(18)**	**276**	**—**	**—**	**—**
Gas Connect group [1]	**n.a.**	**49%**	**35**	**133**	**49%**	**39**	**129**
Other subsidiaries	**n.a.**	**—**	**4**	**31**	**—**	**4**	**29**
OMV Group	**n.a.**	**n.a**	**393**	**3,851**	**n.a**	**477**	**3,436**

[1] Includes the result of the equity accounted investment Trans Austria Gasleitung GmbH

The proportion of ownership corresponds to the proportion of voting rights of the non-controlling interests (NCI) in all cases.

The main activities of the **OMV Petrom group** are exploration and production of hydrocarbons (in Romania and Kazakhstan), refining of crudes (in Romania), marketing of petroleum products (in Romania, Bulgaria, Serbia and Moldova) and of natural gas as well as production and the sale of electricity (in Romania).

On January 31, 2019, OMV bought a 50% stake of the issued share capital in SapuraOMV Upstream Sdn. Bhd. and its subsidiaries (see Note 3 – Changes in group structure). **SapuraOMV group** is a major independent oil and gas company based in Malaysia with strong growth prospects consisting of sizeable discovered resources and a strong portfolio of exploration prospects. Apart from Malaysia, it has access to exploration blocks in New Zealand, Australia and Mexico.

Gas Connect Group operates a natural gas high-pressure pipeline grid in Austria, markets transportation capacity to meet domestic natural gas demand and supports export to Europe and acts as distribution or market area manager throughout the Federal territory of Austria.

The following tables summarize the financial information relating to the individually material subsidiary OMV Petrom SA:

Statement of comprehensive income

In EUR mn

	OMV Petrom SA	
	2019	2018
Sales revenue	4,105	3,681
Net income for the year	717	831
Total comprehensive income	541	838
Attributable to NCI	265	410
Dividends paid to NCI	155	117

Statement of financial position

In EUR mn

	OMV Petrom SA	
	2019	2018
Current assets	2,393	2,004
Non-current assets	7,677	7,640
Assets held for sale	45	27
Current liabilities	1,241	1,259
Non-current liabilities	1,656	1,437
Liabilities associated with assets held for sale	47	22

Statement of cash flows

In EUR mn

	OMV Petrom SA	
	2019	2018
Operating cash flow	1,474	1,379
Investing cash flow	(675)	(1,050)
Financing cash flow	(399)	(89)
Net increase /(decrease) in cash and cash equivalents	370	240

23 Provisions

Provisions

In EUR mn

	Pensions and similar obligations	Decom-missioning and restoration	Other provisions	Total
January 1, 2019	**1,096**	**3,736**	**801**	**5,633**
Foreign exchange differences	(1)	2	(2)	**(2)**
Changes in consolidated Group	—	69	0	**69**
Usage and releases	(83)	(211)	(244)	**(538)**
Payments to funds	(51)	—	—	**(51)**
Allocations	166	503	302	**970**
Transfers	(15)	(3)	8	**(9)**
Liabilities associated with assets held for sale	—	(137)	—	**(137)**
December 31, 2019	**1,111**	**3,959**	**865**	**5,935**
thereof short-term as of December 31, 2019	—	87	293	**379**
thereof short-term as of January 1, 2019	—	63	355	**418**

Provisions for pensions and similar obligations

The majority of **pension commitments** of several Austrian OMV companies were transferred to an external pension fund managed by APK-Pensionskasse AG in earlier years. The pension plan in New Zealand is operated by AMP Services (NZ) Limited.

Defined benefit pension plans and obligations for severance payments

In EUR mn

	2019	2018	2017	2016	2015
Present value of funded obligations	840	776	729	764	728
Market value of plan assets	(473)	(413)	(436)	(453)	(460)
Provision for funded obligations	**366**	**363**	**293**	**311**	**268**
Present value of unfunded obligations	499	490	463	479	497
Provision for unfunded obligations	**499**	**490**	**463**	**479**	**497**
Present value of obligations of severance payments	**141**	**129**	**135**	**144**	**150**
Total	**1,007**	**982**	**891**	**935**	**915**

Present value of obligations

In EUR mn

	2019		2018	
	Pensions	Severance	Pensions	Severance
Present value of obligation as of January 1	**1,266**	**129**	**1,191**	**135**
Changes in the consolidated group	—	—	23	—
Foreign exchange difference	1	(1)	0	(0)
Current service cost	7	5	3	5
Interest cost	23	3	20	3
Benefits paid	(75)	(11)	(74)	(9)
Expected defined benefit obligations as per December 31	**1,221**	**126**	**1,164**	**134**
Actual defined benefit obligations as per December 31	**1,339**	**141**	**1,266**	**129**
Remeasurements of the period (OCI)	**118**	**15**	**102**	**(5)**
thereof changes in demographic assumptions	(25)	—	96	0
thereof changes in financial assumptions	133	14	(5)	(7)
thereof experience adjustments	9	1	11	1

Market value of plan assets

In EUR mn

	2019				2018			
	VRG IV – Austria	VRG VI – Austria	New Zealand	**Total**	VRG IV – Austria	VRG VI – Austria	New Zealand	**Total**
Market value of plan assets as of January 1	**256**	**137**	**20**	**413**	**285**	**151**	**—**	**436**
Changes in the consolidated group	—	—	—	**—**	—	—	20	**20**
Interest income	5	2	0	**8**	5	2	—	**7**
Allocation to funds	32	18	1	**51**	—	5	—	**5**
Benefits paid	(22)	(16)	(2)	**(41)**	(22)	(17)	—	**(38)**
Remeasurements of the period (OCI)	24	19	—	**43**	(12)	(5)	—	**(17)**
Market value of plan assets as of December 31	**295**	**159**	**19**	**473**	**256**	**137**	**20**	**413**

Provisions and expenses

In EUR mn

	2019		2018	
	Pensions	Severance	Pensions	Severance
Provision as of January 1	**853**	**129**	**756**	**135**
Changes in the consolidated group	—	—	4	—
Foreign exchange difference	0	(1)	0	(0)
Expense for the year	23	8	16	8
Benefits paid	(34)	(11)	(35)	(9)
Payments to funds	(51)	—	(5)	—
Remeasurements for the year	75	15	119	(5)
thereof changes in demographic assumptions	(25)	—	96	0
thereof changes in financial assumptions	91	14	12	(7)
thereof experience adjustments	9	1	11	1
Provision as of December 31	**866**	**141**	**853**	**129**
Current service cost	7	5	3	5
Net interest cost	16	3	13	3
Expenses of defined benefit plans for the year	**23**	**8**	**16**	**8**

Underlying assumptions for calculating pension expenses and expected defined benefit entitlements as of December 31

	2019			2018		
	Austria and Germany		Romania	Austria and Germany		Romania
	Pensions	Severance	Severance	Pensions	Severance	Severance
Capital market interest rate	1.00%	0.70%	4.41%	1.90%	1.60%	4.75%
Future increases in salaries	3.00%	3.00%	4.19%	3.00%	3.00%	2.61%
Future increase in pensions	2.00%	—	—	2.00%	—	—

The following actuarial assumptions for calculating pension expenses and expected defined benefit entitlements are considered as material and are stress tested within the following ranges. The increase or decrease compared to the values accounted for defined benefit obligations in relative deviation terms and in absolute values are as follows:

Sensitivities - percentage change

	2019			
	Capital market interest rate		Future increases in salaries and pensions	
	+0.50%	(0.50)%	+0.25%	(0.25)%
Pensions	(5.93)%	6.58%	2.71%	(2.59)%
Severance	(4.13)%	4.42%	2.14%	(2.08)%

Sensitivities - absolute change

In EUR mn

	2019			
	Capital market interest rate		Future increases in salaries and pensions	
	+0.50%	(0.50)%	+0.25%	(0.25)%
Pensions	(79)	88	36	(35)
Severance	(6)	6	3	(3)

Duration profiles and average duration of defined benefit obligations as of December 31

In EUR mn

	2019			
	Duration profiles			Duration
	1–5 years	6–10 years	>10 years	in years
Pensions	344	289	705	13
Severance	49	39	54	9

Cash duration profiles and average duration as of December 31

In EUR mn

	2019			
	Duration profiles			Duration
	1–5 years	6–10 years	>10 years	in years
Pensions	353	314	881	14
Severance	52	55	145	11

Allocation of plan assets as of December 31

	2019			2018		
	VRG IV – Austria	VRG VI – Austria	New Zealand	VRG IV – Austria	VRG VI – Austria	New Zealand
Asset category						
Equity securities	26.22%	26.42%	53.54%	22.14%	21.81%	53.63%
Debt securities	59.08%	59.01%	28.95%	62.21%	62.48%	25.41%
Cash and money market investments	7.55%	7.03%	11.51%	6.76%	6.70%	15.73%
Other	7.15%	7.54%	6.00%	8.89%	9.01%	5.23%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Investment policies aim to achieve an optimal investment portfolio structure and to ensure that existing entitlements are covered at all times. The investment of plan assets in Austria is governed by section 25 Austrian Pension Fund Act and the Investment Fund Act. In addition to these regulations, the investment guidelines of APK-Pensionskasse AG regulate the spread of asset allocation, the use of umbrella funds and the selection of fund managers. New categories of investments or the employment of a wider range of funds require the approval of the APK-Pensionskasse AG management board. Diversification of both equity and debt securities is global; however, the bulk of the debt securities is EUR-denominated or EUR-hedged.

The funds of the asset allocation and risk groups VRG IV and VRG VI are invested in international equity and bond funds, alternative investment strategies (absolute return strategies, real estate and private equity) as well as money market investments. The long-term investment objective of the VRG IV and the VRG VI is to outperform the benchmarks of the risk groups (20% global equity, 65% global bonds, 5% cash, 5% alternatives, 5% real estate) and to cover existing and future entitlement payments of the VRGs. The assets of the VRG IV and VRG VI are invested in such a manner as to ensure the security, quality, liquidity and profitability of the portfolio as a whole, as defined in the Austrian Pension Fund Act section 25. The asset allocation and the regional allocation of the VRG IV and VRG VI can and will deviate from the benchmark allocation if this is in the judgment of APK and warranted by current asset prices and/or future expected returns. To enhance the return potential, active strategies for all asset classes will be used when justified by market characteristics and/or cost/benefit considerations. The majority of the assets of the VRG IV and VRG VI are invested in liquid active markets for which quoted prices are available. A smaller allocation to assets for which only observable but not quoted prices are available (e.g. real estate and certain absolute return strategies) is allowed when the risk return profile of such assets is believed to be favorable. Risk is managed actively and it is generally expected that the volatility and especially the drawdown risk of the VRG IV and VRG VI will be lower than that of their benchmark.

The actual returns of the individual VRGs can deviate from the target returns on the plan assets, due to differences in the allocation, the developments of the capital markets and costs. The performance of the VRG IV was in 2019 13.21% and the performance of the VRG VI was 13.28% mainly due to significantly improved performance on debt and equity securities market.

In 2020, defined benefit related contributions for 2019 to APK-Pensionskasse AG of EUR 3 mn are planned.

Provisions for decommissioning and restoration obligations

Provisions for decommissioning and restoration obligations

In EUR mn

	Carrying amount
January 1, 2019	**3,736**
Foreign exchange differences	2
Changes in consolidated Group	69
New obligations	24
Increase arising from revisions in estimates	375
Reduction arising from revisions in estimates	(158)
Unwinding of discounting	104
Liabilities associated with assets held for sale	(137)
Usage, disposals and other changes	(55)
December 31, 2019	**3,959**
thereof short-term as of December 31, 2019	87
thereof short-term as of January 1, 2019	63

Changes in the consolidated Group were related to the acquisition of Upstream assets in Malaysia.

Net change from **revisions in estimates** amounted to EUR 216 mn. The increase arising from revisions in estimates was mainly driven by decreased discount rates for RON, USD and NZD compared to 2018.

Estimation of maturities of decommissioning and restoration obligations

In EUR mn

	2019
≤1 year	87
1 – 5 years	323
5 – 10 years	898
10 – 20 years	1,476
20 – 30 years	889
30 – 40 years	285
>40 years	1
Total	**3,959**

A decrease of 1 percentage point in the real interest rates used to calculate the decommissioning provisions would lead to an additional provision of EUR 209 mn (2018: EUR 356 mn).

The provision for decommissioning and restoration costs included obligations in respect of OMV Petrom SA amounting to EUR 1,401 mn (2018: EUR 1,311 mn). Part of the obligations is to be recovered from the Romanian State in accordance with the privatization agreement. As of December 31, 2019, OMV Petrom SA held receivables from the Romanian state related to decommissioning and restoration costs amounting to EUR 375 mn (2018: EUR 341 mn).

Other provisions

In EUR mn

	2019		2018	
	Short-term	Long-term	Short-term	Long-term
Environmental costs	12	81	26	33
Onerous contracts	29	383	60	375
Other personnel provisions	119	14	109	11
Other	132	95	160	26
Other provisions	**293**	**572**	**355**	**446**

As at December 31, 2019 the **provision for environmental costs** included EUR 46 mn referring to a newly set-up provision for soil remediation in relation to the Arpechim refinery site in Romania.

The **provisions for onerous contracts** were mainly related to the Gate LNG obligation and associated transportation commitments of OMV Gas Marketing & Trading GmbH.

The provision for the Gate LNG obligation was recorded in 2012 for a long-term, non-cancellable contract for regasification capacity and storage that became onerous due to the negative development of market conditions for LNG terminal capacities in Europe. The present value of the provision as at December 31, 2019 was EUR 327 mn (2018: EUR 340 mn). The provision represents the unavoidable costs of meeting the contractual obligations. Thereby, income and costs from future purchases and sales of LNG are taken into account, since the regasification of LNG and subsequent sale of the gas positively contributes to the coverage of the fixed costs. The volume assumptions are based on management's best estimates of available LNG volumes in the future. The prices are based on forward rates, where available. If no forward prices are available, the prices represent management's best estimate of future prices, derived from current market prices or forward rates of the preceding period. The calculation is based on an interest rate of 3.9% (2018: 4.9%). A 50% decrease in either LNG volumes or margin would lead to an additional provision of EUR 189 mn. Furthermore, a 1 percentage point decrease in the discount rate would lead to an additional provision of EUR 27 mn.

As per end of 2019, the provision for the related non-cancellable transportation commitments of OMV Gas Marketing & Trading GmbH amounted to EUR 78 mn (2018: EUR 68 mn). The calculation is based on the difference between the fixed costs for using the capacities and the net profit from usage expected to be generated by using the capacities. The discount rate applied is 3.9% (2018: 4.9%). Besides the discount rates, the key assumptions are the gas prices at the relevant gas hubs which are based on forward rates where available and on management's best estimates for the remaining contract term.

Other personnel provisions included short-term costs of staff reductions amounting to EUR 28 mn (2018: EUR 30 mn).

As of December 31, 2019 a provision for a shortfall of emission certificates in New Zealand in amount of EUR 61 mn (including an obligation for which emission certificates are to be received from customers) was included in line **Other**.

Emissions certificates

Directive 2003/87/EC of the European Parliament and of the European Council established a greenhouse gas emissions trading scheme, requiring member states to draw up national plans to allocate emissions certificates. Under this scheme, affected OMV Group companies received a total of 3,181,456 free emissions certificates in 2019 (2018: 3,213,524).

The New Zealand Government established a greenhouse gas emissions trading scheme under the Climate Change Response Act 2002. Under this scheme New Zealand companies are not entitled to receive free emission certificates. OMV has purchased certificates to meet its own use liability. Apart from purchased certificates, each sale of gas to domestic customers in New Zealand creates an obligation for OMV. OMV receives units of emission certificates from customers to meet this obligation.

As of December 31, 2019, the total market value of emissions certificates amounted to EUR 232 mn (December 31, 2018: EUR 225 mn).

OMV expects to surrender 10,819,250 emissions certificates in 2020 for (not yet externally verified) emissions, out of which 3,999,311 emissions certificates are expected to be transferred to OMV from customers in New Zealand.

