



# Annual Report 2020

OMV Group

# At a Glance

## Five-year summary

|  |                    | 2020    | 2019    | 2018    | 2017   | 2016   |
|--|--------------------|---------|---------|---------|--------|--------|
| Sales revenues <sup>1</sup>  | in EUR mn          | 16,550  | 23,461  | 22,930  | 20,222 | 19,260 |
| Operating Result   | in EUR mn          | 1,050   | 3,582   | 3,524   | 1,732  | (32)   |
| Profit before tax  | in EUR mn          | 875     | 3,453   | 3,298   | 1,486  | (230)  |
| Taxes on income and profit   | in EUR mn          | 603     | (1,306) | (1,305) | (634)  | 47     |
| Net income for the year  | in EUR mn          | 1,478   | 2,147   | 1,993   | 853    | (183)  |
| Net income attributable to stockholders of the parent                        | in EUR mn          | 1,258   | 1,678   | 1,438   | 435    | (403)  |
| Clean CCS Operating Result <sup>2</sup>                                      | in EUR mn          | 1,686   | 3,536   | 3,646   | 2,958  | 1,535  |
| Clean CCS net income <sup>2</sup>  | in EUR mn          | 1,026   | 2,121   | 2,108   | 2,035  | 1,230  |
| Clean CCS net income attributable to stockholders of the parent <sup>2</sup> | in EUR mn          | 679     | 1,624   | 1,594   | 1,624  | 995    |
| Balance sheet total  | in EUR mn          | 49,271  | 40,375  | 36,961  | 31,576 | 32,112 |
| Equity   | in EUR mn          | 19,899  | 16,863  | 15,342  | 14,334 | 13,925 |
| Net debt excluding leases  | in EUR mn          | 8,130   | 3,632   | 1,726   | 1,713  | 2,691  |
| Net debt including leases  | in EUR mn          | 9,347   | 4,686   | 2,014   | 2,005  | 2,969  |
| Average capital employed   | in EUR mn          | 21,555  | 19,923  | 16,850  | 15,550 | 17,943 |
| Cash flow from operating activities  | in EUR mn          | 3,137   | 4,056   | 4,396   | 3,448  | 2,878  |
| Capital expenditure  | in EUR mn          | 6,048   | 4,916   | 3,676   | 3,376  | 1,878  |
| Organic capital expenditure <sup>3</sup>                                     | in EUR mn          | 1,884   | 2,251   | 1,893   | 1,636  | 1,868  |
| Free cash flow before dividends  | in EUR mn          | (2,811) | (583)   | 1,043   | 1,681  | 1,081  |
| Free cash flow after dividends   | in EUR mn          | (3,690) | (1,441) | 263     | 1,013  | 615    |
| Net Operating Profit After Tax (NOPAT)                                       | in EUR mn          | 1,637   | 2,230   | 2,097   | 987    | (88)   |
| Clean CCS NOPAT <sup>2</sup>   | in EUR mn          | 1,185   | 2,204   | 2,196   | 2,169  | 1,325  |
| Return On Average Capital Employed (ROACE)                                   | in %               | 8       | 11      | 12      | 6      | 0      |
| Clean CCS ROACE <sup>2</sup>   | in %               | 5       | 11      | 13      | 14     | 7      |
| Return On Equity (ROE)   | in %               | 9       | 13      | 14      | 6      | (1)    |
| Equity ratio   | in %               | 40      | 42      | 42      | 45     | 43     |
| Gearing ratio excluding leases   | in %               | 41      | 22      | 11      | 12     | 19     |
| Leverage ratio   | in %               | 32      | 22      | 12      | 12     | 18     |
| Earnings Per Share (EPS)   | in EUR             | 3.85    | 5.14    | 4.40    | 1.33   | (1.24) |
| Clean CCS EPS <sup>2</sup>   | in EUR             | 2.08    | 4.97    | 4.88    | 4.97   | 3.05   |
| Cash flow per share <sup>4</sup>   | in EUR             | 9.60    | 12.42   | 13.46   | 10.56  | 8.82   |
| Dividend Per Share (DPS) <sup>5</sup>  | in EUR             | 1.85    | 1.75    | 1.75    | 1.50   | 1.20   |
| Payout ratio   | in %               | 48      | 34      | 40      | 113    | n.m.   |
| Employees as of December 31  |                    | 25,291  | 19,845  | 20,231  | 20,721 | 22,544 |
| Production cost <sup>6</sup>   | in USD/boe         | 6.58    | 6.61    | 7.01    | 8.79   | 10.58  |
| Production   | in kboe/d          | 463     | 487     | 427     | 348    | 311    |
| Proved reserves  | in mn boe          | 1,337   | 1,332   | 1,270   | 1,146  | 1,030  |
| Total refined product sales  | in mn t            | 18      | 21      | 20      | 24     | 31     |
| Natural gas sales volumes  | in TWh             | 164     | 137     | 114     | 113    | 109    |
| Lost-Time Injury Rate (LTIR)   | in mn hours worked | 0.32    | 0.34    | 0.30    | 0.34   | 0.40   |

<sup>1</sup> Sales revenues excluding petroleum excise tax

<sup>2</sup> Adjusted for special items and CCS effects; further information can be found in Note 4 – Segment Reporting – of the Consolidated Financial Statements

<sup>3</sup> Organic capital expenditure is defined as capital expenditure including capitalized Exploration and Appraisal expenditure excluding acquisitions and contingent considerations.

<sup>4</sup> Cash flow from operating activities

<sup>5</sup> 2020: as proposed by the Executive Board and confirmed by the Supervisory Board, subject to confirmation by the Annual General Meeting 2021