Emissions certificates

	2019	2018
Certificates held as of January 1	**9,077,418**	**9,091,596**
Free allocation for the year	3,181,456	3,213,524
Certificates surrendered according to verified emissions for the prior year	(9,685,184)	(7,121,633)
Changes in consolidated Group	—	2,271
Net purchases and sales during the year	4,005,464	3,105,973
Certificates received from customers	2,858,213	785,687
Certificates held as of December 31	**9,437,367**	**9,077,418**

24 Liabilities

Liabilities [1]

In EUR mn

	2019			2018		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Bonds	540	5,262	**5,802**	539	4,468	**5,007**
Other interest-bearing debts	148	620	**769**	304	441	**745**
Lease liabilities	120	934	**1,053**	—	—	**—**
Trade payables	4,155	—	**4,155**	4,401	—	**4,401**
Other financial liabilities	2,818	301	**3,120**	2,806	924	**3,730**
Other liabilities	903	157	**1,060**	863	138	**1,002**
Liabilities [1]	**8,684**	**7,274**	**15,958**	**8,913**	**5,971**	**14,885**

[1] Excluding liabilities associated with assets held for sale, which are described in Note 20 – Assets and Liabilities held for sale.

Other interest-bearing debts

In EUR mn

	2019			2018		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Other interest-bearing debts to banks	148	473	**622**	157	441	**598**
Other sundry interest-bearing debts	—	147	**147**	147	—	**147**
Other interest-bearing debts	**148**	**620**	**769**	**304**	**441**	**745**

Bonds

Bonds issued

In EUR mn

	Nominal	Coupon	Repayment	2019 Carrying amount December 31	2018 Carrying amount December 31
US Private Placement	EUR 300,000,000	0.031% floating	06/11/2021	301	—
International corporate bond	EUR 500,000,000	1.75% fixed	11/25/2019	—	500
	EUR 500,000,000	4.375% fixed	02/10/2020	519	519
	EUR 500,000,000	4.25% fixed	10/12/2021	503	503
	EUR 750,000,000	2.625% fixed	09/27/2022	752	750
	EUR 500,000,000	0.75% fixed	12/04/2023	498	497
	EUR 500,000,000	0.00% fixed	07/03/2025	495	—
	EUR 1,000,000,000	1.00% fixed	12/14/2026	992	991
	EUR 750,000,000	3.50% fixed	09/27/2027	749	748
	EUR 500,000,000	1.875% fixed	12/04/2028	499	499
	EUR 500,000,000	1.00% fixed	07/03/2034	495	—
Bonds issued				**5,802**	**5,007**

Bonds and other interest-bearing debts

As at December 31, 2019, OMV Group was in compliance with all financial covenants stipulated by the loan agreements.

Bonds and other interest-bearing debts

In EUR mn

	2019	2018
Short-term loan financing	88	101
Short-term component of long-term financing	600	742
Total short-term	**688**	**843**
Maturities of long-term financing		
2020/2019 (short-term component of long-term financing)	600	742
2021/2020	1,158	556
2022/2021	769	855
2023/2022	501	768
2024/2023	236	500
2025/2024 and subsequent years	3,218	2,230
Total for 2020/2019 onwards	**6,482**	**5,651**

Breakdown of bonds and other interest-bearing debts

In EUR mn

		2019		2018	
			Weighted average interest rate		Weighted average interest rate
Bonds and other long-term interest-bearing debts [1]					
Fixed rates	EUR	5,559	2.12%	5,386	2.29%
	USD	14	2.28%	21	2.28%
Total		**5,573**	**2.12%**	**5,407**	**2.29%**
Variable rates	EUR	753	0.30%	147	1.06%
	USD	157	3.66%	98	3.05%
Total		**910**	**0.88%**	**245**	**1.85%**
Other short-term interest-bearing debts					
NZD		42	1.76%	—	—
HUF		33	0.40%	58	0.38%
USD		6	0.50%	—	—
EUR		4	0.50%	43	0.50%
NOK		3	3.65%	—	—
Total		**88**	**1.17%**	**101**	**0.43%**

[1] Including short-term components of long-term debts

Other financial liabilities

Other financial liabilities

In EUR mn

	Short-term	Long-term	Total
		2019	
Derivative financial liabilities	2,299	179	**2,478**
Liabilities on derivatives designated and effective as hedging instruments	209	28	**237**
Liabilities on other derivatives	2,090	151	**2,241**
Other sundry financial liabilities	519	122	**642**
Other financial liabilities	**2,818**	**301**	**3,120**
		2018	
Derivative financial liabilities	2,265	535	**2,800**
Liabilities on derivatives designated and effective as hedging instruments	223	125	**348**
Liabilities on other derivatives	2,042	410	**2,452**
Liabilities on finance lease [1]	14	275	**288**
Other sundry financial liabilities	527	114	**641**
Other financial liabilities	**2,806**	**924**	**3,730**

[1] Before the implementation of IFRS 16 as of January 1, 2019 finance lease liabilities were reported in the line 'other financial liabilities' in the statement of financial position. Upon implementation of IFRS 16 lease liabilities are shown in a separate line.

The table hereafter summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows:

Financial liabilities (undiscounted cash flows)

In EUR mn

	≤1 year	1 – 5 years	>5 years	Total
		2019		
Bonds	617	2,324	3,436	**6,378**
Other interest-bearing debt	154	623	—	**777**
Lease liabilities	142	419	787	**1,348**
Trade payables	4,155	—	—	**4,155**
Derivative financial liabilities	2,299	179	—	**2,478**
Other sundry financial liabilities	519	90	92	**701**
Financial liabilities (undiscounted cash flows)	**7,886**	**3,635**	**4,316**	**15,836**
		2018		
Bonds	621	2,571	2,432	**5,624**
Other interest bearing debts	308	448	—	**756**
Trade payables	4,401	—	—	**4,401**
Derivative financial liabilities	2,265	535	—	**2,800**
Liabilities on finance leases and other sundry financial liabilities	549	170	428	**1,147**
Financial liabilities (undiscounted cash flows)	**8,145**	**3,724**	**2,859**	**14,728**

Other liabilities

Other liabilities

In EUR mn

	Short-term	Long-term	Total
		2019	
Other taxes and social security liabilities	699	—	**699**
Payments received in advance	19	11	**30**
Contract liabilities	80	142	**222**
Other sundry liabilities	104	5	**109**
Other liabilities	**903**	**157**	**1,060**
		2018	
Other taxes and social security liabilities	698	—	**698**
Payments received in advance	14	3	**18**
Contract liabilities	63	129	**192**
Other sundry liabilities	88	6	**94**
Other liabilities	**863**	**138**	**1,002**

Contract liabilities

In EUR mn

	2019	2018
January 1	**192**	**202**
Foreign exchange differences	(1)	0
Revenue recognized that was included in the contract liability balance at the beginning of the period	(78)	(72)
Increases due to cash received, excluding amounts recognized as revenue during the period	109	62
December 31	**222**	**192**

The contract liabilities consisted mainly of non-refundable prepayments of storage fees received from Erdöl-Lagergesellschaft m.b.H., Lannach on the basis of a long-term service contracts.

25 Deferred tax

Deferred taxes

In EUR mn

	Deferred tax assets total	Deferred tax assets not recognized	Deferred tax assets recognized	Deferred tax liabilities
		2019		
Intangible assets	114	22	91	751
Property, plant and equipment	124	68	56	1,699
Inventories	32	0	32	28
Derivatives	496	—	496	588
Receivables and other assets	51	16	34	80
Provisions for pensions and similar obligations	215	144	70	48
Provisions for decommissioning, restoration obligations and environmental costs	1,362	39	1,323	—
Other provisions	130	0	130	32
Liabilities	265	61	204	3
Tax impairments according section 12 (3)/2 of the Austrian Corporate Income Tax Act (KStG)	275	—	275	—
Tax loss carryforwards	1,091	1,011	80	—
Outside basis differences	—	—	—	7
Total	**4,153**	**1,361**	**2,791**	**3,236**
Netting (same tax jurisdictions)			(2,105)	(2,105)
Deferred taxes as per statement of financial position			**686**	**1,132**
		2018		
Intangible assets	89	22	67	456
Property, plant and equipment	134	47	87	1,370
Inventories	21	3	18	33
Derivatives	300	—	300	372
Receivables and other assets	67	33	34	74
Provisions for pensions and similar obligations	202	142	57	16
Provisions for decommissioning, restoration obligations and environmental costs	1,212	27	1,182	0
Other provisions	134	58	76	11
Liabilities	42	16	32	16
Tax impairments according section 12 (3)/2 of the Austrian Corporate Income Tax Act (KStG)	445	—	445	—
Tax loss carryforwards	1,134	1,049	85	—
Outside basis differences	—	—	—	8
Total	**3,781**	**1,396**	**2,385**	**2,357**
Netting (same tax jurisdictions)			(1,626)	(1,626)
Deferred taxes as per statement of financial position			**759**	**731**

Deferred taxes were mainly related to different valuation methods, differences in impairments, write-offs, depreciation and amortization as well as different definition of costs.

In 2019 deferred taxes were mainly impacted by the acquisition of SapuraOMV (please refer to Note 3 – Changes in group structure – for further details).

The overall net deferred tax asset position of tax jurisdictions which suffered a tax loss either in current or preceding year amounted to EUR 268 mn, thereof EUR 260 mn is attributable to the Austrian tax group (2018: EUR 354 mn, thereof Austrian tax group EUR 279 mn).

As of December 31, 2019, OMV recognized **tax losses carryforward** of EUR 4,179 mn before allowances (2018: EUR 4,138 mn), thereof EUR 351 mn (2018: EUR 192 mn) are considered recoverable for calculation of deferred taxes. Eligibility of losses for carryforward expires as follows:

Tax losses carryforward

In EUR mn

	2019		2018	
	Base amount (before allowances)	thereof not recognized	Base amount (before allowances)	thereof not recognized
2020	5	5	5	5
2021	0	0	5	5
2022	1	1	0	0
2023	1	1	198	107
2024	112	111		
After 2024/2023	61	14	90	23
Unlimited	3,998	3,694	3,840	3,806
Tax losses carryforward	**4,179**	**3,827**	**4,138**	**3,946**

The majority of **tax losses carryforward not recognized** referred to the Austrian tax group.

As of December 31, 2019, the aggregate amount of temporary differences associated with fully consolidated and equity-accounted investments for which deferred tax liabilities have not been recognized amounted to EUR 4,485 mn (2018: EUR 4,459 mn).

Capital gains on disposals of investments may be realized on various levels of the Group depending on the structuring of potential divestments. Due to the complexity of the group and the associated tax implications simplifying assumptions for the calculation have been made that aim to diminish cascade effects.

Supplementary Information on the Financial Position

26 Statement of cash flows

Cash and cash equivalents

In EUR mn

	2019	2018
Cash at banks and on hand	710	700
Short-term deposits	2,228	3,326
Cash and cash equivalents	**2,938**	**4,026**

In 2019, the cash balance was not entirely available for use within OMV OF LIBYA LIMITED, EUR 33 mn being blocked as collateral for a documentary letter of credit.

Significant non-cash items

In 2019 as well as in 2018, non-cash additions to fixed assets included mainly effects related to the reassessment of decommissioning and restoration obligations.

Cash flow from investing activities

For details about the cash flow effect from the Nord Stream 2 pipeline project refer to Note 18 – Financial assets – and for the cash flow effect from acquisitions to Note 3 – Changes in group structure.

Cash flow from financing activities

On June 11, 2019, OMV issued a EUR 300 mn Eurobond with a maturity date of June 11, 2021. On July 3, 2019, OMV issued two tranches of EUR 500 mn Eurobonds with maturity dates of July 3, 2025 and 2034 respectively. These transactions were reflected in the line "Increase in long-term borrowings".

The line "Repayments of long-term borrowings" included the repayment of a EUR 500 mn Eurobond.

Changes in liabilities arising from financing activities

In EUR mn

	2019			
	Bonds	Other interest-bearing debts	Lease liabilities	Total
January 1	**5,007**	**745**	—	**5,752**
Finance lease liability recognized as at 31 December, 2018			288	**288**
Lease liability for previously unrecognized operating lease commitments as at January 1, 2019			706	**706**
Total impact from initial application of IFRS 16			**994**	**994**
January 1, adjusted	**5,007**	**745**	**994**	**6,746**
Increase in long-term borrowings	1,287	89	—	**1,376**
Repayments of long-term borrowings	(500)	(371)	(109)	**(980)**
Increase/(decrease) in short-term borrowings	—	(22)	—	**(22)**
Total cash flows related to financing activities	**787**	**(303)**	**(109)**	**374**
Foreign exchange difference	—	7	(2)	**5**
Changes in consolidated group	—	314	5	**319**
Difference interest expenses and interest paid	8	5	2	**15**
Other changes	—	—	164 [1]	**164**
Total non-cash changes	**8**	**326**	**169**	**503**
December 31	**5,802**	**769**	**1,053**	**7,624**

[1] Mainly related to new lease agreements

Changes in liabilities arising from financing activities

In EUR mn

	2018			
	Bonds	Other interest-bearing debts	Finance lease liabilities	Total
January 1	**4,757**	**937**	**292**	**5,986**
Increase in long-term borrowings	994	17	—	**1,011**
Repayments of long-term borrowings	(1,500)	(293)	(11)	**(1,805)**
Increase/(decrease) in short-term borrowings	—	102	—	**102**
Total cash flows related to financing activities	**(506)**	**(175)**	**(11)**	**(692)**
Foreign exchange difference	—	(35)	(0)	**(35)**
Reclassification of hybrid bond from equity to financial liabilities	800	—	—	**800**
Difference interest expenses and interest paid	(0)	3	—	**3**
Other changes	—	14	8[1]	**22**
Total non-cash changes	**800**	**(17)**	**8**	**791**
Coupon payment of hybrid bond before reclassification from equity [2]	**(45)**	**—**	**—**	**(45)**
December 31	**5,007**	**745**	**288**	**6,040**

[1] Mainly related to new lease agreements
[2] Shown in the line "Dividends paid to OMV equity holders" in the Statement of Cash Flows

The total cash outflow related to lease liabilities amounted to EUR 131 mn.

As of December 31, 2019, the Group had available EUR 3,250 mn of undrawn committed borrowing facilities that can be used for future activities without any restrictions (December 31, 2018: EUR 3,264 mn).

As of December 31, 2019, there were EUR 238 mn financing commitments provided to Nord Stream 2 AG for the planned additional funding of Nord Stream 2 project (December 31, 2018: EUR 351 mn).

27 Contingent liabilities

OMV recognizes provisions for litigations if these are more likely than not to result in obligations. Management is of the opinion that litigations, to the extent not covered by provisions or insurance, will not materially affect the Group's financial position.

The production facilities and properties of all Group companies are subject to a variety of environmental protection laws and regulations in the countries where they operate. The estimated cost of known environmental obligations has been provided in accordance with the Group's accounting policies. Provisions for decommissioning and restoration are recognized if an obligation exists at the statement of financial position date.

Management believes that compliance with current laws and regulations and future more stringent laws and regulations will not have a material negative impact on the Group's results, financial position or cash flows in the near future.

In Romania, with reference to the Arpechim refinery site, a provision for soil remediation was set up during 2019. Consequently, the related contingency, described in detail in OMV's Consolidated Financial Statements 2018, is no longer applicable.

In May 2009, OMV signed an agreement with the sellers Crescent Petroleum International Limited (Crescent) and Dana Gas PJSC (Dana) to acquire a 10% share in Pearl Petroleum Company Limited (Pearl), a company that operates Khor Mor and Chemchemal gas fields in the Kurdistan Region of Iraq. The agreement included contingent payments to be made by OMV which are dependent on further reserves determinations. The reserves determinations will be have to be made by jointly appointed independent expert.

In this connection, in May 2019, OMV received an invoice from Crescent and Dana amounting to approximately USD 241 mn and later unsubstantiated and rejected allegations of damages in an amount of up to more than one billion USD. In view of at the time pending independent expert determination before the International Chamber of Commerce (ICC) and arbitrations before the London Court of International Arbitration (LCIA) regarding inter alia revisions of the Field Development Plan (FDP) of the Chemchemal gas field and a revision of the FDP of Khor Mor, which were not approved at joint venture level, and the deviating views between Crescent/Dana and OMV inter alia about the size of an oil discovery in Khor Mor, OMV rejected the invoice. In September 2019, the independent expert determination before the ICC was decided in favor of OMV. Depending on further progress of the arbitration proceedings and not yet commenced reserve determinations, a contingent payment could potentially arise; however, such event is not deemed probable at this stage. Therefore, no provision has been recognized in OMV's Group Financial Statements. Furthermore, at the date of these financial statements, a reliable estimate of the potential additional payment, if any, cannot be made.