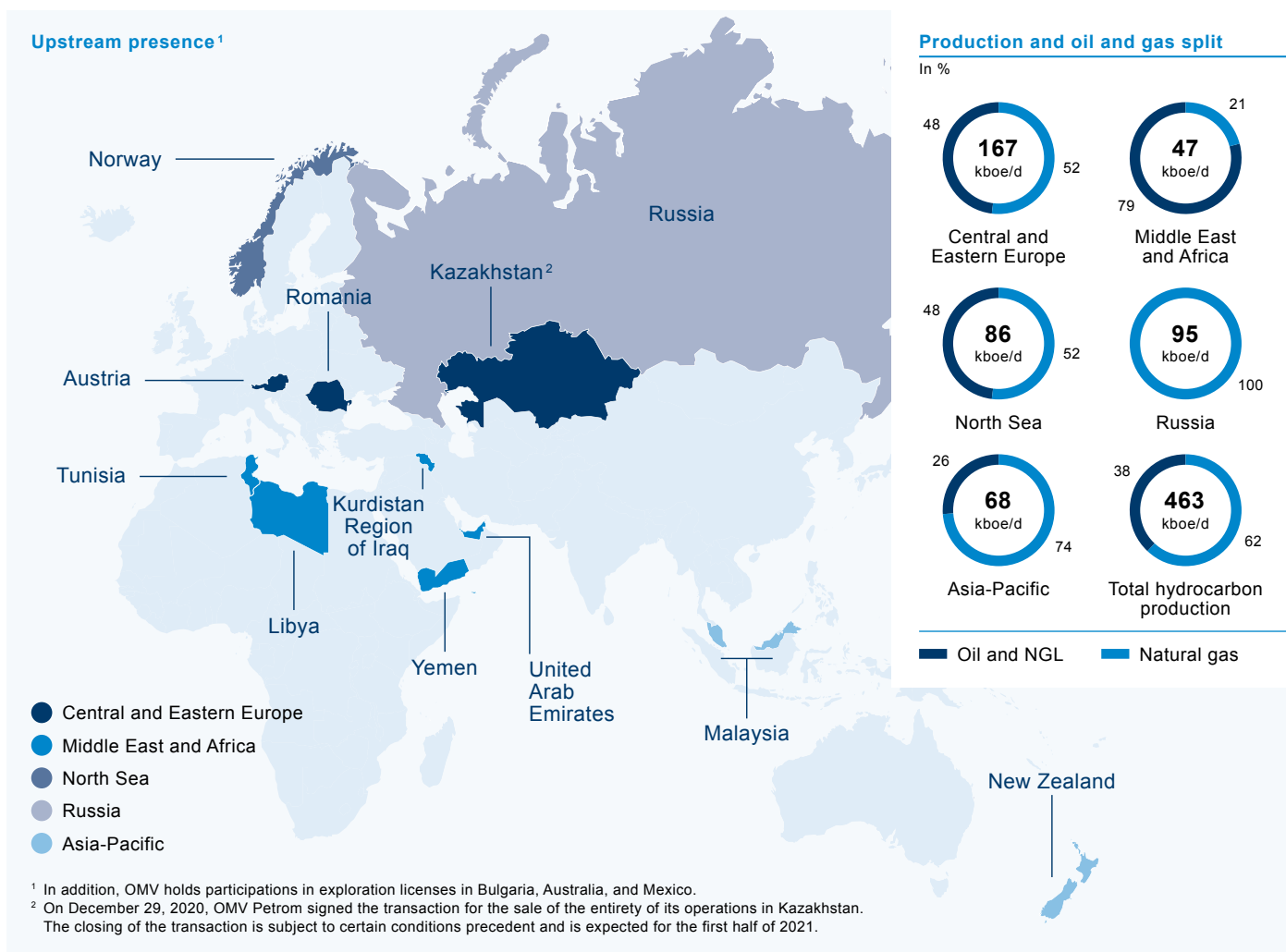
<sup>6</sup> In 2016, the reported production cost was USD 11.59/boe; effective January 1, 2017, production cost excludes administrative expenses and selling and distribution costs; the 2016 production cost figure of USD 10.58/boe presented in the table has been calculated based on the new definition for future comparability.

# Fields of Activity

## Upstream

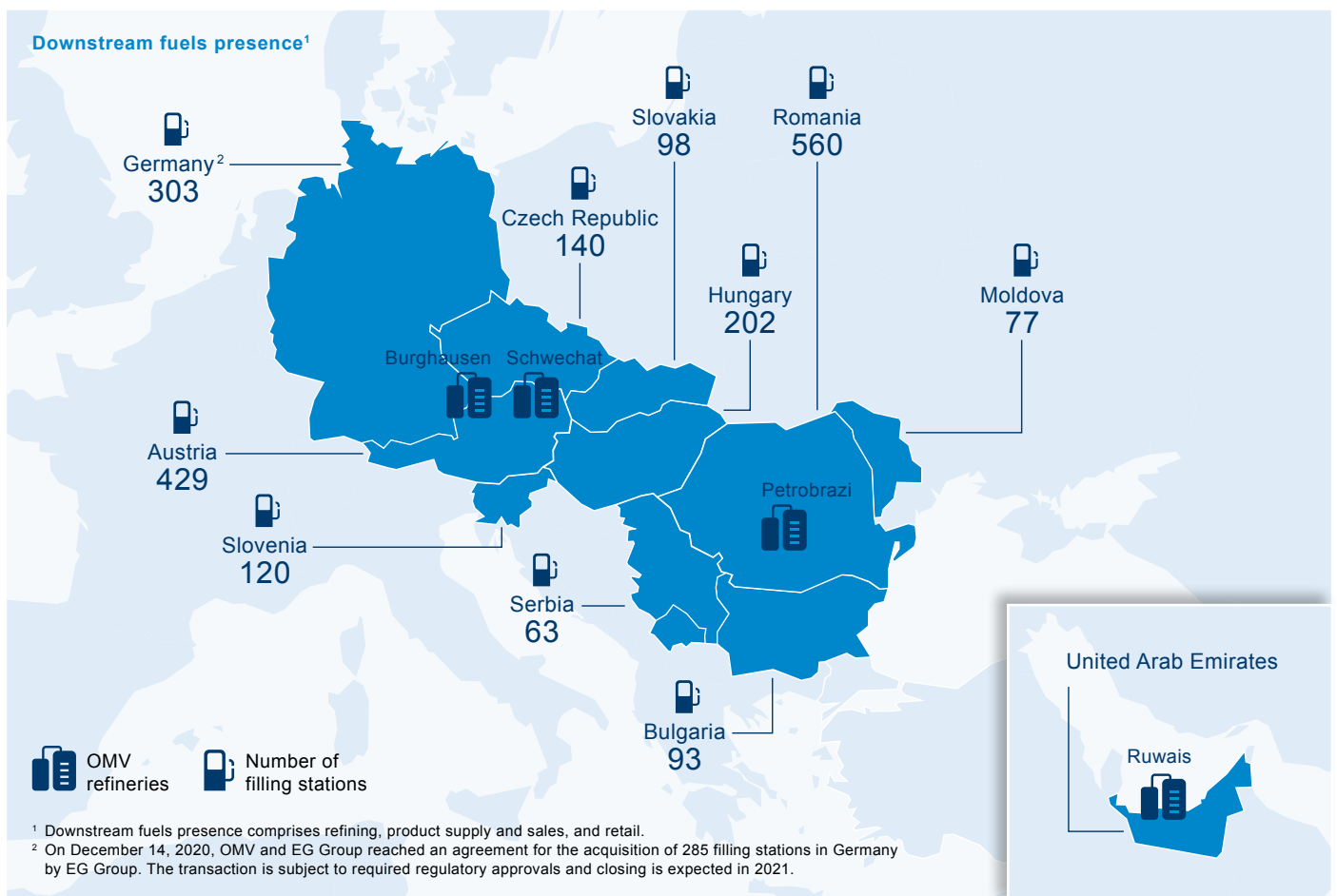
OMV Upstream explores for and produces oil and gas in its five core regions of Central and Eastern Europe, the Middle East and Africa, the North Sea, Russia, and Asia-Pacific. In 2020, daily production was 463 kboe/d (equal to 169 mn boe). While gas output accounted for 62% of total production, oil and NGL flows made up 38%. At year-end 2020, proven reserves amounted to 1.34 bn boe.

| ● Central and Eastern Europe <sup>1</sup>     | ● Middle East and Africa  | ● North Sea | ● Russia | ● Asia-Pacific <sup>1</sup> |
|---|---|-------------|----------|-----------------------------|
| Austria<br>Kazakhstan <sup>2</sup><br>Romania | Kurdistan Region of Iraq<br>Libya<br>Tunisia<br>United Arab Emirates<br>Yemen | Norway      |          | Malaysia<br>New Zealand     |

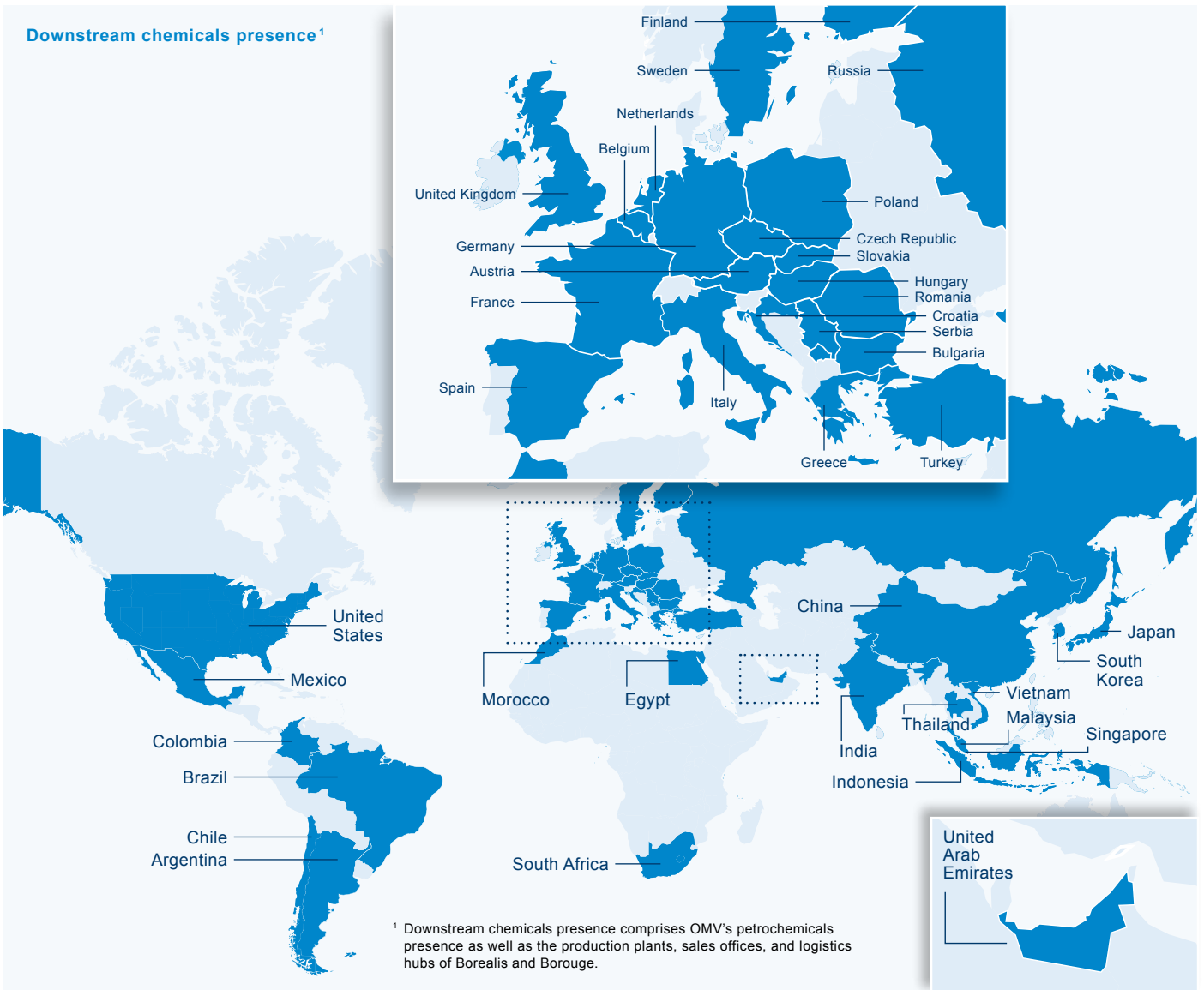


## Downstream

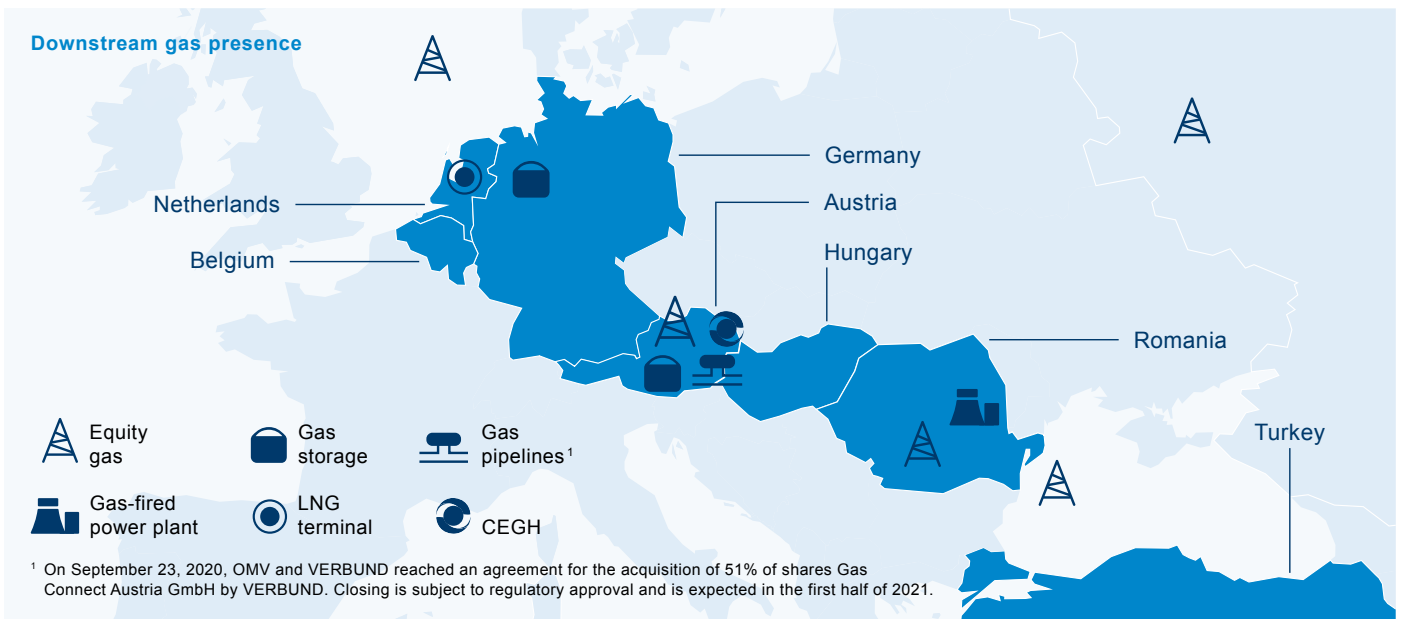
OMV's Downstream business refines, markets fuels, chemicals, and gas. It operates three inland refineries in Europe and holds a strong market position within the areas of its refineries, serving a strong branded retail network and commercial customers. In the Middle East, it owns 15% of ADNOC Refining and ADNOC Global Trading. The processing capacity of its refineries amounts to more than 500 kbb/d. In 2020, OMV increased its share in Borealis to 75%, strengthening its chemical business and extending the value chain into polymers. In gas, OMV is active along the entire gas value chain.



### Downstream chemicals presence<sup>1</sup>



### Downstream gas presence



## FINANCIAL CALENDAR

|                  |                                       |
|------------------|---------------------------------------|
| April 9, 2021    | Trading Update Q1 2021                |
| April 29, 2021   | Results January–March 2021            |
| July 8, 2021     | Trading Update Q2 2021                |
| July 28, 2021    | Results January–June and Q2 2021      |
| October 8, 2021  | Trading Update Q3 2021                |
| October 29, 2021 | Results January–September and Q3 2021 |

- ▶ **This financial calendar represents only an extract of the planned dates in 2021. The complete financial calendar and confirmation of the dates can be found at:**  
[www.omv.com/financial-calendar](http://www.omv.com/financial-calendar)

- ▶ **The HTML version of this annual report can be found here:**  
[www.reports.omv.com/en/annual-report/2020](http://www.reports.omv.com/en/annual-report/2020)

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# 1

## TO OUR SHAREHOLDERS

9 – 24

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20 — OMV on the Capital Markets

## “Setting the course for a new OMV”

A conversation with Rainer Seele, Chairman of the Executive Board and CEO of OMV.