28 Risk management

Capital risk

OMV's financial steering framework is built upon the principles of operational efficiency, capital efficiency, financing efficiency and sustainable portfolio management. With the focus on strengthening OMV's balance sheet, delivering a positive free cash flow and growing its profitability, the financial steering framework represents sustainable, risk-monitored and future-oriented value creation for OMV and its stakeholders.

OMV manages its capital structure to safeguard its capital base in order to preserve investor, creditor and market confidence, as well as to provide a sustainable financial foundation for the future operational development of the Group. OMV's financing strategy focuses on cash flow and financial stability. Principal targets are a positive free cash flow after dividends and a strong investment grade credit rating on the basis of a healthy balance sheet and a long-term gearing ratio without leases of below 30%.

Capital Management – key performance measures

In EUR mn (unless otherwise stated)

	2019	2018
Bonds	5,802	5,007
Lease liabilities	1,053	—
Liabilities on finance lease	—	288
Other interest-bearing debts	769	745
Debt	**7,624**	**6,040**
Cash and cash equivalents [1]	2,938	4,026
Net Debt	**4,686**	**2,014**
Equity	**16,863**	**15,342**
Gearing Ratio in %	**28**	**13**

[1] Including cash and cash equivalents that were reclassified to assets held for sale

Liquidity risk

For the purpose of assessing liquidity risk, yearly budgeted operating and financial cash flows of the Group are monitored and analyzed on a monthly basis. Thus, every month the Group generates a forecasted net change in liquidity which is then compared to the total month end balances of money market deposits and loans as well as maturities of the current portfolio and the available liquidity reserves of the same month. This analysis provides the basis for financing decisions and capital commitments.

To ensure that OMV Group remains solvent at all times and retains the necessary financial flexibility, liquidity reserves in the form of committed credit lines and short term uncommitted money market lines are maintained. As of December 31, 2019, the average weighted maturity of the Group's debt portfolio (excluding lease liabilities) has been 5.2 years (as of December 31, 2018: 5.0 years).

OMV Group's operational liquidity management is done centrally via a cash pooling system, which enables optimum use of existing cash and liquidity reserves to the benefit of every individual member of cash pooling system and therefore the Group as a whole.

Details of OMV Group's financial liabilities are shown in Note 24 – Liabilities.

Political Risk

OMV operates and has financial investments in countries that are subject to political uncertainties in particular Libya, Kazakhstan, Yemen, Russia, Malaysia and Tunisia. Possible political changes may lead to disruptions and limitations in production as well as an increased tax burden, restrictions on foreign ownership or even nationalization of property. However, OMV has extensive experience in managing the political environment in emerging economies. Political developments in all markets where OMV operates are observed continually. Country-specific risks are assessed before entering new countries.

An analysis to assess the potential impact of the Brexit on OMV group companies was undertaken, which showed that there is no significant impact expected. OMV evaluates the risk of potential US or EU sanctions and their impact on planned or existing operations with the aim to stay in full compliance with all applicable sanctions. In particular risks due to US sanctions on the Nord Stream 2 project and on OMV's activities in Russia are regularly assessed and monitored. The financing agreements for the pipeline project Nord Stream 2 are not affected by the US sanctions.

Climate change Risks
OMV regularly evaluates the Group's exposure to climate-change-related risks in addition to the market price risk from European Emission Allowances. Such risks comprise the potential impact from acute or chronic events like more frequent extreme weather events or systemic changes to our business model due to a changing legal framework or substitution of OMV's products due to changing consumer behavior. OMV recognizes climate change as a key global challenge. We thus integrate the related risks and opportunities into the development of the Company's business strategy.

Market risk
Derivative and non-derivative instruments are used to manage market price risks resulting from changes in commodity prices, foreign exchange rates and interest rates, which could have a negative effect on assets, liabilities or expected future cash flows.

Commodity price risk - Upstream
In order to protect the Group's result and cash flow from the potential negative impact of falling oil and gas prices as well as to ensure sufficient liquidity headroom in order to enable the envisaged growth strategy, OMV uses financial derivatives to secure favorable oil and gas prices from time to time. When doing so, OMV enters into derivative positions selling forward parts of its future production, thereby locking in future oil and gas prices and reducing exposure to market prices in the periods for which the hedges are concluded. OMV Group adopts a flexible approach to monetize hedges prior to their maturity with the aim to generate a positive contribution to the results.

In 2019, swaps for gas volumes were entered into, resulting in a total positive Operating result impact of EUR 2 mn.

In 2018, the financial swaps that were concluded for both oil and gas volumes resulted in a total Operating result impact of EUR (219) mn (oil: EUR (98) mn, gas: EUR (121) mn).

For these derivative instruments no hedge accounting was applied.

Commodity price risk – Downstream
Commodity price risk management in Downstream refers to analysis, assessment, reporting and hedging of market price risk exposure arising from non-trading and trading activities, covering refining (refinery margin, petrochemical margin, inventories up to a defined threshold) as well as oil and gas marketing activities (marketing margin, inventories up to a defined threshold) and producing power (spark spreads) in addition to proprietary trading positions.

Limited proprietary trading activities are performed for the purpose of creating market access within the oil, power and gas markets. In Downstream Gas, OTC swaps, options, futures and forwards are used to hedge purchase and sales price risks. The aim is to hedge the price risk on inventory fluctuations and the differences in terms and conditions of purchases and sales.

In Downstream Oil, derivative instruments are used for both hedging selected product sales and reducing exposure to price risks on inventory fluctuations. Crude oil and product swaps are used to hedge the refining margin (crack spread), which is the difference between crude oil prices and bulk product prices.

Furthermore, exchange-traded oil futures as well as OTC contracts (contracts for difference and swaps) are used to hedge short-term purchase and sales market price risks.

Swaps do not involve an investment at the time the contracts are concluded; settlement normally takes place at the end of the quarter or month. The premiums on options are payable when the contract is concluded; where options are exercised, payment of the difference between strike price and average market price for the period takes place at contract expiration.

The tables hereafter show the fair values of derivative financial instruments together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of the transactions outstanding at the year-end and are not indicative of either the market risk or the credit risk.

Nominal and fair value of open commodity contracts

In EUR mn

	2019			2018		
	Nominal	Fair value assets	Fair value liabilities	Nominal	Fair value assets	Fair value liabilities
Derivatives at FVOCI – Cash flow hedging						
Downstream Oil swaps [1]	7,102	284	(237)	4,284	391	(351)
Derivatives at FVTPL						
Upstream Gas swaps	56	10	(4)	705	39	(75)
Upstream	**56**	**10**	**(4)**	**705**	**39**	**(75)**
Downstream Oil futures	4,760	236	(258)	12,282	1,202	(1,181)
Downstream Oil swaps	6,736	82	(81)	11,063	202	(224)
Downstream Oil	**11,496**	**318**	**(339)**	**23,345**	**1,404**	**(1,405)**
Downstream Gas options	3	1	(2)	—	—	—
Downstream Gas swaps	177	29	(17)	329	15	(35)
Downstream Gas futures	78	5	(7)	195	4	(11)
Downstream Gas forwards	15,084	1,992	(1,866)	16,737	905	(910)
Downstream Gas	**15,342**	**2,028**	**(1,892)**	**17,260**	**925**	**(957)**

[1] Including inefficient part of cash flow hedges

Foreign exchange risk management

OMV operates in many countries and currencies, therefore industry-specific activities and the corresponding foreign exchange rate risks need to be analyzed precisely. The USD represents OMV's biggest risk exposure, in the form of movement of the USD against the EUR and also against other main OMV currencies (RON, RUB, NOK and NZD). Movements of these currencies against the EUR are also important sources of risk. Other currencies have only a limited impact on cash flow and Operating result. The transaction risk on foreign currency cash flows is monitored on an ongoing basis. The Group's net position is reviewed at least on a semiannual basis and the sensitivity is calculated. This analysis provides the basis for management of transaction risks on currencies.

Since OMV produces commodities that are mainly traded in USD, OMV Group has an economic USD long position.

FX options, forwards and swaps are used exclusively to hedge foreign exchange rate risks on outstanding receivables and payables. The market value of these instruments will move in the opposite direction to the value of the underlying receivable or liability if the relevant foreign exchange rate changes.

As of December 31, the value of transactions used to hedge foreign currency receivables and liabilities and of transactions used to manage liquidity was as follows:

Nominal and fair value of open currency derivatives

In EUR mn

	2019			2018		
	Nominal	Fair value assets	Fair value liabilities	Nominal	Fair value assets	Fair value liabilities
Currency options (FVOCI)	—	—	—	238	1	0
Currency forwards (FVTPL)	1,525	35	(6)	1,701	16	(12)
Currency swaps (FVTPL)	253	0	(0)	65	0	0

Cash flow hedge accounting

In the Downstream Oil Business, OMV is especially exposed to volatile refining margins and inventory risks. In order to mitigate those risks corresponding hedging activities are taken, which include margin hedges as well as stock hedges.

The risk management strategy is to harmonize the pricing of product sales and purchases in order to remain within an approved range of priced stocks at all times, by means of undertaking stock hedges so as to mitigate the price exposure. The range is a defined maximum deviation from the target stock level, as defined in the Annual Plan for hedging activities.

Furthermore, in respect of refinery margin hedges, crude oil and products are hedged separately, with the aim to protect future margins. Endorsed mandates are documented and defined within the Annual plan for hedging activities.

In case of refinery margin hedges only the product crack spread is designated as the hedged item, buying Brent Crude Oil on a fixed basis and selling the product on a fixed basis. The crack spread for different products is a separately identifiable component and can therefore represent the specific risk component designated as hedged item. There are limits set for the volume of planned hedged sales to avoid over hedging.

Stock hedges are used to mitigate price exposure whenever actual priced stock levels deviate from target levels. Forecast sales and purchase transactions for crude oil and oil products are designated as the hedged item. Historically, Brent crude oil has formed the largest risk component of the stock price, however in some cases also oil products are used for stock hedges. In such cases, Platts / Argus product price is used as the risk component. Other components like product crack spreads and other local market cost components are not hedged.

The hedging relationships are established with a hedge ratio of 1:1 as the underlying risk of the commodity derivatives are identical to the hedged risk components. Hedge ineffectiveness can arise from timing differential between derivative and hedged item delivery and pricing differentials (derivatives are valued on the future monthly average price (or other periods) and sales/purchases on the pricing at the date of transaction/delivery).

Cash flow hedging – Impact of hedging on the statement of financial positions

In EUR mn

	Swaps – forecast purchase	Swaps – forecast sales	Option — firm commitment to acquire a business in a business combination	Total
	Commodity price risk		**Foreign currency risk**	**Total**
		2019		
Nominal Value	66	7,036	—	**7,102**
Below one year	41	5,415	—	**5,455**
More than one year	25	1,621	—	**1,647**
Fair value – assets	6	279	—	**284**
Fair value – liabilities	0	237	—	**237**
Cash flow hedge reserve (before taxes)	6	50	—	**55**
		2018		
Nominal Value	204	4,080	238	**4,522**
Below one year	204	2,336	238	**2,778**
More than one year	—	1,744	—	**1,744**
Fair value – assets	—	391	1	**392**
Fair value – liabilities	44	304	—	**348**
Cash flow hedge reserve (before taxes)	(44)	94	(2)	**49**
thereof cost of hedging reserve	—	—	(2)	**(2)**

Above shown Fair value assets and liabilities are presented in Line item Other financial assets and Other financial liabilities in OMV's Consolidated statement of financial position.

Cash flow hedging – Impact of hedging in the statement of profit or loss and other comprehensive income

In EUR mn

	Swaps – forecast purchase	Swaps – forecast sales	Forwards, Options —firm commitment to acquire a business in a business combination	Swaps, Forwards, Options — firm commitment to acquire a business in an at-equity investment	
	Commodity price risk		**Foreign currency risk**		**Total**
			2019		
Gains/(losses) of the period recognized in OCI	53	(11)	(1)	43	**84**
Hedge ineffectiveness recognized in profit or loss	(14)	(0)	—	—	**(14)**
Amount reclassified from OCI to profit or loss	n.a.	(34)	n.a.	n.a.	**(34)**
			2018		
Gains/(losses) of the period recognized in OCI	(21)	43	32	(2)	**52**
Hedge ineffectiveness recognized in profit or loss	(1)	(14)	—	—	**(15)**
Amount reclassified from OCI to profit or loss	—	152	—	—	**152**

For 'Swaps – forecast purchase' the hedge ineffectiveness is included in line item 'Purchases (net of inventory variation)' in OMV's Consolidated income statement. The hedge ineffectiveness and recycling of 'Swaps – forecast sales' are both shown in line item 'Sales revenues' in OMV's Consolidated income statement.

Cash flow hedging – Impact of hedging on equity

In EUR mn

	Swaps – forecast purchase	Swaps – forecast sales	Forwards, Options — firm commitment to acquire a business in a business combination	Swaps, Forwards, Options — firm commitment to acquire a business in an at-equity investment	
	Commodity price risk		**Foreign currency risk**		**Total**
			2019		
Cash flow hedge reserve as of January 1 (net of tax)	(33)	73	(1)	—	**39**
Gains/(losses) of the period recognized in OCI	53	(11)	(1)	43	**84**
Amounts reclassified to profit or loss	n.a.	(34)	n.a.	n.a.	**(34)**
Amounts transferred to cost of non-financial item	(4)	—	2	(43)	**(44)**
Tax effects	(12)	11	—	—	**(1)**
Cash flow hedge reserve as of December 31 (net of tax)	**5**	**39**	**—**	**—**	**44**
			2018		
Cash flow hedge reserve as of January 1 (net of tax)	81	(72)	—	—	**8**
Gains/(losses) of the period recognized in OCI	(21)	43	30	—	**52**
Amounts reclassified to profit or loss	—	152	—	—	**152**
Amounts transferred to cost of non-financial item	(132)	—	(32)	—	**(163)**
Tax effects	40	(50)	0	—	**(10)**
Cash flow hedge reserve as of December 31 (net of tax)	**(33)**	**73**	**(1)**	**—**	**39**

Sensitivity analysis

For open hedging contracts sensitivity analysis is performed to determine the effect of market price fluctuations (+/–10%) on market value. The sensitivity of OMV Group's overall earnings differs from the sensitivity shown below, since the contracts concluded are used to hedge operational exposures.

The effect of market price fluctuations on earnings or equity depends on the type of derivative used and on whether hedge accounting is applied. Market price sensitivity for derivatives to which cash flow hedge accounting is applied is shown in the sensitivity table for equity. Sensitivity to market price fluctuations for all other open derivatives is shown in the sensitivity tables for profit before tax.

Sensitivity analysis for open derivatives affecting profit before tax

In EUR mn

	2019		2018	
	Market price +10%	Market price (10)%	Market price +10%	Market price (10)%
Upstream				
Upstream Commodity Gas swaps	(2)	2	(40)	40
Downstream Oil				
Downstream Oil Commodity futures	(11)	11	6	(6)
Downstream Oil Commodity swaps	(7)	7	(2)	2
Downstream Gas				
Downstream Gas Commodity options	(0)	0	0	0
Downstream Gas Commodity swaps	2	(2)	1	(1)
Downstream Gas Commodity futures	(1)	1	4	(4)
Downstream Gas Commodity forwards	(37)	37	(51)	51

Sensitivity analysis for open derivatives affecting equity

In EUR mn

	2019		2018	
	Market price +10%	Market price (10)%	Market price +10%	Market price (10)%
Downstream Oil				
Downstream Oil Commodity swaps	**(80)**	**80**	26	(26)

For financial instruments, sensitivity analysis is performed for changes in foreign exchange rates. On Group level, the EUR-RON sensitivity not only includes the net RON exposure versus the EUR but also the net RON exposure versus the USD, since the USD-RON exposure can be split into a EUR-RON and EUR-USD exposure. The same is true for the EUR-NOK and EUR-NZD exposure.