### Mr. Seele, which three words would you use to describe 2020?

Pandemic. Success. Sustainability. And gratitude.

### It's an unusual combination.

I would be happy to explain why I chose these three concepts and added a fourth. “Pandemic” is obvious. COVID-19's serious global impact on individuals, the economy, and society as a whole also posed completely new challenges for OMV. We were clearly not the only ones affected – no one has been spared – which is why I only mention the pandemic to define the state of affairs.

### You then said, “success,” which is less expected.

Exactly. And I chose that word deliberately. Because OMV can truly be proud of our 2020. In a year that was probably the most difficult in decades for us all and the entire global economy, we demonstrated our strength in areas such as our operating activities. At the same time, we set the course for a new OMV with a sustainable business model.

### Let's start with OMV's operating activities. The macroeconomic environment was not exactly rosy...

That's an understatement. In reality, the first quarter started out normal, when suddenly all indicators pointed downward, except the number of infections. Worldwide demand for oil dropped by 8 percent from its 2019 level, and a lack of agreement among the OPEC+ nations about output quotas led to considerable surplus supply. The result was a sharp decline in oil prices. The Brent price fell from almost 70 dollars per barrel to a 21-year low of around 13 dollars per barrel in just three months. For the year as a whole, the average price was just under 42 dollars per barrel – a decrease of 35 percent. The average gas price at the Central European Gas Hub came in at 10 euros per megawatt hour, down 32 percent from the prior year. Developments in the Downstream business were not uniform. Whereas the refinery margin was down 45 percent from the prior year to an average of 2.4 dollars per barrel, petrochemicals performance remained relatively stable.

### How did the OMV Group react to this level of crisis?

We very quickly implemented a set of measures including cost cutting and organic investments. Above all, however, we had a key advantage: OMV's business rests on two strong pillars and can therefore continue operating confidently even with this kind of strong economic headwind. Our integrated business model with a diversified portfolio again proved valuable and was able to somewhat dampen the hefty shock of negative market effects. Naturally, the Upstream business felt a significant impact from the massive drop in oil and gas prices and was also affected by production stoppages in Libya. Despite the unfavorable circumstances, we were able to keep production costs at the previous year's low level of 6.6 dollars per barrel. In contrast, Downstream sold larger volumes of petrochemicals and additionally generated strong retail sales thanks to higher margins, along with delivering impressive volume and income growth in natural gas trading. The gas business contributed earnings of 337 million euros, up more than 70 percent year over year. This was due to factors including increased sales volumes and market share, particularly in Germany, the Netherlands, Belgium, and Austria.



» It goes without saying that we must do everything to maximize our economic, environmental, and social sustainability.

**RAINER SEELE**  
Chairman of the Executive Board

**And OMV's business area of the future: chemicals?**

Of course, the chemical business also felt the negative impact of the coronavirus pandemic. Nonetheless, we were able to increase overall polyolefin sales somewhat year over year. The Borealis Group therefore generated not only solid earnings, but also strong operating cash flow of 1.6 billion euros, up slightly from the prior year.

**“Even during this crisis, every quarter was profitable.”**

**That means OMV remained flexible despite the crisis?**

Yes. That was evident in our stable cash flow performance as well. The OMV Group's cash flow from operations saw a year-over-year decline of 23 percent, but at 3.1 billion euros was still extremely robust. It is particularly gratifying that OMV was able to generate a positive clean operating result in each and every quarter. Our Clean CCS Operating Result therefore came in at a solid 1.7 billion euros for the year as a whole.

**What does that mean for shareholders?**

It means that OMV again demonstrated strong profitability and can reflect this in an attractive dividend. The Executive Board resolved to propose an increased dividend of 1.85 euros per share to the Supervisory Board and the Annual General Meeting.

**Let's turn from operations to strategy.**

I am confident that 2020 will go down in the history of OMV not as the year we experienced a pandemic, but as the year we embarked on a fundamentally new course. By acquiring a majority interest in Borealis, we began to pursue a strategy that will result in a new OMV. An OMV that is even larger, more stable, and more sustainable. Measured in terms of our sales of recent years, this transaction has already allowed us to grow by about a third. And we will continue to grow, because an OMV with strong chemical activities with the right products and services will be well prepared to meet market demand for the lower-carbon world of the future. The high-quality plastics urgently needed for solar panels and wind turbines, power grids and digital controls, and lightweight components in the transportation sector are just a few examples of these.

**Is OMV turning its back on its roots and its past?**

No, definitely not. The new OMV will continue to be an integrated company that generates strong earnings along the entire value chain, in the Exploration & Production, Refining & Marketing, and Chemicals & Materials segments. We will remain true to our heritage and invest approximately 3 billion euros in Austria alone by 2025. These funds will be invested in the prudent and efficient use of domestic oil and gas reserves, in new forms of energy, in optimizing petrochemical equipment at the Schwechat refinery, and in further developing our circular economy.

The forward integration into chemicals will provide not only momentum for the Group but also additional stability. This extended value chain will enable us to weather cyclical market volatility even better than before. We will increasingly refine our raw materials instead of processing them into fuels, and we are confident that chemical products and high-quality plastics will continue to be required in 2050 and well beyond. In addition, we can leverage the strong synergy potential from the cooperation between our two companies. In this sense, expanding our value chain is the foundation for a successful business model for the long term.

**“OMV has largely achieved its strategic goals for 2025.”****Is that why you also associate “success” with 2020?**

Three years ago, we announced our Strategy 2025, which would increase OMV’s size and value. We largely achieved this by the end of 2020 and can therefore declare this effort a success. Of course, many things around us have changed in the span of just three years. That is why we have to rethink our parameters. In our Strategy 2025, we mostly defined size and value in terms of oil and gas reserves, production volumes, and refinery capacity. We aimed to double our proved reserves, achieve output of 600,000 barrels per day, and double our refinery capacity. Those are no longer our goals.

**What are OMV’s goals then?**

We will continue to pay close attention to our reserves, production volumes, and refinery capacity, and maintain our daily oil and gas output at around the current level of 450,000 to 500,000 barrels per day with an emphasis on gas. However, our key performance indicators will be framed in a new context, and their significance and weighting will change as a result of the energy transition and the extension of our value chain into more highly refined chemical products.

**Speaking of change, the Borealis transaction wasn’t the only one in the OMV Group, was it?**

A strategic reorganization does not mean that you have to spend wildly and buy everything. You also have to let some favorite activities go and finance acquisitions. As you mentioned, we not only acquired a majority in Borealis in 2020, we also entered into agreements to sell our investment in Gas Connect Austria to VERBUND, our filling station network in Germany, and the Upstream business in Kazakhstan.

Looking back on all that, additionally considering the performance of our operating business, and knowing the challenging environment in which all of that was achieved, you can understand why I chose the word “success.” For that, hats off to the now 25,000 employees of the new OMV.

**That's why you chose "gratitude" as your fourth concept?**

Yes, it is. Team OMV is a team you can rely on. And I'm not talking about just "regular" performance, but performance in view of the extreme challenges posed by the coronavirus. Anyone who experienced how our employees immediately adapted to the new situation and got used to the completely upended work routine from one day to the next can only be impressed. Our various teams took turns working at home and in the office and made sure every day that critical infrastructure on-site was functioning to keep people warm and able to move around, that businesses were supplied with energy, and that raw materials were available for the manufacture of medical products. All of that worked seamlessly thanks to their enormous flexibility and creativity, and deep commitment. We were able to keep up the supply at all times in this difficult environment as well as also implementing all of our strategic projects. An effort deserving of high praise. And one I am grateful for.