Sensitivity analysis for financial instruments affecting profit before tax [1]

In EUR mn

	2019		2018	
	10% appreciation of the EUR	10% depreciation of the EUR	10% appreciation of the EUR	10% depreciation of the EUR
EUR-RON	(20)	20	(18)	18
EUR-USD	(22)	22	(51)	51
EUR-NZD	(15)	15	(7)	7
EUR-NOK	(6)	6	(9)	9
EUR-RUB	(30)	30	(11)	11

[1] Refers only to financial instruments and is not the same as the Group's overall foreign exchange rate sensitivity in terms of operating result.

Translation risk

Translation risk is also monitored on an ongoing basis at Group level, and the risk position is evaluated. Translation risk arises on the consolidation of subsidiaries with functional currencies different from EUR. The largest exposures result from changes in RON, USD, RUB, NOK and NZD denominated assets against the EUR.

Interest rate management

To facilitate management of interest rate risk, OMV's liabilities are analyzed in terms of fixed and floating rate borrowings, currencies and maturities. Appropriate ratios for the various categories are established, and where necessary, derivative instruments are used to hedge fluctuations outside predetermined ranges.

Interest rate swaps can be used to convert fixed rate debt into floating rate debt, and vice versa. As of December 31, 2019, OMV did not have any open position, since no interest rate swaps were entered during the year 2019 (2018: no open position).

Interest sensitivities

OMV Group holds financial assets whose market value would be affected by changes in interest rates. The effect of an interest rate increase of 0.5 percentage points on the financial assets measured FVTPL as of December 31, 2019, would have been a EUR (12) mn reduction in the market value of these financial assets (2018: EUR (15) mn). A 0.5 percentage points fall in the interest rate as of December 31, 2019 would have led to an increase in market value of EUR 12 mn (2018: EUR 15 mn).

OMV regularly analyzes the impact of interest rate changes on interest income and expense from floating rate deposits and borrowings. Currently the effects of changes in interest rate are not considered to be a material risk.

Credit risk management

The main counterparty credit risks are assessed and monitored at Group level and Segment level using predetermined criteria and limits for all counterparties, banks and security providers. On the basis of a risk assessment, counterparties, banks and security providers are assigned a credit limit, an internal risk class and a specific limit validity. The risk assessments are reviewed at least annually or on an ad-hoc basis. The credit risk processes are governed by guidelines at OMV Group level stipulating the group-wide minimum requirements. The main counterparties with contracts involving derivative financial instruments have investment grade credit ratings.

Credit risk is the risk that OMV Group's counterparties will not meet their obligation under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk arising from credit exposures with customer accounts receivables (see Note 18 – Financial assets), from its operating activities as well as from its financial activities such as financial investments, including deposits with banks and financial institutions (see Note 26 – Statement of cash flows), foreign exchange transactions and other financial instruments (see Note 18 – Financial assets).

29 Fair value hierarchy

Fair value hierarchy of financial assets including assets held for sale

In EUR mn

	Carrying amount			Fair value level			
	At amortized cost	At fair value	**Total**	Level 1	Level 2	Level 3	**Total**
				2019			
Trade receivables	2,911	131	**3,042**	—	131	—	**131**
Investments in other companies designated as at FVOCI	—	24	**24**	—	—	24	**24**
Bonds	78	—	**78**	—	—	—	**—**
Derivatives designated and effective as hedging instruments	—	284	**284**	—	284	—	**284**
Other derivatives	—	2,391	**2,391**	241	2,150	—	**2,391**
Loans	855	—	**855**	—	—	—	**—**
Other sundry financial assets [1]	1,182	721	**1,903**	—	—	721	**721**
Net amount of assets and liabilities associated with assets held for sale	n.a.	8	**8**	—	8	—	**8**
Total	**5,026**	**3,559**	**8,585**	**241**	**2,573**	**745**	**3,559**
				2018			
Trade receivables	3,338	82	**3,420**	—	82	—	**82**
Investments in other companies designated as at FVOCI	—	21	**21**	—	—	21	**21**
Investment funds	—	6	**6**	6	—	—	**6**
Bonds	78	—	**78**	—	—	—	**—**
Derivatives designated and effective as hedging instruments	—	392	**392**	—	392	—	**392**
Other derivatives	—	2,384	**2,384**	1,206	1,178	—	**2,384**
Loans	671	—	**671**	—	—	—	**—**
Other sundry financial assets [1]	1,107	725	**1,833**	—	—	725	**725**
Net amount of assets and liabilities associated with assets held for sale	n.a.	—	**—**	—	—	—	**—**
Total	**5,195**	**3,610**	**8,805**	**1,212**	**1,651**	**747**	**3,610**

[1] Other sundry receivables include an asset from reserves redetermination rights related to the acquisition of interests in the field Yuzhno Russkoye and contingent considerations from the divestments of the 30% stake in the field Rosebank and of OMV (U.K.) Limited. Please see Note 18 – Financial assets – for further details.

Fair value hierarchy of financial liabilities

In EUR mn

	Carrying amount			Fair value level			
	At amortized cost	At fair value	**Total**	Level 1	Level 2	Level 3	**Total**
				2019			
Trade payables	4,155	—	**4,155**	—	—	—	**—**
Bonds	5,802	—	**5,802**	—	—	—	**—**
Lease liabilities	1,053	—	**1,053**	—	—	—	**—**
Other interest bearing debt	769	—	**769**	—	—	—	**—**
Liabilities on derivatives designated and effective as hedging instruments	—	237	**237**	—	237	—	**237**
Liabilities on other derivatives	—	2,241	**2,241**	266	1,976	—	**2,241**
Other sundry financial liabilities	642	—	**642**	—	—	—	**—**
Total	**12,420**	**2,478**	**14,898**	**266**	**2,213**	**—**	**2,478**
				2018			
Trade payables	4,401	—	**4,401**	—	—	—	**—**
Bonds	5,007	—	**5,007**	—	—	—	**—**
Other interest bearing debt	745	—	**745**	—	—	—	**—**
Liabilities on derivatives designated and effective as hedging instruments	—	348	**348**	—	348	—	**348**
Liabilities on other derivatives	—	2,452	**2,452**	1,192	1,260	—	**2,452**
Liabilities on finance lease	288	—	**288**	—	—	—	**—**
Other sundry financial liabilities	641	—	**641**	—	—	—	**—**
Total	**11,083**	**2,800**	**13,883**	**1,192**	**1,608**	**—**	**2,800**

Financial assets and liabilities for which fair values are disclosed

In EUR mn

	Fair Value	Fair value level		
		Level 1	Level 2	Level 3
		2019		
Bonds	77	5	72	—
Financial assets	**77**	**5**	**72**	**—**
Bonds	6,317	6,317	—	—
Other interest bearing debt	792	—	792	—
Financial liabilities	**7,109**	**6,317**	**792**	**—**
		2018		
Bonds	77	5	72	—
Financial assets	**77**	**5**	**72**	**—**
Bonds	5,323	5,323	—	—
Other interest bearing debt	759	—	759	—
Liabilities on finance lease	386	—	386	—
Financial liabilities	**6,467**	**5,323**	**1,144**	**—**

30 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset only when the Group has a current and legally enforceable right to set-off the recognized amounts and when there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

OMV enters in the normal course of business into various master netting arrangements in the form of International Swaps and Derivatives Association (ISDA) agreements or European Federation of Energy Traders (EFET) agreements or other similar arrangements that do not meet the criteria of offsetting in the statement of the financial position in accordance with IAS 32.

The tables hereafter show the carrying amounts of recognized financial assets and financial liabilities that are subject to various netting arrangements. The net column would be on the Group's statement of financial position, if all set-off rights were exercised.

Offsetting of financial assets

In EUR mn

	Note	Financial instruments (gross)	Amounts set off in the statement of financial position	**Financial instruments in the statement of financial position (net)**	Liabilities with right of set-off (not offset)	**Net**
				2019		
Derivative financial instruments	18	2,676	—	**2,676**	(2,264)	**412**
Trade receivables	18	3,056	(14)	**3,042**	(1,204)	**1,838**
Other sundry financial assets	18	1,903	—	**1,903**	(44)	**1,858**
Total		**7,634**	**(14)**	**7,620**	**(3,512)**	**4,108**
				2018		
Derivative financial instruments	18	2,776	—	**2,776**	(2,446)	**330**
Trade receivables	18	3,451	(31)	**3,420**	(1,656)	**1,764**
Other sundry financial assets	18	1,837	(4)	**1,833**	(27)	**1,806**
Total		**8,065**	**(36)**	**8,029**	**(4,129)**	**3,900**

Offsetting of financial liabilities

In EUR mn

	Note	Financial instruments (gross)	Amounts set off in the statement of financial position	**Financial instruments in the statement of financial position (net)**	Assets with right of set-off (not offset)	**Net**
				2019		
Derivative financial instruments	24	2,478	—	**2,478**	(2,288)	**190**
Trade payables	24	4,168	(14)	**4,155**	(1,204)	**2,951**
Other sundry financial liabilities	24	642	—	**642**	(20)	**622**
Total		**7,288**	**(14)**	**7,274**	**(3,512)**	**3,762**
				2018		
Derivative financial instruments	24	2,800	—	**2,800**	(2,471)	**329**
Trade payables	24	4,432	(31)	**4,401**	(1,656)	**2,745**
Other sundry financial liabilities	24	646	(4)	**641**	(2)	**639**
Total		**7,878**	**(36)**	**7,842**	**(4,129)**	**3,714**

31 Result on financial instruments

Result on financial instruments

In EUR mn

	Amount	Fair value through profit or loss	Equity instruments designated as at fair value through other comprehensive income	Financial assets at amortized cost	Financial liabilities at amortized cost
			2019		
Fair value changes of financial assets and derivatives	**241**	241	—	—	—
Net impairment losses on financial assets	**(33)**	—	—	(33)	—
Result on financial instruments within operating result	**208**	**241**	**—**	**(33)**	**—**
Dividend income	**5**	—	5	—	—
Interest income	**169**	—	—	152	—
Interest expense	**(304)**	—	—	—	(170)
Expenses on the sales of trade receivables	**(31)**	(31)	—	—	—
Impairments of financial instruments, net	**(1)**	—	—	(1)	—
Other	**(7)**	—	—	—	(7)
Result on financial instruments within financial result	**(169)**	**(31)**	**5**	**151**	**(177)**

Result on financial instruments

In EUR mn

	Amount	Fair value through profit or loss	Equity instruments designated as at fair value through other comprehensive income	Financial assets at amortized cost	Financial liabilities at amortized cost
			2018		
Fair value changes of financial assets and derivatives	**(321)**	(321)	—	—	—
Net impairment losses on financial assets	**(13)**	—	—	(13)	—
Result on financial instruments within operating result	**(334)**	**(321)**	**—**	**(13)**	**—**
Dividend income	**20**	—	20	—	—
Interest income	**117**	8	—	108	—
Interest expense	**(290)**	—	—	—	(131)
Expenses on the sales of trade receivables	**(31)**	(31)	—	—	—
Impairments of financial instruments, net	**1**	—	—	1	—
Other	**(30)**	—	—	—	(30)
Result on financial instruments within financial result	**(214)**	**(23)**	**20**	**109**	**(161)**

The **interest expense** not allocated mainly referred to the unwinding of provisions in amount of EUR 130 mn (2018: EUR 149 mn).

32 Share based payments

Long Term Incentive (LTI) plans

LTI plans with similar conditions have been granted to the Executive Board and selected senior managers in the Group yearly. At vesting date, shares will be granted to the participants. The number of shares is determined depending on the achievement of defined performance criteria. Disbursement is made in cash or in shares. Executive Board members and senior managers as active participants of the plans are required to build up an appropriate volume of shares and to hold those shares until retirement or departure from the Company. For senior managers, if the LTIP eligibility lapses, but they are still in an active employment with the company, the shareholding requirement expires when the last LTIP is paid out. The shareholding requirement is defined as a percentage of the annual gross base salary, for the Executive Board, and as a percentage of the respective Target Long Term Incentive for the senior managers. Executive Board members have to fulfill the shareholding requirement within five years after the initial respective appointment. Until fulfillment of the shareholding requirement the disbursement is in form of shares whilst thereafter the plan participants can decide between cash or share settlement. As long as the shareholding requirements are not fulfilled the granted shares after deduction of taxes are transferred to a trustee deposit, managed by the Company.

For share-based payments the grant date fair values are spread as expenses over the three years performance period with a corresponding increase in shareholders' equity. In case of assumed cash-settlements a provision is made for the expected future costs of the LTI plans at statement of financial position date based on fair values.

Long Term Incentive Plans

	2019 plan	2018 plan	2017 plan	2016 plan
Start of plan	1/1/2019	1/1/2018	1/1/2017	1/1/2016
End of performance period	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Vesting date	3/31/2022	3/31/2021	3/31/2020	3/31/2019
Shareholding requirement				
Executive Board Chairman	200% of annual gross base salary	200% of annual gross base salary	200% of annual gross base salary	200% of gross base salary
Executive Board Deputy Chairman	175% of annual gross base salary	175% of annual gross base salary	175% of annual gross base salary	175% of gross base salary
Other Executive Board members	150% of annual gross base salary	150% of annual gross base salary	150% of annual gross base salary	150% of gross base salary
Senior managers	75% of the respective Target Long Term Incentive	75% of the respective Target Long Term Incentive	75% of the respective Target Long Term Incentive	75% of annual gross base salary
Expected shares as of December 31, 2019	**295,037 shares**	**169,883 shares**	**379,120 shares**	**—**
Maximum shares as of December 31, 2019	**372,732 shares**	**278,266 shares**	**422,937 shares**	**—**
Fair value of plan (in EUR mn) as of December 31, 2019 [1]	**15**	**9**	**20**	**—**
Provision (in EUR mn) as of December 31, 2019 [1]	**4**	**5**	**16**	**—**
Estimated tax payments related to equity settled transactions (in EUR mn) [2]	**2**	**1**	**2**	**—**

[1] Excluding incidental wage costs
[2] This position includes estimated tax obligations of participants of the plan associated with equity settled transactions of the whole plan. This amount is paid by OMV in cash to the tax authority on behalf of participants after vesting date.

Personal investment held in shares

	12/31/2019	12/31/2018	12/31/2017	12/31/2016
Active Executive Board members				
Seele	91,974 shares	70,890 shares	48,435 shares	38,038 shares
Pleininger	45,032 shares	28,511 shares	19,333 shares	12,979 shares
Florey	24,351 shares	13,401 shares	8,335 shares	—
Gangl [1]	10,730 shares	—	—	—
Former Executive Board members [2]				
Leitner	44,211 shares	65,245 shares	59,335 shares	51,249 shares
Roiss	—	—	—	81,831 shares
Total — Executive Board	**216,298 shares**	**178,047 shares**	**135,438 shares**	**184,097 shares**
Other senior managers [2]	368,268 shares	299,997 shares	256,202 shares	317,840 shares
Total personal investment	**584,566 shares**	**478,044 shares**	**391,640 shares**	**501,937 shares**

[1] Thomas Gangl took part in LTIP 2016, 2017 and 2018 in his position as senior manager. In 2019 he took part in LTIP as both senior manager as well as Executive Board member.
[2] Personal investment of former Executive Board members and other senior managers are only included if shares are held in the OMV trustee deposit.

Equity Deferral

The Equity Deferral serves as a long-term compensation vehicle for the members of the Executive Board that promotes retention and shareholder alignment in OMV, combining the interests of management and shareholders via a long-term investment in restricted shares. The holding period of the Equity Deferral part is three years from vesting. The plan also seeks to prevent inadequate risk-taking.

The Annual Bonus is capped at 180% of the target Annual Bonus (until 2017: 200% of the annual gross salary). One third of the Annual Bonus (until 2017: 50% of the granted Annual Bonus) is granted in shares. The determined bonus achievement is settled per March 31 following the period end whereby at the statement of financial position date the target achievements and the share price is estimated (the latter on basis of market quotes). In case of major changes in external factors the Supervisory Board can adjust the threshold, target and/or maximum levels (but not the criteria as such nor the vesting) for the Financial Targets of the Annual Bonus. The granted shares after deduction of taxes are transferred to a trustee deposit, managed by the Company, to be held for three years.

In 2019 expenses amounting to EUR 2 mn were recorded with a corresponding increase in equity (2018: EUR 2 mn).

Total Expense

Expenses related to share based payment transactions including long-term incentive plans as well as equity deferral are summarized in the below table.

Expenses related to share based payment transactions [1]

In EUR mn

	2019	2018
Cash settled	21	6
Equity settled	4	6
Total expenses arising from share based payment transactions	**25**	**12**

[1] Excluding incidental wage costs

Other Information

33 Average number of employees

Average number of employees [1]

	2019	2018
OMV Group excluding Petrom Group	7,407	6,864
OMV Petrom Group	12,720	13,409
OMV Group	**20,127**	**20,272**

[1] Calculated as the average of the month's end numbers of employees during the year

The increase in the average number of employees of OMV Group (excl. Petrom Group) was mainly coming from the acquisition of SapuraOMV Upstream Sdn. Bhd. on January 31, 2019 as well as the acquisition of Shell´s Upstream business in New Zealand in December 2018.

The decrease related to OMV Petrom Group is a result of outsourced activities and of reorganization and restructuring programs as a consequence of process optimization and cost efficiency measures.

34 Expenses Group auditor

Expenses for services rendered by the Group auditor (including the international network in terms of section 271b UGB) comprised the following:

Expenses for services rendered by the Group auditor (including the international network)

In EUR mn

	2019		2018	
	Group auditor	thereof Ernst&Young Wirtschafts-prüfungsgesell-schaft m.b.H	Group auditor	thereof Ernst&Young Wirtschafts-prüfungsgesell-schaft m.b.H
Audit of Group accounts and year-end audit	3.15	1.39	2.94	1.34
Other assurance services	0.71	0.44	0.64	0.54
Tax advisory services	0.09	0.00	0.05	0.00
Other services	0.29	0.02	0.24	0.00
Total	**4.24**	**1.84**	**3.86**	**1.88**

35 Related parties

Under IAS 24, details of relationships with related parties and related enterprises not included in consolidation must be disclosed. Enterprises and individuals are considered to be related if one party is able to control or exercise significant influence over the business of the other. Österreichische Beteiligungs AG (ÖBAG), Vienna, holds an interest of 31.5% and Mubadala Petroleum and Petrochemicals Holding Company L.L.C., (MPPH) Abu Dhabi, holds an interest of 24.9% in OMV Aktiengesellschaft; both are related parties under IAS 24.

In 2019, there were following arm's-length supplies of goods and services between the Group and equity-accounted companies, except for gas purchases from OJSC Severneftegazprom which are not based on market prices but on cost plus defined margin.

Transactions with equity-accounted investments – Sales and Receivables

In EUR mn

	2019		2018	
	Sales and other income	Trade receivables	Sales and other income	Trade receivables
Borealis	1,284	58	1,432	55
Enerco Enerji Sanayi Ve Ticaret A.Ş.	0	0	4	1
Erdöl-Lagergesellschaft m.b.H.	76	5	41	—
GENOL Gesellschaft m.b.H. [1]	196	20	208	16
PEGAS CEGH Gas Exchange Services GmbH	1	0	1	0
Trans Austria Gasleitung GmbH	10	1	11	1
Total	**1,567**	**84**	**1,696**	**72**

[1] In 2019 transactions with GENOL Gesellschaft m.b.H. as well as GENOL Gesellschaft m.b.H. & Co KG are included, while 2018 transactions were only with GENOL Gesellschaft m.b.H & Co KG (business of GENOL Gesellschaft m.b.H. & Co KG was transferred to GENOL Gesellschaft m.b.H in October 2019, see Note 38 – Direct and indirect investments of OMV Aktiengesellschaft)

Transactions with equity-accounted investments – Purchases and Payables

In EUR mn

	2019		2018	
	Purchases and services received	Trade payables	Purchases and services received	Trade payables
Borealis	42	9	48	7
Deutsche Transalpine Oelleitung GmbH	34	3	30	3
Enerco Enerji Sanayi Ve Ticaret A.Ş.	9	—	157	8
EPS Ethylen-Pipeline-Süd GmbH & Co KG	2	—	2	—
Erdöl-Lagergesellschaft m.b.H.	59	29	62	30
GENOL Gesellschaft m.b.H. [1]	2	0	2	0
OJSC Severneftegazprom	179	20	161	18
Trans Austria Gasleitung GmbH	22	1	22	1
Total	**348**	**63**	**482**	**67**

[1] In 2019 transactions with GENOL Gesellschaft m.b.H. as well as GENOL Gesellschaft m.b.H. & Co KG are included, while 2018 transactions were only with GENOL Gesellschaft m.b.H & Co KG (business of GENOL Gesellschaft m.b.H. & Co KG was transferred to GENOL Gesellschaft m.b.H in October 2019, see Note 38 – Direct and indirect investments of OMV Aktiengesellschaft)

Dividend distributed from equity-accounted investments

In EUR mn

	2019	2018
Abu Dhabi Oil Refining Company	34	—
Borealis AG	297	360
Enerco Enerji Sanayi Ve Ticaret A.Ş.	—	1
GENOL Gesellschaft m.b.H. & Co KG	1	1
OJSC SEVERNEFTEGAZPROM	6	10
Pearl Petroleum Company Limited	31	34
PEGAS CEGH Gas Exchange Services GmbH	1	0
Trans Austria Gasleitung GmbH	14	15
Dividend distributed from equity-accounted investments	**384**	**422**

As of balance sheet date other financial receivables in an amount of EUR 7 mn (2018: EUR 6 mn) were outstanding from Freya Bunde-Etzel GmbH & Co. KG. Moreover, there was an outstanding dividend receivable from Abu Dhabi Oil Refining Company amounting to EUR 34 mn.

As per December 31, 2019 there were other financial liabilities in an amount of EUR 1 mn (2018: EUR 3 mn) with Trans Austria Gasleitung GmbH.

The balance of prepayments received, shown in line contract liabilities, from Erdöl-Lagergesellschaft m.b.H. amounted to EUR 170 mn at December 31, 2019 (2018: EUR 140 mn) and is related to a long-term contract for rendering of services.

Government-related entities

Based on the OMV ownership structure, the Republic of Austria has an indirect relationship with OMV via ÖBAG and is therefore, together with companies in which the Republic of Austria is a majority shareholder, considered a related party.

OMV has transactions at arm´s length in the normal course of business mainly with Österreichische Post AG, Verbund AG, Österreichische Bundesbahnen-Holding Aktiengesellschaft, Bundesbeschaffung GmbH and their subsidiaries.

Via MPPH, OMV has an indirect relationship with the Emirate of Abu Dhabi, which is, together with the companies under control of Abu Dhabi also considered a related party. In 2019, there were supplies of goods and services for instance with Compañía Española de Petróleos (CEPSA) and Abu Dhabi National Oil Company (ADNOC). OMV cooperates with ADNOC in several Upstream arrangements. Furthermore, on July 31, 2019 OMV and ADNOC closed the strategic equity partnerships covering both the existing ADNOC Refining business and a new Trading Joint Venture. For further details see Note 3 – Changes in group structure.

Key management personnel compensation

Remuneration received by the Executive Board

In EUR mn

	2019								
	active members of the Executive Board as of December 31, 2019				former members of the Executive Board				
	Seele	Pleininger	Florey	Gangl [5]	Leitner [6]	Davies [7]	Huijskes [8]	Roiss [9]	Total
Short term benefits	**3.36**	**1.64**	**1.59**	**0.29**	**1.55**	**—**	**—**	**—**	**8.43**
Fixed (base salary)	1.10	0.75	0.70	0.29	0.70	—	—	—	**3.54**
Fixed (functional allowance)	1.00 [2]	—	—	—	—	—	—	—	**1.00**
Variable (cash bonus) [1]	1.25	0.87	0.84	—	0.84	—	—	—	**3.80**
Benefits in kind	0.01	0.01	0.04 [3]	0.01	0.01	—	—	—	**0.09**
Post employment benefits	**0.28**	**0.19**	**0.18**	**0.07**	**0.18**	**—**	**—**	**—**	**0.88**
Pension fund contributions	0.28	0.19	0.18	0.07	0.18	—	—	—	**0.88**
Termination benefits	**—**	**—**	**—**	**—**	**0.22 [4]**	**—**	**—**	**—**	**0.22**
Shared based benefits	**3.60**	**1.75**	**1.16**	**—**	**2.08**	**0.25**	**0.42**	**3.13**	**12.39**
Variable (Equity Deferral 2018)	0.70	0.49	0.47	—	0.47	—	—	—	**2.13**
Variable (LTIP)	2.90	1.26	0.69	—	1.61	0.25	0.42	3.13	**10.26**
Remuneration received by the Executive Board	**7.23**	**3.58**	**2.93**	**0.37**	**4.03**	**0.25**	**0.42**	**3.13**	**21.92**

[1] The variable components relate to target achievement in 2018, for which bonuses were paid in 2019.
[2] Rainer Seele received a payment for the interim responsibility for "Marketing and Trading" since July 1, 2019.
[3] Including schooling costs and related taxes
[4] Manfred Leitner received an annual leave compensation payment amounting to EUR 0.22 mn.
[5] Thomas Gangl joined the Executive Board effectively July 1, 2019.
[6] Manfred Leitner resigned from the Executive Board effectively June 30, 2019.
[7] David C. Davies resigned from the Executive Board effectively July 31, 2016.
[8] Jaap Huijskes resigned from the Executive Board effectively August 31, 2015.
[9] Gerhard Roiss resigned from the Executive Board effectively June 30, 2015.

Remuneration received by the Executive Board

In EUR mn

	2018								
	active members of the Executive Board as of December 31, 2018				former members of the Executive Board				
	Seele	Pleininger	Florey	Leitner	Davies [6]	Floren [7]	Huijskes [8]	Roiss [9]	Total
Short term benefits	**2.01**	**1.34**	**1.35**	**1.41**	**0.15**	**—**	**—**	**—**	**6.26**
Fixed (base salary)	1.10	0.75	0.70	0.70	—	—	—	—	**3.25**
Variable (cash bonus) [1]	0.90	0.58	0.60	0.70	0.15	—	—	—	**2.92**
Benefits in kind	0.01	0.01	0.05 [5]	0.01	—	—	—	—	**0.09**
Post employment benefits	**0.28**	**0.19**	**0.18**	**0.18**	**—**	**—**	**—**	**—**	**0.81**
Pension fund contributions	0.28	0.19	0.18	0.18	—	—	—	—	**0.81**
Shared based benefits	**2.35**	**0.96**	**0.53**	**2.34**	**2.59**	**1.48**	**1.78**	**3.30**	**15.32**
Variable (Equity Deferral 2017) [2]	0.80	0.51	0.53	0.62	0.13	—	—	—	**2.59**
Variable (LTIP)	1.55 [3]	0.45 [4]	—	1.72	2.45	1.48	1.78	3.30	**12.73**
Remuneration received by the Executive Board	**4.64**	**2.49**	**2.06**	**3.93**	**2.74**	**1.48**	**1.78**	**3.30**	**22.40**

[1] The variable components relate to target achievement in 2017, for which bonuses were paid in 2018.
[2] The Equity Deferral from the Annual Bonus was renamed from “Share part of the Annual Bonus” at the grant date.
[3] Rainer Seele received pro-rated payout in shares for LTIP 2015 as he joined the Executive Board effectively July 1, 2015.
[4] Johann Pleininger received pro-rated payout in shares and in addition cash payment amounting to EUR 0.52 mn based on the senior manager LTIP 2015.
[5] Including schooling costs, moving costs and related taxes
[6] David C. Davies resigned from the Executive Board effectively July 31, 2016.
[7] Hans-Peter Floren resigned from the Executive Board effectively December 31, 2014.
[8] Jaap Huijskes resigned from the Executive Board effectively August 31, 2015.
[9] Gerhard Roiss resigned from the Executive Board effectively June 30, 2015.

Remuneration received by top executives (excl. Executive Board) [1]

In EUR mn

	2019	2018
Salaries and bonuses	17.1	23.2
Pension fund contribution	1.0	1.8
Severance benefits	0.6	0.8
Share-based benefits	15.3	21.7
Remuneration received by top executives (excl. Executive Board) [1]	**34.0**	**47.4**

[1] In 2019 there were 38 top executives (2018: 41).

The members of the Executive Board and the members of the Supervisory Board are covered by directors and officers liability insurance (D&O) and criminal legal expenses insurance. A large number of other OMV employees also benefit from these two forms of insurance, and the insurers levy lump-sum premiums, which are not specifically attributed to the Board members.

See Note 32 – Shared based payments – for details on Long Term Incentive Plans and Equity Deferral.

In 2019, remuneration expenses for the Supervisory Board amounted to EUR 0.6 mn (2018: EUR 0.6 mn).

36 Unconsolidated structured entities

OMV is selling trade receivables in a securitization program to Carnuntum DAC, based in Dublin, Ireland. In 2019, OMV transferred trade receivables amounting in total to EUR 4,805 mn to Carnuntum DAC (2018: EUR 4,868 mn).

As at December 31, 2019, OMV held seller participation and complementary notes in Carnuntum DAC amounting to EUR 160 mn (2018: seller participation and complementary notes of EUR 183 mn) shown in other financial assets. As of December 31, 2019, the maximum exposure to loss from the securitization transaction was EUR 108 mn (2018: EUR 150 mn).

The seller participation notes are senior to a loss reserve and a third party investor participation. The complementary notes are senior to seller participation notes and are of the same seniority as the senior notes issued by the program. The risk retained by OMV Group is insignificant and therefore the trade receivables sold are derecognized in their entirety. The receivables are sold at their nominal amount less a discount. The discount was recognized in profit or loss and amounted in total to EUR 29 mn in 2019 (2018: EUR 30 mn). Interest income on the notes held in Carnuntum DAC amounted to EUR 4 mn in 2019 (2018: EUR 4 mn). In addition, OMV received a service fee for the debtor management services provided for the receivables sold.

37 Subsequent events

In March 2020, the Altlichtenwarth Tief 1 exploration well (Austria) completed drilling. The final results did not confirm the presence of commercial quantities of hydrocarbons. The capitalized costs incurred for the well amounted to EUR 27 mn as of December 31, 2019.

On March 6, 2020, OPEC members and Russia failed to agree on a cut to oil production that would have responded to the sharp decrease in demand from the new coronavirus outbreak. Consequently, on March 8, 2020, oil prices dropped 30% after the market was opened, with Brent crude reaching USD 31 per barrel. OMV's view is that the supply surge, together with the massive uncertainty caused by the coronavirus outbreak will lead to a highly volatile market environment in the following months.

On March 11, 2020, the Supervisory Board of OMV has approved the acquisition of an additional 39% share in Borealis AG (Borealis) from Mubadala for a purchase price of USD 4.68 bn, whereby OMV is entitled to all dividends in relation to such additional share in Borealis distributed after December 31, 2019.