**"The Borealis deal was a decisive move."****You mentioned sustainability. How will you make sure the new OMV is also a more sustainable OMV?**

We all know that there is no button we can press to rid the world of CO<sub>2</sub> overnight. As an international oil and gas company, we also have a statutory duty to provide a secure energy supply. Do we have to fulfill this duty? Yes. But does that absolve us of the obligation of making our business more sustainable every day? No. It goes without saying that we must do everything to maximize our economic, environmental, and social sustainability. I think that the Borealis transaction in particular was the decisive step in this direction, since this turned OMV's strategy directly toward meeting the needs of a lower-carbon world.

**Early 2021 was just as challenging as the end of 2020. What are OMV's expectations for this year?**

I think that, at least for the first six months, we will continue to do business in a very challenging environment due to the pandemic. I believe the second half will be much more positive. At that time, the production and logistics problems affecting the COVID-19 vaccination effort should mostly be solved, and that should lead to a stronger economic recovery.

In terms of our business, we anticipate total production in Upstream, except for Libya, of around 480,000 barrels per day, and project a noticeable turnaround in average crude oil and gas prices. In Downstream, the capacity utilization of our European refineries should remain around the previous year's level, and the refinery margin is expected to exceed the prior-year level. Our chemicals business is forecast to generate ethylene and propylene margins at the level of the previous year. Borealis should see an uptick in polyethylene volumes and stable polypropylene volumes; margins for both are expected to be up from the prior year.

We will continue our reorganization, which will entail selling our filling station business in Slovenia and Borealis's fertilizer business, including nitrogen and melamine activities. At the same time, we have budgeted organic investments of 2.7 billion euros throughout the Group, including Borealis, for 2021 – investments in a new OMV.

Vienna, March 10, 2021

Rainer Seele m.p.



**RAINER SEELE**  
Chairman of the Executive Board  
and Chief Executive Officer



**ELENA SKVORTSOVA**  
Chief Commercial Officer



**REINHARD FLOREY**  
Chief Financial Officer



**JOHANN PLEININGER**  
Deputy Chairman of the Executive Board  
and Chief Upstream Operations Officer



**THOMAS GANGL**  
Chief Downstream Operations Officer



## Dear Shareholders,

The time has come to reflect on the past year, one which was almost entirely dominated by the coronavirus pandemic and its major adverse impact on the global economy. Low oil and gas prices and a significant drop in demand posed enormous challenges for OMV. Nonetheless, we can still call this year a success. Thanks to measures quickly implemented by management and the Group's integrated business model and diversified portfolio, OMV was able to generate solid earnings despite the difficult market environment.

We are not just looking back on a year of pandemic life, but also a twelve-month period in which we set the course for a new OMV. The acquisition of a majority interest in Borealis was a milestone for OMV in the further development of our Company's chemical and circular economy activities. By expanding the value chain in this way, OMV is establishing a sustainable business model that will set the direction for the Company's development for the long term.

Above all, however, we are reflecting on a time in which the importance of the human element was clearly evident – more so than in any other year. Neither our solid earnings nor the implementation of important strategic projects would have been possible without our employees who put enormous effort and a great deal of creativity into making these results a reality under difficult conditions. They are the foundation of and the driving force behind our success.

This performance and OMV's stable financial position are also reflected in the proposed progressive dividend of EUR 1.85, which allows you as our shareholders to participate in OMV's success.

In the following, I would like to inform you about the Supervisory Board's work during the 2020 financial year:

### Composition of the Executive Board and Supervisory Board

Elena Skvortsova joined the Executive Board on June 15, 2020, and is now responsible for Marketing & Trading. Ms. Skvortsova is a top executive with many years of international management experience and cross-industry expertise. Since her appointment, she has been working with great enthusiasm and insight into market challenges to ensure that her division is fit for the future. After just a few months, she completed a very important transaction for OMV: the sale of the German filling station network.

On September 9, we resolved to reappoint Reinhard Florey as CFO. He has been able to refine and significantly improve Finance at OMV, both in terms of organization and processes, contributing to our results. This is due not least to efficient cost management and a clear financial strategy focused on cash flow and financial strength. OMV's attractiveness to investors was underscored in 2020 by the successful issue of bonds totaling EUR 4.5 billion.

In 2020, the composition of the Supervisory Board also changed. Our long-term member Dr. Wolfgang Berndt, who had also been Chairman since May 2019, stepped down after ten years of service on the Supervisory Board with effect from the end of the Annual General Meeting on September 29, 2020. I wish to thank Wolfgang Berndt on behalf of the entire Supervisory Board. During his term of office, he oversaw groundbreaking transactions and investments that contributed substantially to OMV's current stability and resilience. Under his chairmanship, we completed OMV's largest transaction to date: the increase in our stake in Borealis to 75%, which will undoubtedly go down in our history for its strategic importance.

I, Mark Garrett, was elected to the Supervisory Board at the 2020 Annual General Meeting and at the subsequent constitutive meeting was voted Chairman of the Supervisory Board and Chairman of the Presidential and Nomination Committee. At that meeting, Thomas Schmid was elected Chairman of the Remuneration Committee. There were changes on the part of the employee representatives in 2020 as well. Christine Asperger stepped down from her positions as of October 1, 2020, and Alfred Redlich left the Supervisory Board as of December 2, 2020.





» We are not just looking back on a year of pandemic life, but also a twelve-month period in which we set the course for a new OMV.

MARK GARRETT  
Chairman of the Supervisory Board

### Supervisory Board activities

The Supervisory Board carried out its activities during the financial year with great care and in accordance with the law, the Company's Articles of Association, and the Internal Rules. It oversaw the Executive Board's governance of OMV and advised it in decision-making processes on the basis of detailed written and verbal reports as well as constructive discussions between the Supervisory Board and the Executive Board.

Early 2020 was almost entirely dominated by the Borealis transaction, which was ultimately approved at the meeting on March 11, 2020. The Annual General Meeting was postponed to autumn 2020 due to COVID-19-related restrictions. The other Supervisory Board meetings and conference calls were also heavily focused on discussions about measures to reduce the pandemic-induced negative impact on many areas of our business, particularly with regard to securing financing for the Borealis transaction.

Building on a survey of the Supervisory Board, a training event was held for the Supervisory Board once again in 2020. We had to cancel a visit to the newly set-up Innovation & Technology Center in Gänserndorf due to COVID-19 restrictions. In 2020, we again conducted a Supervisory Board self-assessment led by an external service provider, which built on the survey-based evaluation of the previous year and was conducted by holding personal interviews. The results were incorporated into our priority-setting and activities for 2021.

In September, the Supervisory Board approved the sale of OMV's 51% interest in Gas Connect Austria. The sale was the result of OMV's pursuit of a strategy to exit the regulated gas transportation business. At the same time, we were able to eliminate debt of more than EUR 570 million and take a major step toward improving our gearing.

Our remuneration policy was put to a vote for the first time at the Annual General Meeting in September 2020. We attach great importance to an intensive exchange with investors. For this reason, we discussed the development of our remuneration policy with investors at length.

At the end of the year, we took another major step forward in our divestment program – the sale of the filling station network in Germany. The final investment decision before year-end on the Co-Processing project for the production of biofuels in Schwechat was a key move toward implementing our sustainability strategy.

### Activities of Supervisory Board committees

The **Presidential and Nomination Committee** placed particular focus on the preparation of the decisions regarding the appointment of Elena Skvortsova and the extension of Reinhard Florey's Executive Board mandate. Furthermore, it focused on the issue of long-term Executive Board succession planning.