38 Direct and indirect investments of OMV Aktiengesellschaft

Changes in consolidated group

Name of company	Registered Office	Type of Change [1]	Effective date
Upstream			
SapuraOMV Upstream (Americas) Sdn. Bhd.	Seri Kembangan	First consolidation (A)	January 31, 2019
SapuraOMV Upstream (Australia) Sdn. Bhd.	Seri Kembangan	First consolidation (A)	January 31, 2019
SapuraOMV Block 30, S. de R.L. de C.V.	Mexico City	First consolidation (A)	January 31, 2019
SapuraOMV Upstream (Mexico) Sdn. Bhd.	Seri Kembangan	First consolidation (A)	January 31, 2019
SapuraOMV Upstream (Malaysia) Inc.	Nassau	First consolidation (A)	January 31, 2019
SapuraOMV Upstream (NZ) Sdn. Bhd.	Seri Kembangan	First consolidation (A)	January 31, 2019
SapuraOMV Upstream (Oceania) Sdn. Bhd.	Seri Kembangan	First consolidation (A)	January 31, 2019
SapuraOMV Upstream (PM) Inc.	Nassau	First consolidation (A)	January 31, 2019
SapuraOMV Upstream (Southeast Asia) Inc.	Nassau	First consolidation (A)	January 31, 2019
SapuraOMV Upstream (Sarawak) Inc.	Nassau	First consolidation (A)	January 31, 2019
SapuraOMV Upstream (Holding) Sdn. Bhd.	Kuala Lumpur	First consolidation (A)	January 31, 2019
SapuraOMV Upstream (Western Australia) Pty Ltd	Perth	First consolidation (A)	January 31, 2019
SapuraOMV Upstream Sdn. Bhd.	Seri Kembangan	First consolidation (A)	January 31, 2019
OMV (AFRICA) Exploration & Production GmbH in Liqu.	Vienna	Deconsolidation (L)	December 21, 2019
OMV (Berenty) Exploration GmbH	Vienna	Deconsolidation (I)	December 31, 2019
OMV (Mandabe) Exploration GmbH	Vienna	Deconsolidation (I)	December 31, 2019
Downstream Oil			
OMV Deutschland Services GmbH	Burghausen	First consolidation	July 2, 2019
ADNOC Global Trading LTD [2]	Abu Dhabi	First consolidation	July 29, 2019
Abu Dhabi Oil Refining Company [2]	Abu Dhabi	First consolidation (A)	July 31, 2019
OMV Supply & Trading Italia S.r.l.	Trieste	First consolidation	July 31, 2019
GENOL Gesellschaft m.b.H. [2]	Vienna	First consolidation [3]	October 18, 2019
GENOL Gesellschaft m.b.H. & Co KG [2]	Vienna	Deconsolidation (L) [3]	October 18, 2019
Deutsche Transalpine Oelleitung GmbH [2]	Munich	Increase in shares [4]	December 30, 2019
Transalpine Ölleitung in Österreich Gesellschaft m.b.H. [2]	Matrei in Osttirol	Increase in shares [4]	December 30, 2019
Società Italiana per l'Oleodotto Transalpino S.p.A. [2]	Trieste	Increase in shares [4]	December 30, 2019

[1] "First consolidation" refers to newly formed or existing subsidiaries, while "First consolidation (A)" indicates the acquisition of a company. Companies marked with "Deconsolidation (I)" have been deconsolidated due to immateriality, while those marked with "Deconsolidation (L)"were deconsolidated following a liquidation process.
[2] Company consolidated at-equity
[3] All assets as well as the business of GENOL Gesellschaft m.b.H. & Co KG (previously consolidated at-equity) have been transferred to GENOL Gesellschaft m.b.H., which triggered a change of consolidation method of GENOL Gesellschaft m.b.H. from not consolidated due to immateriality to at-equity consolidated.
[4] Acquisition of additional 7.26% shares in each company, leading to a new share in each company of 32.26% (previously 25.00% shares); The acquisition of additional interests did not lead to a change of consolidation method.

For further information on acquisitions and disposals refer to Note 3 – Changes in group structure.

Number of consolidated companies

	2019		2018	
	Full consolidation	Equity consolidation	Full consolidation	Equity consolidation
January 1	**99**	**17**	**98**	**15**
Included for the first time	15	3	13	2
Deconsolidated during the year	(3)	(1)	(12)	—
December 31	**111**	**19**	**99**	**17**
thereof domiciled and operating abroad	68	11	53	9
thereof domiciled in Austria and operating abroad	20	—	22	—

List of investments

List of subsidiaries, equity-accounted investments and other investments of OMV Aktiengesellschaft with an interest of at least 20%

	Parent company	Type of consoli-dation [1]	Equity interest in % as of December 31, 2019	Equity interest in % as of December 31, 2018
Upstream				
Energy Infrastructure Limited, Wellington	NZEA	C	100.00	100
Energy Petroleum Holdings Limited, Wellington (EPHNZ)	OPLNZ	C	100.00	100
Energy Petroleum Investments Limited, Wellington (EPILNZ)	OSLNZ	C	100.00	100
Energy Petroleum Taranaki Limited, Wellington (EPTLNZ)	OPLNZ	C	100.00	100
ENERGY PRODUCTION ENHANCEMENT SRL, Bucharest [2]	PETROM	NC	99.99	99.99
	ROMAN		0.01	0.01
JSC GAZPROM YRGM Development, Salekhard [3]	OMVEP	C	0.00	0.00
KOM MUNAI LLP, Aktau	PETROM	C	100.00	100.00
Maui Development Limited, Wellington	EPTLNZ		38.75	38.75
	EPILNZ		20.00	20.00
	EPHNZ	NC	18.75	18.75
	NZEA		16.25	16.25
	TOPNZ		6.25	6.25
OJSC SEVERNEFTEGAZPROM, Krasnoselkup	OMVEP	AE	24.99	24.99
OMV Abu Dhabi E&P GmbH, Vienna	OMVEP	C	100.00	100.00
OMV Abu Dhabi Offshore GmbH, Vienna	OMVEP	C	100.00	100.00
OMV Abu Dhabi Production GmbH, Vienna	OMVEP	C	100.00	100.00
OMV (AFRICA) Exploration & Production GmbH in Liqu., Vienna	OWEAFR			100.00
OMV AUSTRALIA PTY LTD, Perth (OAUST)	OMV AG	C	100.00	100.00
OMV Austria Exploration & Production GmbH, Vienna (OEPA)	OMVEP	C	100.00	100.00
OMV Barrow Pty Ltd, Perth	OAUST	NC	100.00	100.00
OMV Beagle Pty Ltd, Perth	OAUST	NC	100.00	100.00
OMV (Berenty) Exploration GmbH, Vienna [4]	OMVEP	NC	100.00	100.00
OMV Bina Bawi GmbH, Vienna	PETEX	C	100.00	100.00
OMV Block 70 Upstream GmbH, Vienna	OMVEP	C	100.00	100.00
OMV East Abu Dhabi Exploration GmbH, Vienna	OMVEP	C	100.00	100.00
OMV (EGYPT) Exploration GmbH in Liqu., Vienna [2]	OMVEP	NC	100.00	100.00
OMV Exploration & Production GmbH, Vienna (OMVEP)	OMV AG	C	100.00	100.00
OMV EXPLORATION & PRODUCTION LIMITED, Douglas	OMVEP	NC	100.00	100.00
OMV (FAROE ISLANDS) Exploration GmbH in Liqu., Vienna [2, 5, 6]	OMVEP	NC	100.00	100.00
OMV GSB LIMITED, Wellington	NZEA	C	100.00	100.00
OMV (IRAN) onshore Exploration GmbH, Vienna	OMVEP	C	100.00	100.00
OMV Jardan Block 3 Upstream GmbH, Vienna	OMVEP	C	100.00	100.00
OMV (Mandabe) Exploration GmbH, Vienna [4]	OMVEP	NC	100.00	100.00
OMV Maurice Energy GmbH, Vienna	OMVEP	C	100.00	100.00
OMV Middle East & Africa GmbH, Vienna	OMVEP	C	100.00	100.00
OMV Myrre Block 86 Upstream GmbH, Vienna	OMVEP	C	100.00	100.00
OMV (Namibia) Exploration GmbH, Vienna	ONAFRU	C	100.00	100.00
OMV New Zealand Limited, Wellington (NZEA)	OMVEP	C	100.00	100.00
OMV New Zealand Production Limited, Wellington (OPLNZ)	NZEA	C	100.00	100.00
OMV New Zealand Services Limited, Wellington (OSLNZ)	NZEA	C	100.00	100.00
OMV (NORGE) AS, Stavanger	OMVEP	C	100.00	100.00

List of subsidiaries, equity-accounted investments and other investments of OMV Aktiengesellschaft with an interest of at least 20%

	Parent company	Type of consoli-dation [1]	Equity interest in % as of December 31, 2019	Equity interest in % as of December 31, 2018
OMV OF LIBYA LIMITED, Douglas	OMVEP	C	100.00	100.00
OMV Offshore (Namibia) GmbH, Vienna (ONAFRU)	OMVEP	C	100.00	100.00
OMV Offshore Bulgaria GmbH, Vienna	OMVEP	C	100.00	100.00
OMV Offshore Morondava GmbH, Vienna	OMVEP	C	100.00	100.00
OMV Oil and Gas Exploration GmbH, Vienna	OMVEP	C	100.00	100.00
OMV Oil Exploration GmbH, Vienna	OMVEP	C	100.00	100.00
OMV Oil Production GmbH, Vienna	OMVEP	C	100.00	100.00
OMV Orient Hydrocarbon GmbH, Vienna	OMVEP	NC	100.00	100.00
OMV Orient Upstream GmbH, Vienna	OMVEP	NC	100.00	100.00
OMV Oystercatcher Exploration GmbH in Liqu., Vienna [2, 5, 6]	OMVEP	NC	100.00	100.00
OMV Petroleum Exploration GmbH, Vienna (PETEX)	OMVEP	C	100.00	100.00
OMV Petroleum Pty Ltd, Perth	NZEA	NC	100.00	100.00
OMV Proterra GmbH, Vienna	OEPA	NC	100.00	100.00
OMV Russia Upstream GmbH, Vienna	OMVEP	C	100.00	100.00
OMV Taranaki Limited, Wellington	NZEA	C	100.00	100.00
OMV (Tunesien) Production GmbH, Vienna	OMVEP	C	100.00	100.00
OMV (TUNESIEN) Sidi Mansour GmbH, Vienna	OMVEP	NC	100.00	100.00
OMV Upstream International GmbH, Vienna (OUPI)	OMVEP	C	100.00	100.00
OMV (West Africa) Exploration & Production GmbH, Vienna (OWEAFR) [2, 5]	OMVEP	C	100.00	100.00
OMV (YEMEN) Al Mabar Exploration GmbH, Vienna	OMVEP	C	100.00	100.00
OMV (Yemen Block S 2) Exploration GmbH, Vienna	OMVEP	C	100.00	100.00
OMV (YEMEN) South Sanau Exploration GmbH, Vienna	OMVEP	NC	100.00	100.00
Pearl Petroleum Company Limited, Road Town	OUPI	AE	10.00	10.00
PEI Venezuela Gesellschaft mit beschränkter Haftung, Burghausen	OMVEP	NC	100.00	100.00
Petroleum Infrastructure Limited, Wellington	NZEA	C	100.00	100.00
PETROM EXPLORATION & PRODUCTION LIMITED, Douglas	PETROM	C	99.99	99.99
Preussag Energie International GmbH, Burghausen	OMVEP	C	100.00	100.00
SapuraOMV Upstream (Americas) Sdn. Bhd., Seri Kembangan (SEAMMY)	SEUPMY	C	100.00	
SapuraOMV Upstream (Australia) Sdn. Bhd., Seri Kembangan (SEAUMY)	SEOCMY	C	100.00	
SapuraOMV Block 30, S. de R.L. de C.V., Mexico City	SEUPMY	C	99.00	
	SEMXMY		1.00	
SapuraOMV Upstream (Mexico) Sdn. Bhd., Seri Kembangan (SEMXMY)	SEAMMY	C	100.00	
SapuraOMV Upstream (Malaysia) Inc., Nassau (SEMYBH)	SESABH	C	100.00	
SapuraOMV Upstream (NZ) Sdn. Bhd., Seri Kembangan (SENZMY)	SEOCMY	C	100.00	
SapuraOMV Upstream (Oceania) Sdn. Bhd., Seri Kembangan (SEOCMY)	SEUPMY	C	100.00	
SapuraOMV Upstream (PM) Inc., Nassau	SEMYBH	C	100.00	
SapuraOMV Upstream JV Sdn. Bhd., Seri Kembangan	SENZMY	C	100.00	
SapuraOMV Upstream (Southeast Asia) Inc., Nassau (SESABH)	SEUPMY	C	100.00	
SapuraOMV Upstream (Sarawak) Inc., Nassau	SEMYBH	C	100.00	

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	Parent company	Type of consolidation [1]	Equity interest in % as of December 31, 2019	Equity interest in % as of December 31, 2018
SapuraOMV Upstream (Holding) Sdn. Bhd., Kuala Lumpur (SEUPMY)	SOUPMY	C	100.00	
SapuraOMV Upstream (Western Australia) Pty Ltd, Perth	SEAUMY	C	100.00	
SapuraOMV Upstream Sdn. Bhd., Seri Kembangan (SOUPMY)	OMVEP	C	50.00	
Taranaki Offshore Petroleum Company, Wellington (TOPNZ)	OPLNZ	C	100.00	100.00
TASBULAT OIL CORPORATION LLP, Aktau	PETROM	C	100.00	100.00
Downstream Oil				
Abu Dhabi Petroleum Investments LLC, Abu Dhabi (ADPINV)	OMVRM	AE2	25.00	25.00
Aircraft Refuelling Company GmbH, Vienna	OMVRM	NAE	33.33	33.33
Abu Dhabi Oil Refining Company, Abu Dhabi	OMVRM	AE	15.00	
ADNOC Global Trading LTD	OMVRM	AE	15.00	
Autobahn – Betriebe Gesellschaft m.b.H., Vienna	OMVRM	NAE	47.19	47.19
Avanti Deutschland GmbH, Berchtesgaden	FETRAT	C	100.00	100.00
Avanti GmbH, Anif (FETRAT)	OMVRM	C	100.00	100.00
Borealis AG, Vienna	OMVRM	AE2	32.67	32.67
	OMV AG		3.33	3.33
BSP Bratislava-Schwechat Pipeline GmbH, Vienna	OMVRM	NAE	26.00	26.00
BTF Industriepark Schwechat GmbH, Vienna	OMVRM	NAE	50.00	50.00
Deutsche Transalpine Oelleitung GmbH, Munich [7]	OMVD	AE	32.26	25.00
DUNATÀR Köolajtermék Tároló és Kereskedelmi Kft., Budapest	OHUN	C	48.28	48.28
	PDYNHU		51.72	51.72
E-Mobility Provider Austria GmbH, Vienna	OMVRM	AE2	40.00	40.00
EPS Ethylen-Pipeline-Süd GmbH & Co KG, Munich	OMVD	AE	20.66	20.66
Erdöl-Lagergesellschaft m.b.H., Lannach	OMVRM	AE1	55.60	55.60
FE-Trading trgovina d.o.o., Ljubljana	FETRAT	C	100.00	100.00
GENOL Gesellschaft m.b.H., Vienna [4]	OMVRM	AE	29.00	29.00
GENOL Gesellschaft m.b.H. & Co, Vienna	OMVRM	AE		29.00
Haramidere Depoculuk Anonim Şirketi, Istanbul	OMVRM	C	51.00	51.00
	GASTR		49.00	49.00
KSW Beteiligungsgesellschaft m.b.H., Vienna (SWJS)	OMVRM	NC	100.00	100.00
KSW Elektro- und Industrieanlagenbau Gesellschaft m.b.H., Feldkirch	SWJS	NAE	25.10	25.10
OMV Adriatic Marketing d.o.o., Zagreb	OMVRM	NC		100.00
OMV BULGARIA OOD, Sofia	PETROM	C	99.90	99.90
	OMVRM		0.10	0.10
OMV Česká republika, s.r.o., Prague	OMVRM	C	100.00	100.00
OMV Deutschland GmbH, Burghausen (OMVD)	OMVRM	C	90.00	90.00
	OMV AG		10.00	10.00
OMV Deutschland Services GmbH	OMVD	C	100.00	
OMV Hungária Ásványolaj Korlátolt Felelősségü Társaság, Budapest (OHUN)	OMVRM	C	100.00	100.00
OMV – International Services Ges.m.b.H., Vienna	OMVRM	C	100.00	100.00
OMV PETROM Aviation SRL, Otopeni	PETROM	C	99.99	99.99
	ROMAN		0.01	0.01
OMV PETROM MARKETING SRL, Bucharest (ROMAN)	PETROM	C	100.00	100.00
OMV Refining & Marketing GmbH, Vienna (OMVRM)	OMV AG	C	100.00	100.00

List of subsidiaries, equity-accounted investments and other investments of OMV Aktiengesellschaft with an interest of at least 20%