In 2020, the **Remuneration Committee** finalized the remuneration policy for the Executive Board and Supervisory Board based on the new requirements of Austrian Stock Corporation Act in connection with the EU Shareholder Rights Directive and presented it to the shareholders for a vote for the first time at the Annual General Meeting on September 29, 2020. The measure passed overwhelmingly, receiving more than 99% of the votes cast. In the context of the development of the Executive Board remuneration policy, feedback from investors during the 2019 Corporate Governance Roadshow was specifically considered. Thus, from 2020, the variable remuneration system also incorporates non-financial/ESG targets – specifically, carbon reduction and a diversity target.

The next step is to prepare a remuneration report for the Executive Board and Supervisory Board based on the new provisions of the Austrian Stock Corporation Act. A separate report was drafted for this purpose which presents the Executive Board and Supervisory Board remuneration more transparently than before and includes a direct comparison with the Company's performance over time and with employee salaries. The remuneration report for the Executive Board and Supervisory Board will be presented to the shareholders for approval for the first time at the Annual General Meeting in 2021.

In 2020, the **Audit Committee** looked at important topics related to accounting processes, the internal audit program, risk management, and the Group's internal control system. The current auditor of the OMV Group, Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., participated in each of the Audit Committee's meetings, and the Supervisory Board regularly took advantage of the opportunity to discuss matters with the auditor without the presence of the members of the Executive Board. In addition, the Audit Committee completed the selection procedure introduced in 2019 relating to the choice of the auditor for the 2021 financial year.

Meetings of the **Portfolio and Project Committee** are held regularly prior to the meetings of the Supervisory Board. The committee used its meetings in 2020 to prepare decisions regarding key investment and M&A projects on the basis of extensive information and intensive discussions.

Further details regarding the activities of the Supervisory Board and its committees can be found in the (Consolidated) Corporate Governance Report.

### Annual financial statements and dividends

Following a comprehensive audit and discussions with the auditor during meetings of the Audit Committee and the Supervisory Board, the Supervisory Board has approved the Directors' Report and the Consolidated Annual Report pursuant to section 96(1) of the Austrian Stock Corporation Act as well as the Annual Financial Statements and the 2020 Consolidated Annual Financial Statements pursuant to section 96(4) of the Austrian Stock Corporation Act. Both the Annual Financial Statements and the Consolidated Annual Financial Statements for 2020 received an unqualified opinion from the auditing company Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. The Supervisory Board also approved the (Consolidated) Corporate Governance Report audited by both the Supervisory Board and the Audit Committee as well as the (Consolidated) Report on Payments Made to Governments. The Supervisory Board found no issues during the audits. Following the audit, the Supervisory Board accepted the Executive Board's suggestion to jointly propose in the Annual General Meeting a dividend of EUR 1.85 per share, which corresponds to an increase of EUR 0.10 over the previous year. The remaining amount of the net profit after the dividend distribution will be carried forward to new account. The Supervisory Board will audit the separate consolidated non-financial report (Sustainability Report) individually, and this report will be published separately and after the Annual Report together with the corresponding Supervisory Board report.

On behalf of the entire Supervisory Board, I would like to thank the Executive Board and all employees for their commitment and successful work in the extraordinarily turbulent and challenging 2020 financial year. I would like to give special thanks to OMV's shareholders for their continued trust as well as to all of OMV's customers and partners.

Vienna, March 10, 2021

For the Supervisory Board

Mark Garrett m.p.

## OMV on the Capital Markets

**2020 will be remembered for the COVID-19 pandemic and the economic recession, big swings in market sentiment, as well as significant polarization across the sectors. In contrast, OMV's stock price outperformed the market strongly during the year's final two months with an impressive rally and ended the year at EUR 33.00. For 2020 overall, OMV performed in line with the sector.**

### Financial markets

Efforts to stop the spread of COVID-19 infections led to lockdown measures in spring, causing an almost unprecedented economic decline. A number of steps taken by the ECB and the Fed to stimulate the economy led to a minor recovery until June. However, the STOXX 600 index was still down by 13% during the first half of 2020, compared to a 7% decline by the MSCI World Index in the same period.

By September, this recovery was undone by a second lockdown wave, triggered by a resurgence in COVID-19 case numbers. November finally marked a turning point, as the prospect of a vaccine first arose, establishing a powerful recovery trend on global markets. The outcome of the presidential election in the United States and the last-minute EU-UK trade deal provided further support. The year's second half was dominated by recovery, with the performance of European equities again more subdued than the global average (MSCI World +22% vs. STOXX 600 +11%).

For the year as a whole, global equities still managed to gain value, albeit at a much slower pace than before (MSCI World +14% in 2020 vs. +25% in 2019). In comparison, European stocks suffered a loss (STOXX 600 -4% in 2020 vs. +23% in 2019).

The oil and gas sector was hit particularly hard by the events of 2020, on a global as well as on a European scale. Before the effects of the pandemic hit, oil prices were already under pressure due to disagreements between OPEC and non-OPEC producers. However, thanks to improving market sentiment and growing commodity price support during the final two months of the year, Europe's oil and gas stocks were able to stage an impressive comeback, strongly outperforming the wider European and global markets. In November and December, the FTSEurofirst E300 Oil & Gas Index grew by over 35%, compared to a gain of around 17% for the STOXX 600 and MSCI World. The sector was thus able to recover a large share of previously incurred losses. With OPEC+ supporting the near-term oil market, the sector is continuing its recovery during early 2021.

### At a glance

|   |           | 2020  | 2019  | 2018  | 2017  | 2016   |
|---|-----------|-------|-------|-------|-------|--------|
| Number of outstanding shares <sup>1</sup>   | in mn     | 327.0 | 326.9 | 326.7 | 326.5 | 326.4  |
| Market capitalization <sup>1</sup>          | in EUR bn | 10.8  | 16.4  | 12.5  | 17.3  | 11.0   |
| Volume traded on the Vienna Stock Exchange  | in EUR bn | 9.3   | 8.2   | 9.1   | 8.8   | 6.0    |
| Year's high                                 | in EUR    | 50.76 | 54.54 | 56.24 | 54.14 | 34.78  |
| Year's low                                  | in EUR    | 16.33 | 39.32 | 37.65 | 32.37 | 21.45  |
| Year end                                    | in EUR    | 33.00 | 50.08 | 38.25 | 52.83 | 33.56  |
| Earnings Per Share (EPS)                    | in EUR    | 3.85  | 5.14  | 4.40  | 1.33  | (1.24) |
| Book value per share <sup>1</sup>           | in EUR    | 42.02 | 39.80 | 36.44 | 34.35 | 33.44  |
| Cash flow per share <sup>2</sup>            | in EUR    | 9.60  | 12.42 | 13.46 | 10.56 | 8.82   |
| Dividend Per Share (DPS) <sup>3</sup>       | in EUR    | 1.85  | 1.75  | 1.75  | 1.50  | 1.20   |
| Payout ratio                                | in %      | 48    | 34    | 40    | 113   | n.m.   |
| Dividend yield <sup>1</sup>                 | in %      | 5.6   | 3.5   | 4.6   | 2.8   | 3.6    |
| Total Shareholder Return (TSR) <sup>4</sup> | in %      | (29)  | 36    | (25)  | 61    | 34     |

<sup>1</sup> As of December 31

<sup>2</sup> Cash flow from operating activities

<sup>3</sup> 2020: as proposed by the Executive Board and confirmed by the Supervisory Board; subject to confirmation by the Annual General Meeting 2021

<sup>4</sup> Assuming reinvestment of the dividend

## OMV share performance

OMV's share price performance over the year was in line with that of the European sector, closing 2020 down 34%. Assuming dividend reinvestment, the total shareholder return was minus 29%. Starting the year at EUR 50.08, OMV's share price came under pressure due to a number of factors. First, disagreements between OPEC and non-OPEC producer countries lowered the oil price. Then there were the adverse economic effects of the lockdown measures in reaction to the outbreak of the COVID-19 pandemic. The sentiment degrading drove OMV's share price to its lowest value in almost 16 years, to EUR 16.33 in mid-March.

However, already by June the stock had already recovered more than half of this loss. The resurgence of COVID-19 cases after the summer led to another decline that lasted into late October. The closing of the Borealis acquisition represented the inflection point. Over the final two months of the year, the share price strongly outperformed markets strongly with a 68% gain, thus fully recovering the losses incurred since summer (MSCI World and STOXX 600 each +17%). The share closed 2020 at EUR 33.00. The OMV's daily trading volume of OMV shares in 2020 averaged at 621,393 shares (2019: 350,172). At year-end, OMV's total market capitalization was EUR 10.8 bn compared to EUR 16.4 bn at the end of 2019.

### OMV share price performance 2020

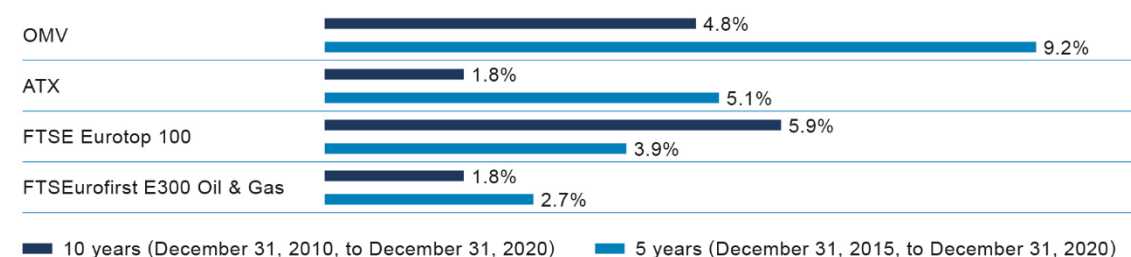


OMV's share price moved in line with the sector during the year, which underperformed the wider market. The FTSEurofirst E300 Oil & Gas index decreased by 31%, the Austrian ATX declined by 13%, and the FTSE Eurotop 100 global industry benchmark weakened by 8%. Measured over a five-year period, the return generated

by the OMV share strongly outperformed index returns. A 100 EUR investment in OMV stock at year-end 2015 with continuous dividend reinvestment in further OMV stock would have grown by an average annual return rate of 9% to EUR 155 at year-end 2020.

### OMV shares: long-term performance compared with indexes

Average annual increase with dividends reinvested<sup>1</sup>



<sup>1</sup> Source: Bloomberg. The annualized return for the holding period is assuming dividends are reinvested at spot price.

## Proposed dividend of EUR 1.85 per share for the business year 2020

On September 29, 2020, OMV's Annual General Meeting approved a dividend of EUR 1.75 per share for 2019 as well as all other agenda items including the new Remuneration Policy for the Executive Board and for the Supervisory Board, the Long Term Incentive Plan 2020, the Equity Deferral 2020 and the elections to the Supervisory Board. The Executive Board will propose a dividend of EUR 1.85 per share for 2020 at the next ordinary Annual General Meeting on June 2, 2021, an increase of 6% over the previous year. The dividend yield, based on the closing price on the last trading day of 2020, amounts to 5.6%.

### Dividend policy

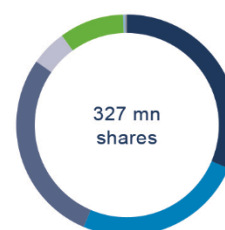
OMV is committed to delivering an attractive and predictable shareholder return through the business cycle. According to its progressive dividend policy, OMV aims to increase dividends every year or at least to maintain the level of the respective previous year.

### OMV shareholder structure

OMV's shareholder structure remained relatively unchanged in 2020 and was as follows at year-end: 43.1% free float, 31.5% Österreichische Beteiligungs AG (ÖBAG, representing the Austrian government), 24.9% Mubadala Petroleum and Petrochemicals Holding Company (MPPH), 0.4% employee share programs, and 0.1% treasury shares.

### Shareholder structure

In %

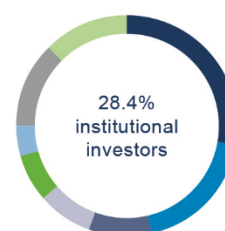


|                                    |      |
|------------------------------------|------|
| ÖBAG                               | 31.5 |
| MPPH/Abu Dhabi                     | 24.9 |
| Institutional investors            | 28.4 |
| Unidentified free float            | 5.2  |
| Retail positions and miscellaneous | 9.5  |
| Employee share program             | 0.4  |
| Treasury shares                    | 0.1  |

An analysis of our shareholder structure carried out for the end of 2020 showed that institutional investors held 28.4% of OMV's shares. At 28%, investors from the United States made up the largest regional group of institutional investors. The proportion of investors from the United Kingdom amounted to 19%, while German and French shareholders made up 9% and 8%, respectively. The share of investors from Austria was 7%, and Norwegian investors represented 4%.

### Geographical distribution of institutional investors

In %



|                |      |
|----------------|------|
| United States  | 27.9 |
| United Kingdom | 18.6 |
| Germany        | 9.3  |
| France         | 7.9  |
| Austria        | 7.0  |
| Norway         | 4.3  |
| Rest of Europe | 12.6 |
| Rest of World  | 12.4 |

OMV Aktiengesellschaft's capital stock amounts to EUR 327,272,727 and consists of 327,272,727 no-par-value bearer shares. At year-end 2020, OMV held a total of 297,846 treasury shares. The capital stock consists entirely of common shares. Due to OMV's adherence to the one-share, one-vote principle, there are no classes of shares that bear special rights. A consortium agreement between the two major shareholders, ÖBAG and MPPH, contains arrangements for coordinated action and restrictions on the transfer of shareholdings.

## Environmental, Social, and Governance (ESG) performance

OMV places great importance on working with ESG rating agencies. OMV is committed to acting responsibly towards the environment and society. Our accomplishments in this regard are reflected in further improvement of our already robust ESG performance in 2020. OMV received the highest "AAA" score in the MSCI ESG Ratings assessment for the eighth year in a row. This places OMV among the best 10% of oil and gas companies. OMV also maintained its Prime Status in the ISS ESG rating with a score of B-. This positions us among the 5% best oil and gas companies in terms of ESG performance. OMV was also included in the SAM Sustainability Yearbook 2021, based on its assessment in the SAM Corporate Sustainability Assessment (CSA) in 2020. The SAM Corporate Sustainability Assessment (CSA), established by RobecoSAM, is now issued by S&P Global. OMV was also recognized by CDP with a score of A- (Leadership) in the Climate Change category, earning us a place among the 20 best oil and gas companies in this ranking. We were also assigned the highest Level 4 rating for carbon management quality by the Transition Pathway Initiative. Besides these outstanding achievements, OMV has maintained its inclusion in several ESG indexes. Most notably, OMV was included in the Dow Jones Sustainability Index (DJSI World) for the third year in a row as the only Austrian company in the index. The DJSI World represents the top 10% of the largest 2,500 companies in the S&P Global Broad Market Index based on long-term economic, environmental and social factors. OMV was also included in the S&P Europe 350, which like the DJSI is

based on the SAM CSA OMV was also reconfirmed as a constituent of two MSCI indexes, the ACWI ESG Leaders Index and the ACWI SRI Index. Furthermore, OMV was affirmed as a member of the FTSE4Good Index Series, which is used by a wide variety of market participants to create and assess responsible investment funds. OMV was included in the Euronext Vigeo Europe 120 index and Euronext Vigeo Eurozone 120 index, based on its ratings by V.E., an Affiliate of Moody's, and also maintained its inclusion in the STOXX® Global ESG Leaders index, based on OMV's assessment by Sustainalytics, and in the ECPI® indexes. After being reappraised by EcoVadis – a platform analyzing the ESG performance of suppliers – OMV maintained its Silver supplier status.