	Parent company	Type of consoli-dation [1]	Equity interest in % as of December 31, 2019	Equity interest in % as of December 31, 2018
OMV Refining & Marketing Middle East & Asia GmbH, Vienna	OMVRM	C	100.00	100.00
OMV SLOVENIJA trgovina z nafto in naftnimi derivati, d.o.o., Koper	OMVRM	C	92.25	92.25
OMV Slovensko s.r.o., Bratislava	OMVRM	C	99.96	99.96
OMV SRBIJA d.o.o., Belgrade	PETROM	C	99.96	99.96
	OMVRM		0.04	0.04
OMV Supply & Trading AG, Zug	OMVRM	C	100.00	100.00
OMV Supply & Trading Italia S.r.l., Trieste [4]	OMVRM	C	100.00	100.00
OMV Supply & Trading Limited, London (OTRAD)	OMVRM	C	100.00	100.00
OMV Supply & Trading Singapore PTE LTD., Singapore	OTRAD	NC	100.00	100.00
Pak-Arab Refinery Limited, Karachi	ADPINV	AE2	40.00	40.00
PETRODYNE-CSEPEL Zrt., Budapest (PDYNHU)	OHUN	C	100.00	100.00
Petrom-Moldova S.R.L., Chisinau	PETROM	C	100.00	100.00
Routex B.V., Amsterdam	OMVRM	NAE	20.00	20.00
Salzburg Fuelling GmbH, Salzburg	OMVRM	NAE	33.33	33.33
SMATRICS GmbH & Co KG, Vienna	OMVRM	AE2	40.00	40.00
Società Italiana per l'Oleodotto Transalpino S.p.A., Trieste [7]	OMVRM	AE	32.26	25.00
SuperShop Marketing GmbH, Budapest	OHUN	NAE	50.00	50.00
TGN Tankdienst-Gesellschaft Nürnberg GbR, Nuremberg	OMVD	NAE	33.33	33.33
TRANS GAS LPG SERVICES SRL, Bucharest	PETROM			80.00
Transalpine Ölleitung in Österreich Gesellschaft m.b.H., Matrei in Osttirol [7]	OMVRM	AE	32.26	25.00
Downstream Gas				
AGCS Gas Clearing and Settlement AG, Vienna	OGG	NAE	23.13	23.13
AGGM Austrian Gas Grid Management AG, Vienna	OGG	C	51.00	51.00
Central European Gas Hub AG, Vienna (HUB)	OGI	C	65.00	65.00
Enerco Enerji Sanayi Ve Ticaret A.Ş., Istanbul	OGI	AE	40.00	40.00
Freya Bunde-Etzel GmbH & Co. KG, Bonn	OGSG	AE	39.99	39.99
GAS CONNECT AUSTRIA GmbH, Vienna (OGG)	OGI	C	51.00	51.00
OMV Enerji Ticaret Anonim Şirketi, Istanbul (GASTR)	OGI	C	100.00	100.00
	ECOGAS		99.9	99.9
OMV Gas, Marketing & Trading Belgium BVBA, Brussels	ECONDE	C	0.01	0.01
OMV Gas & Power GmbH, Vienna (OGI)	OMV AG	C	100.00	100.00
OMV Gas Marketing & Trading d.o.o., Zagreb	ECOGAS	C	100.00	100.00
OMV Gas Marketing & Trading Deutschland GmbH, Regensburg (ECONDE)	ECOGAS	C	100.00	100.00
OMV Gas Marketing & Trading GmbH, Vienna (ECOGAS)	OGI	C	100.00	100.00
OMV Gas Marketing & Trading Hungária Kft., Budapest	ECOGAS	C	100.00	100.00
OMV Gas Marketing & Trading Italia S.r.l., Milan	ECOGAS	C	100.00	100.00
OMV Gas Marketing Trading & Finance B.V., Amsterdam	OFS	C	100.00	100.00
OMV Gas Storage Germany GmbH, Cologne (OGSG)	OGI	C	100.00	100.00
OMV Gas Storage GmbH, Vienna	OGI	C	100.00	100.00

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	Parent company	Type of consoli-dation [1]	Equity interest in % as of December 31, 2019	Equity interest in % as of December 31, 2018
OMV Gaz Iletim A.S., Istanbul	OGI	C	100.00	100.00
OMV Kraftwerk Haiming GmbH, Haiming	OGI	C	100.00	100.00
OMV PETROM GAS SRL, Bucharest	PETROM	C	99.99	99.99
OMV Switzerland Holding AG, Zug	OGI	C	100.00	100.00
PEGAS CEGH Gas Exchange Services GmbH, Vienna	HUB	AE	49.00	49.00
South Stream Austria GmbH, Vienna	OGI	NAE	50.00	50.00
Trans Austria Gasleitung GmbH, Vienna [8]	OGG	AE2	15.53	15.53
Corporate and Other				
ASOCIATIA ROMANA PENTRU RELATIA CU INVESTITORII, Bucharest	PETROM	NAE	20.00	20.00
Diramic Insurance Limited, Gibraltar	OMV AG	C	100.00	100.00
OMV Clearing und Treasury GmbH, Vienna	SNO	C	100.00	100.00
OMV Finance Services GmbH, Vienna (OFS)	SNO	C	100.00	100.00
OMV Finance Services NOK GmbH, Vienna	SNO	C	100.00	100.00
OMV Finance Solutions USD GmbH, Vienna	SNO	C	100.00	100.00
OMV Insurance Broker GmbH, Vienna	OMV AG	NC	100.00	100.00
OMV International Oil & Gas GmbH, Baar	OMV AG	C	100.00	100.00
OMV Petrom Global Solutions SRL, Bucharest	SNO	C	75.00	75.00
	PETROM		25.00	25.00
OMV Solutions GmbH, Vienna (SNO)	OMV AG	C	100.00	100.00
PETROMED SOLUTIONS SRL, Bucharest	PETROM	C	99.99	99.99
Petrom				
OMV PETROM SA, Bucharest (PETROM) [9]	OMV AG	C	51.01	51.01

[1] Type of consolidation:
- C Consolidated subsidiary
- AE Associated companies accounted for at-equity
- AE1 Despite majority interest not consolidated due to absence of control
- AE2 Joint venture accounted at-equity
- NC Not-consolidated subsidiary; shell or distribution companies of relative insignificance individually and collectively to the consolidated financial statements
- NAE Other not consolidated investment; associated companies of relatively little importance to the assets and earnings of the consolidated financial statements

[2] In liquidation
[3] Economic share 99.99%
[4] Type of consolidation was changed compared to 2018.
[5] Company name changed compared to 2018.
[6] Liquidation process was finalized as per January 9, 2020.
[7] Equity interest changed compared to 2018.
[8] Economic share 10.78%
[9] OMV Petrom SA is assigned to the relevant segments in the segment reporting.

All the subsidiaries which are not consolidated either have low business volumes or are distribution companies; the total sales, net income/losses and equity of such companies represent less than 1% of the Group totals.

Material joint operations (IFRS 11)

Name	Nature of activities	Operating segment	Principal place of business	% ownership 2019	% ownership 2018
Nafoora – Augila [1]	Onshore development of hydrocarbon reservoirs	Upstream	Libya	100	100
Concession 103 [1]	Onshore development and production of hydrocarbons	Upstream	Libya	100	100
Pohokura	Offshore production of hydrocarbons	Upstream	New Zealand	74	74
Neptun Deep	Offshore exploration for hydrocarbons	Upstream	Romania	50	50
Nawara	Onshore development of hydrocarbons reservoirs	Upstream	Tunisia	50	50
Block S(2)	Onshore development and production of hydrocarbons	Upstream	Yemen	44	44

[1] The percentage disclosed represents the Second Party Share. The state owned Libyan national oil corporation NOC is entitled to 88-90% of the production ("primary split").

Other significant arrangements

Name	Nature of activities	Operating segment	Principal place of business	% ownership 2019	% ownership 2018
NC 115 [1]	Onshore development and production of hydrocarbons	Upstream	Libya	30	30
NC 186 [1]	Onshore development and production of hydrocarbons	Upstream	Libya	24	24
Maari [2]	Offshore production of hydrocarbons	Upstream	New Zealand	69	69
SK 408 [3]	Offshore exploration for and development of hydrocarbons	Upstream	Malaysia	40	
Aasta Hansteen	Offshore production of hydrocarbons	Upstream	Norway	15	15
Edvard Grieg	Offshore production of hydrocarbons	Upstream	Norway	20	20
Gudrun	Offshore production of hydrocarbons	Upstream	Norway	24	24
Gullfaks	Offshore production of hydrocarbons	Upstream	Norway	19	19
Wisting	Offshore exploration for hydrocarbons	Upstream	Norway	25	25
Sarb & Umm Lulu	Offshore development and production of hydrocarbons	Upstream	Abu Dhabi	20	20
Ghasha	Offshore exploration	Upstream	Abu Dhabi	5	5

[1] The percentage disclosed represents the Second Party Share. The state owned Libyan national oil corporation is entitled to 88-90% of the production ("primary split").
[2] OMV does not have control nor joint control over the Maari fields as there is more than one combination of parties which ensures the necessary majority (75%) for relevant decisions. In 2019 Maari was reclassified to "held for sale". For further details refer to Note 20 – Assets and liabilities held for sale.
[3] Part of the OMVSapura acquisition; for further details refer to Note 3 – Changes in group structure.

Oil and Gas Reserve Estimation and Disclosures (unaudited)

The following tables provide supplementary information in respect of the Group's oil and gas activities. In the absence of detailed disclosure rules in this area under IFRS, the Group has elected to voluntarily disclose the data that would have been required under the ASC 932 as if it was reporting under US GAAP.

To the extent that information refers to financial statements data, the information is based on the primary financial statements (IFRS financial statements).

The regional structure is presented below [1]:

Romania and Black Sea	Bulgaria, Kazakhstan and Romania
Austria	Austria
Russia	Russia
North Sea	Norway and United Kingdom (until 2017)
Middle East and Africa	Iran (evaluation on hold), Kurdistan Region of Iraq, Libya, Madagascar, Tunisia, United Arab Emirates, Yemen, Pakistan (until 2018)
New Zealand and Australia	Australia and New Zealand
Malaysia	SapuraOMV [2]

[1] Regions listed in the Director's Report 'Central and Eastern Europe' (includes Romania and Black Sea as well as Austria) and 'Asia-Pacific' (includes New Zealand and Australia as well as Malaysia) are split further in this disclosure to provide the information in a more detailed manner.
[2] Includes not only Malaysia but also SapuraOMV subsidiaries in New Zealand, Australia and Mexico.

Acquisitions

On January 31, 2019, OMV acquired a 50% stake of the issued share capital in SapuraOMV Upstream Sdn. Bhd. As OMV has the decision power over relevant activities, the new entity and its subsidiaries are fully consolidated.

Besides future growth in daily production in Malaysian offshore gas fields, this transaction gives OMV access to exploration blocks in New Zealand, Australia and Mexico.

SapuraOMV Upstream Sdn. Bdn. and its subsidiaries are depicted in the Malaysia region in the upcoming tables.

For further details on acquisitions see Note 3 – Changes in group structure.

On April 29, 2018, OMV signed an agreement for the acquisition of a 20% stake in the offshore concession consisting of two main fields, SARB and Umm Lulu, in Abu Dhabi, as well as the associated infrastructure.

On December 19, 2018, a concession agreement was signed awarding OMV with 5% interest in the Ghasha concession offshore Abu Dhabi comprising the Ghasha mega project.

On December 28, 2018, OMV completed the acquisition of Shell's Upstream business in New Zealand comprising interests in Pohokura (48%) and Maui (83.75%) as well as related infrastructure for production, storage and transportation. Furthermore on the same date, OMV acquired from Todd Petroleum Mining Company Limited their 6.25% share in Maui. As a result of the transaction, OMV obtained 100% interest in Maui field and assumed control.

Disposals

There were no major disposals during 2019.

On June 28, 2018, the sale of the Upstream companies active in Pakistan was closed.

On December 21, 2018, the sale of OMV Tunisia Upstream GmbH, was finalized, comprising part of OMV's Upstream business in Tunisia.

Non-controlling interest

As OMV holds 51% of OMV Petrom, it is fully consolidated; figures therefore include 100% of OMV Petrom assets and results.

OMV has a share of 50% in SapuraOMV and it is fully consolidated; figures therefore include 100% of SapuraOMV assets and results.

Equity-accounted investments

OMV holds a 10% interest in Pearl Petroleum Company Limited (Middle East and Africa region).

OMV has a 24.99% interest in OJSC Severneftegazprom (Russia region).

The disclosures of equity-accounted investments in below tables represent the interest of OMV in the companies.

The subsequent tables may contain rounding differences.

Tables

a) Capitalized costs

Capitalized costs represent the sum of capitalized oil and gas assets, including other intangible assets and property, plant and equipment such as land, plant and machinery, concessions, licenses and rights.

Capitalized costs – subsidiaries

In EUR mn

	2019	2018	2017
Unproved oil and gas properties	3,211	2,587	2,116
Proved oil and gas properties	26,830	24,510	22,372
Total	**30,041**	**27,097**	**24,489**
Accumulated depreciation	(15,484)	(13,961)	(13,487)
Net capitalized costs	**14,557**	**13,136**	**11,002**

Capitalized costs – equity-accounted investments

In EUR mn

	2019	2018	2017
Unproved oil and gas properties	173	249	262
Proved oil and gas properties	315	202	157
Total	**489**	**451**	**420**
Accumulated depreciation	(67)	(35)	(22)
Net capitalized costs	**421**	**417**	**397**

b) Costs incurred

Costs incurred include all costs, capitalized or expensed, during the year in the Group's oil and gas property acquisition, exploration and development activities.

Costs incurred

In EUR mn

	Romania and Black Sea	Austria	Russia	North Sea	Middle East and Africa	New Zealand and Australia	Malaysia	Total
				2019				
Subsidiaries								
Acquisition of proved properties	—	—	—	1	—	1	604	**605**
Acquisition of unproved properties	—	—	—	—	12	—	683	**695**
Exploration costs	93	53	—	121	32	40	20	**360**
Development costs	411	58	—	174	222	65	90	**1,021**
Costs incurred	**504**	**112**	**—**	**296**	**266**	**105**	**1,398**	**2,681**
Equity-accounted investments	**—**	**—**	**30**	**—**	**15**	**—**	**—**	**45**
				2018				
Subsidiaries								
Acquisition of proved properties	—	—	—	—	1,014	788	—	**1,801**
Acquisition of unproved properties	—	—	—	—	321	386	—	**707**
Exploration costs	118	61	—	99	12	9	—	**300**
Development costs	412	59	—	210	196	10	—	**887**
Costs incurred	**531**	**120**	**—**	**309**	**1,542**	**1,193**	**—**	**3,695**
Equity-accounted investments	**—**	**—**	**9**	**—**	**12**	**—**	**—**	**21**
				2017				
Subsidiaries								
Acquisition of proved properties	—	—	521	2	—	—	—	**523**
Acquisition of unproved properties	—	—	584	—	—	—	—	**584**
Exploration costs	83	16	—	55	62	14	—	**230**
Development costs	327	53	—	265	108	4	—	**756**
Costs incurred	**410**	**68**	**1,106**	**322**	**170**	**18**	**—**	**2,093**
Equity-accounted investments	**—**	**—**	**117**	**—**	**5**	**—**	**—**	**122**

c) Results of operations of oil and gas producing activities

The following tables represent only those revenues and expenses which occur directly in connection with OMV´s oil and gas producing operations. The results of oil and gas activities should not be equated to Upstream net income since interest costs, general corporate overhead costs and other costs are not allocated. Income taxes are hypothetically calculated, based on the statutory tax rates and the effect of tax credits on investments and loss carryforwards.

Results of operations of oil and gas producing activities

In EUR mn

	Romania and Black Sea	Austria	Russia	North Sea	Middle East and Africa	New Zealand and Australia	Malaysia	Total
					2019			
Subsidiaries								
Sales to unaffiliated parties [1]	94	19	550	891	527	335	171	**2,586**
Intercompany sales	1,909	324	—	379	822	191	—	**3,624**
	2,002	**343**	**550**	**1,270**	**1,348**	**526**	**171**	**6,210**
Production costs	(500)	(82)	—	(158)	(124)	(98)	(30)	**(991)**
Royalties	(250)	(62)	—	—	(103)	(65)	(16)	**(496)**
Exploration expenses	(53)	(45)	—	(73)	(16)	(24)	(18)	**(229)**
Depreciation, amortization, impairments and write-ups [2]	(553)	(119)	(91)	(414)	(233)	(199)	(73)	**(1,681)**
Other costs [3]	(93)	(29)	(429)	(132)	(45)	(20)	(13)	**(761)**
	(1,449)	**(336)**	**(520)**	**(777)**	**(520)**	**(407)**	**(149)**	**(4,159)**
Results before income taxes	**553**	**7**	**30**	**493**	**828**	**119**	**21**	**2,051**
Income taxes [4]	(88)	1	(5)	(402)	(675)	(25)	(28)	**(1,222)**
Results from oil and gas production	**465**	**8**	**24**	**91**	**153**	**94**	**(7)**	**829**
Results of equity-accounted investments	**—**	**—**	**34**	**—**	**11**	**—**	**—**	**45**
					2018			
Subsidiaries								
Sales to unaffiliated parties [1]	105	(194)	605	1,051	520	84	—	**2,172**
Intercompany sales	1,981	418	—	394	427	132	—	**3,351**
	2,086	**224**	**605**	**1,445**	**947**	**216**	**—**	**5,523**
Production costs	(509)	(86)	—	(156)	(72)	(50)	—	**(872)**
Royalties	(267)	(79)	—	—	(21)	(25)	—	**(392)**
Exploration expenses	(58)	(33)	—	(50)	(26)	(8)	—	**(175)**
Depreciation, amortization, impairments and write-ups [2]	(420)	(114)	(90)	(409)	(129)	(64)	—	**(1,226)**
Other costs [3]	(51)	(21)	(406)	(102)	(7)	(10)	—	**(598)**
	(1,304)	**(333)**	**(496)**	**(717)**	**(255)**	**(157)**	**—**	**(3,263)**
Results before income taxes	**781**	**(109)**	**109**	**729**	**691**	**59**	**—**	**2,261**
Income taxes [4]	(138)	26	(21)	(549)	(474)	(21)	—	**(1,178)**
Results from oil and gas production	**643**	**(83)**	**89**	**179**	**217**	**37**	**—**	**1,083**
Results of equity-accounted investments	**—**	**—**	**14**	**—**	**26**	**—**	**—**	**40**

Results of operations of oil and gas producing activities

In EUR mn

	Romania and Black Sea	Austria	Russia	North Sea	Middle East and Africa	New Zealand and Australia	Malaysia	Total
				2017				
Subsidiaries								
Sales to unaffiliated parties [1]	95	(50)	56	810	301	116	—	**1,329**
Intercompany sales	1,698	382	—	316	258	137	—	**2,791**
	1,792	**333**	**56**	**1,126**	**559**	**253**	**—**	**4,118**
Production costs	(550)	(89)	—	(191)	(62)	(45)	—	**(937)**
Royalties	(203)	(70)	—	—	(5)	(33)	—	**(311)**
Exploration expenses	(98)	(17)	—	(52)	(40)	(14)	—	**(222)**
Depreciation, amortization, impairments and write-ups [2]	(529)	(115)	(10)	(485)	(80)	(79)	—	**(1,298)**
Other costs [3]	(52)	(10)	(41)	(39)	(26)	(9)	—	**(177)**
	(1,433)	**(300)**	**(51)**	**(767)**	**(214)**	**(180)**	**—**	**(2,946)**
Results before income taxes	**359**	**32**	**5**	**359**	**345**	**72**	**—**	**1,173**
Income taxes [4]	(58)	(9)	(1)	(276)	(287)	(17)	—	**(648)**
Results from oil and gas production	**300**	**24**	**4**	**83**	**58**	**55**	**—**	**524**
Results of equity-accounted investments	**—**	**—**	**(1)**	**—**	**108**	**—**	**—**	**107**

[1] Includes hedging effects; Austria Region includes hedging effects of centrally managed derivatives (2019: EUR 2 mn, 2018: EUR (219) mn, 2017: EUR (72) mn).
[2] Including exploration and appraisal
[3] Includes inventory changes
[4] Income taxes in North Sea and Middle East and Africa include corporation tax and special petroleum tax.

d) Oil and gas reserve quantities

Proved reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulation before the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain.

Proved developed reserves are those proved reserves that can be expected to be recovered through existing wells with existing equipment and operating methods, or in which the costs of the required equipment are relatively minor compared with the cost of a new well and through installed extraction equipment and infrastructure operational at the time of the reserves estimate. It should be reasonably certain that the required future expenditure will be made to safeguard existing equipment within the current budget.

Proved undeveloped reserves are those proved reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion or substantial new investment is required in order to safeguard or replace ageing facilities.

Crude oil and NGL

In mn bbl

	Romania and Black Sea	Austria	Russia	North Sea	Middle East and Africa	New Zealand and Australia	Malaysia	**Total**
Proved developed and undeveloped reserves – Subsidiaries								
January 1, 2017	**351.5**	**41.2**	**—**	**78.7**	**138.9**	**8.5**	**—**	**618.9**
Revisions of previous estimates	19.5	1.4	—	15.1	2.1	(0.6)	—	**37.5**
Disposal	(2.3)	—	—	(27.5)	(3.5)	—	—	**(33.4)**
Extensions and discoveries	—	—	—	—	0.4	—	—	**0.4**
Production	(27.3)	(4.6)	—	(18.7)	(11.2)	(2.9)	—	**(64.8)**
December 31, 2017	**341.4**	**38.0**	**—**	**47.6**	**126.7**	**5.0**	**—**	**558.6**
Revisions of previous estimates	9.5	3.3	—	15.8	(1.8)	1.0	—	**27.7**
Purchases	—	—	—	—	100.3	6.3	—	**106.6**
Disposal	—	—	—	—	(2.4)	—	—	**(2.4)**
Extensions and discoveries	0.3	—	—	2.2	0.8	—	—	**3.3**
Production	(26.8)	(4.3)	—	(17.1)	(15.3)	(2.1)	—	**(65.6)**
December 31, 2018	**324.4**	**37.0**	**—**	**48.4**	**208.3**	**10.2**	**—**	**628.3**
Revisions of previous estimates	20.2	2.1	—	13.3	26.7	6.0	—	**68.4**
Purchases	—	—	—	—	—	—	9.5	**9.5**
Disposal	(3.4)	—	—	—	—	—	—	**(3.4)**
Extensions and discoveries	0.1	—	—	6.0	—	—	—	**6.1**
Production	(26.1)	(4.0)	—	(16.6)	(21.8)	(4.6)	(2.1)	**(75.2)**
December 31, 2019	**315.2**	**35.2**	**—**	**51.1**	**213.2**	**11.6**	**7.4**	**633.7**
Proved developed and undeveloped reserves – Equity-accounted investments								
December 31, 2017	—	—	—	—	12.2	—	—	**12.2**
December 31, 2018	—	—	—	—	13.3	—	—	**13.3**
December 31, 2019	—	—	—	—	15.3	—	—	**15.3**
Proved developed reserves – Subsidiaries								
December 31, 2017	309.5	36.5	—	38.9	112.7	5.0	—	**502.5**
December 31, 2018	295.9	35.5	—	42.6	162.1	9.1	—	**545.2**
December 31, 2019	287.2	35.2	—	37.2	179.7	7.8	5.7	**552.7**
Proved developed reserves – Equity-accounted investments								
December 31, 2017	—	—	—	—	12.2	—	—	**12.2**
December 31, 2018	—	—	—	—	13.3	—	—	**13.3**
December 31, 2019	—	—	—	—	14.9	—	—	**14.9**

Gas

In bcf

	Romania and Black Sea	Austria	Russia	North Sea	Middle East and Africa	New Zealand and Australia	Malaysia	Total
Proved developed and undeveloped reserves – Subsidiaries								
January 1, 2017	**1,375.9**	**230.3**	**—**	**360.5**	**93.9**	**72.8**	**—**	**2,133.4**
Revisions of previous estimates	24.1	23.0	—	92.8	(1.1)	5.5	—	**144.4**
Disposals	(3.0)	—	—	(16.6)	(1.7)	—	—	**(21.3)**
Extensions and discoveries	—	—	—	—	1.4	—	—	**1.4**
Production	(182.9)	(34.2)	—	(61.6)	(18.2)	(20.0)	—	**(316.9)**
December 31, 2017 [1]	**1,214.1**	**219.1**	**—**	**375.0**	**74.3**	**58.4**	**—**	**1,941.0**
Revisions of previous estimates	77.4	8.6	—	110.3	17.3	27.1	—	**240.7**
Purchases	—	—	—	—	—	166.1	—	**166.1**
Disposals	—	—	—	—	(26.6)	—	—	**(26.6)**
Extensions and discoveries	3.5	—	—	4.9	0.3	—	—	**8.8**
Production	(170.4)	(30.9)	—	(60.9)	(9.9)	(16.0)	—	**(288.1)**
December 31, 2018 [1]	**1,124.7**	**196.8**	**—**	**429.4**	**55.5**	**235.6**	**—**	**2,041.9**
Revisions of previous estimates	58.2	10.1	—	76.0	9.6	145.4	—	**299.3**
Purchases	—	—	—	—	—	—	351.2	**351.2**
Disposals	(6.3)	—	—	—	—	—	—	**(6.3)**
Extensions and discoveries	2.2	—	—	7.4	—	—	—	**9.5**
Production	(158.0)	(29.2)	—	(90.0)	(3.2)	(65.2)	(15.5)	**(360.9)**
December 31, 2019 [1]	**1,020.7**	**177.8**	**—**	**422.8**	**61.9**	**315.8**	**335.7**	**2,334.7**
Proved developed and undeveloped reserves – Equity-accounted investments								
December 31, 2017	—	—	1,166.3	—	209.0	—	—	**1,375.3**
December 31, 2018	—	—	1,392.0	—	212.6	—	—	**1,604.7**
December 31, 2019	—	—	1,376.8	—	277.3	—	—	**1,654.1**
Proved developed reserves – Subsidiaries								
December 31, 2017	1,071.9	141.7	—	159.7	29.2	58.4	—	**1,460.9**
December 31, 2018	1,026.6	120.3	—	410.6	7.3	202.3	—	**1,767.1**
December 31, 2019	923.0	110.2	—	407.8	57.4	203.2	124.0	**1,825.5**
Proved developed reserves – Equity-accounted investments								
December 31, 2017	—	—	1,166.3	—	209.0	—	—	**1,375.3**
December 31, 2018	—	—	997.3	—	212.6	—	—	**1,209.9**
December 31, 2019	—	—	880.2	—	262.9	—	—	**1,143.1**

[1] 2019: Including approximately 67.6 bcf of cushion gas held in storage reservoirs
2018: Including approximately 68.4 bcf of cushion gas held in storage reservoirs
2017: Including approximately 68.4 bcf of cushion gas held in storage reservoirs

e) Standardized measure of discounted future net cash flows

The future net cash flow information is based on the assumption that the prevailing economic and operating conditions will persist throughout the time during which proved reserves will be produced. Neither the effects of future pricing changes nor expected changes in technology and operating practices are considered.

Future cash inflows represent the revenues received from production volumes, including cushion gas held in storage reservoirs, assuming that the future production is sold at prices used in estimating year-end quantities of proved reserves (12 months average price). Future production costs include the estimated expenditures for production of the proved reserves plus any production taxes without consideration of future inflation. Future decommissioning costs comprise the net costs associated with decommissioning wells and facilities. Future development costs include the estimated costs of development drilling and installation of production facilities. For all three categories year-end costs without consideration of inflation are assumed. Future income tax payments are calculated on the basis of the income tax rate applicable in each of the countries in which the Group operates. The present cash value results from the discounting of the future net cash flow at a discount rate of 10% per year. The standardized measure does not purport to be an estimate of the fair value of the Group’s proven reserves. An estimate of fair value would also take into account, amongst many other factors, the expected recovery of reserves in excess of proved reserves, anticipated changes in future prices and costs as well as a discount factor representative of the risks inherent in the production of oil and gas.

Standardized measure of discounted future net cash flows

In EUR mn

	Subsidiaries and equity-accounted investments							
	Romania and Black Sea	Austria	Russia	North Sea	Middle East and Africa	New Zealand and Australia	Malaysia	Total
Subsidiaries				**2019**				
Future cash inflows	19,932	2,554	3,402	4,432	12,597	1,972	1,246	**46,135**
Future production and decommissioning costs	(9,156)	(1,704)	(2,779)	(2,196)	(3,398)	(1,785)	(461)	**(21,480)**
Future development costs	(2,081)	(370)	—	(527)	(563)	(325)	(36)	**(3,901)**
Future net cash flows, before income taxes	**8,696**	**479**	**622**	**1,709**	**8,637**	**(138)**	**749**	**20,754**
Future income taxes	(819)	(21)	(125)	(959)	(5,188)	101	(178)	**(7,191)**
Future net cash flows, before discount	**7,877**	**458**	**497**	**750**	**3,448**	**(37)**	**570**	**13,563**
10% annual discount for estimated timing of cash flows	(3,918)	(47)	(117)	(286)	(1,025)	184	(126)	**(5,334)**
Standardized measure of discounted future net cash flows	**3,960**	**411**	**381**	**464**	**2,424**	**147**	**444**	**8,230**
Equity-accounted investments	**—**	**—**	**101**	**—**	**136**	**—**	**—**	**238**
Subsidiaries				2018				
Future cash inflows	20,818	3,436	3,673	5,477	12,932	1,843	—	**48,179**
Future production and decommissioning costs	(9,738)	(1,933)	(2,902)	(1,982)	(3,154)	(1,734)	—	**(21,443)**
Future development costs	(1,921)	(401)	—	(166)	(613)	(69)	—	**(3,171)**
Future net cash flows, before income taxes	**9,158**	**1,102**	**771**	**3,329**	**9,164**	**40**	**—**	**23,564**
Future income taxes	(846)	(92)	(155)	(2,117)	(5,422)	61	—	**(8,571)**
Future net cash flows, before discount	**8,312**	**1,010**	**616**	**1,212**	**3,742**	**101**	**—**	**14,993**
10% annual discount for estimated timing of cash flows	(4,036)	(413)	(140)	(120)	(1,145)	166	—	**(5,689)**
Standardized measure of discounted future net cash flows	**4,275**	**597**	**476**	**1,092**	**2,597**	**267**	**—**	**9,304**
Equity-accounted investments	**—**	**—**	**166**	**—**	**152**	**—**	**—**	**318**

Standardized measure of discounted future net cash flows

In EUR mn

	Subsidiaries and equity-accounted investments							
	Romania and Black Sea	Austria	Russia	North Sea	Middle East and Africa	New Zealand and Australia	Malaysia	**Total**
Subsidiaries				2017				
Future cash inflows	18,067	2,803	3,080	4,131	6,390	551	—	**35,021**
Future production and decommissioning costs	(9,927)	(1,856)	(2,176)	(1,922)	(1,346)	(489)	—	**(17,716)**
Future development costs	(1,811)	(381)	—	(273)	(418)	(24)	—	**(2,907)**
Future net cash flows, before income taxes	**6,329**	**566**	**904**	**1,936**	**4,626**	**38**	**—**	**14,398**
Future income taxes	(447)	(43)	(223)	(677)	(2,929)	11	—	**(4,308)**
Future net cash flows, before discount	**5,882**	**523**	**681**	**1,259**	**1,697**	**48**	**—**	**10,091**
10% annual discount for estimated timing of cash flows	(2,643)	(119)	(167)	(192)	(714)	44	—	**(3,790)**
Standardized measure of discounted future net cash flows	**3,239**	**404**	**515**	**1,067**	**983**	**92**	**—**	**6,300**
Equity-accounted investments	**—**	**—**	**82**	**—**	**143**	**—**	**—**	**225**

f) Changes in the standardized measure of discounted future net cash flows

Changes in the standardized measure of discounted future net cash flows

In EUR mn

Subsidiaries	**2019**	2018	2017
Beginning of year	**9,304**	**6,300**	**3,872**
Oil and gas sales produced, net of production costs	(3,942)	(2,323)	(1,365)
Net change in prices and production costs	(1,810)	4,183	4,140
Net change due to purchases and sales of minerals in place	531	2,706	309
Net change due to extensions and discoveries	72	133	—
Development and decommissioning costs incurred during the period	674	669	795
Changes in estimated future development and decommissioning costs	(398)	(420)	(536)
Revisions of previous reserve estimates	1,216	983	748
Accretion of discount	828	550	324
Net change in income taxes (incl. tax effects from purchases and sales)	1,646	(3,310)	(1,780)
Other [1]	108	(168)	(207)
End of year	**8,230**	**9,304**	**6,300**
Equity-accounted investments	**238**	**318**	**225**

[1] Contains movements in foreign exchange rates vs. the EUR

Vienna, March 11, 2020

The Executive Board

Rainer Seele m.p.
Chairman of the Executive Board
Chief Executive Officer and
Chief Marketing Officer

Reinhard Florey m.p.
Chief Financial Officer

Johann Pleininger m.p.
Deputy Chairman of the Executive Board
and Chief Upstream Operations Officer

Thomas Gangl m.p.
Chief Downstream Operations Officer