## Solid credit ratings

The OMV Group is evaluated by rating agencies Moody's and Fitch. On March 20, 2020, Moody's confirmed OMV's A3 issuer rating while downgrading the outlook to negative. Moody's confirmed this rating in February 2021. On March 13, 2020, Fitch confirmed OMV's rating of A- and revised the outlook to negative. Fitch confirmed this rating in August 2020. The rating affirmations reflect OMV's earnings resilience thanks to the economic integration of the Upstream and Downstream business segments, along with a track record of conservative financial policies. The outlook revisions were a consequence of the adverse macroeconomic environment in combination with the greater debt assumed to fund the acquisition of the additional share in Borealis.

## Analyst coverage

At the end of 2020, OMV was covered by 20 sellside financial analysts who regularly publish research reports on the company. This ensures OMV good visibility in the financial community. At the end of 2019, 59% of these analysts had issued a "buy" recommendation, 32% advised "hold," with the remainder proposing "sell." However, as 2020 came to a close, there were no analysts left that recommended selling OMV shares. The share of analysts recommending that their clients buy OMV stock had risen to about two-thirds, with about one-third issuing a "hold" recommendation. Following the adverse economic developments of 2020, the average target price for OMV dropped to EUR 34.49 at the end of 2020, from EUR 56.10 per share a year earlier.

## Investor Relations activities

Even during the COVID-19 pandemic, ensuring active, candid dialogue with the capital market remains a top priority at OMV. By switching to virtual meetings, the Investor Relations department fulfilled its mission to provide comprehensive insight into OMV's strategy and business operations to all capital market participants, thereby guaranteeing equal treatment of all stakeholders. In this way, OMV's Executive Board was able to stay in constant dialogue with investors and analysts in Europe, North America, and Asia throughout 2020, regardless of the restrictions imposed to control the pandemic.



# 2

## DIRECTORS' REPORT

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## About OMV

**OMV produces and markets oil and gas, as well as chemical solutions in a responsible way and develops innovative solutions for a circular economy. In 2020, Group sales amounted to EUR 17 bn. With a year-end market capitalization of around EUR 11 bn, OMV is one of Austria's largest listed industrial companies. The majority of OMV's roughly 25,000 employees (including Borealis) work at its integrated European sites.**

In Upstream, OMV focuses on the exploration, development, and production of oil and gas in its five core regions of Central and Eastern Europe, the Middle East and Africa, the North Sea, Russia, and Asia-Pacific. At the end of 2020, OMV had proven reserves (1P) of 1.33 bn boe and proven and probable reserves (2P) of 2.37 bn boe. The Reserve Replacement Rate (RRR) was 102% in 2020. Daily production was 463 kboe/d in 2020 (2019: 487 kboe/d), which equals a total production of 169 mn boe. While gas accounted for 62% of total production, oil amounted to 38%.

In Downstream, OMV operates three refineries in Europe: Schwechat (Austria) and Burghausen (Germany), both of which feature integrated petrochemical production, and the Petrobrazi refinery (Romania). In addition OMV holds a 15% share each in ADNOC Refining, which operates the world-class Ruwais refinery in the United Arab Emirates, and in ADNOC Global Trading. OMV's total global processing capacity exceeds 500 kbb/d annually. Total refined product sales amounted to 17.81 mn t in 2020 (2019: 20.94 mn t). The retail network consists of around 2,100 filling stations<sup>1</sup> in ten countries with a strong multi-brand market portfolio.

The natural gas sales volume was 164.0 TWh in 2020 (2019: 136.7 TWh). OMV owns gas storage facilities

with a capacity of 30 TWh and a 51% share in Gas Connect Austria, which operates a 900 km natural gas pipeline network<sup>2</sup>. The Central European Gas Hub (CEGH), in which OMV holds a 65% share is a well-established gas trading platform. The node in Baumgarten (Austria) is Central Europe's largest entry and distribution point for Russian gas. In addition, OMV operates a gas-fired power plant in Romania.

On October 29, 2020, OMV completed the acquisition of an additional 39% interest in Borealis from Mubadala, and now holds a majority stake of 75%. Borealis is one of the world's leading providers of advanced and circular polyolefin solutions and a European market leader in base chemicals, fertilizers<sup>3</sup> and mechanical plastics recycling. Starting in April, OMV will be reorganized into three reporting segments: Exploration & Production, Refining & Marketing, and Chemicals & Materials. The new corporate structure will expedite the integration of Borealis into the OMV Group and accelerate the expansion of the Chemicals & Materials business.

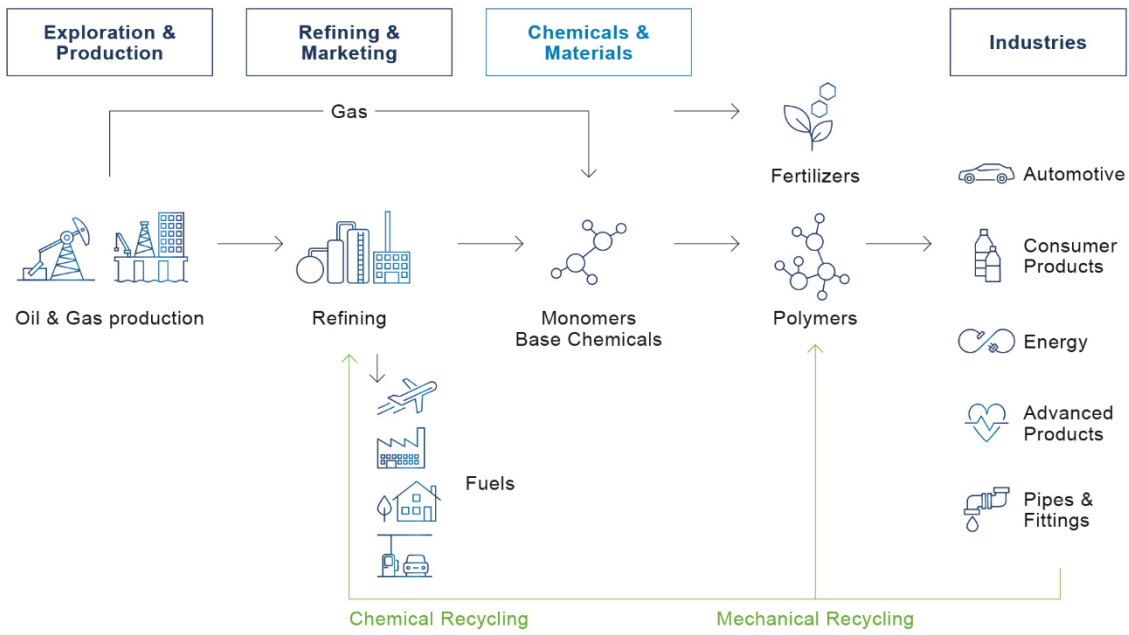
Sustainability is an integral part of OMV's corporate strategy. OMV supports the transition to a lower-carbon economy. The Group has set measurable targets for reducing carbon intensity and aims to become a leading player in the circular economy.

<sup>1</sup> On December 14, 2020, OMV and EG Group reached an agreement for the acquisition of 285 filling stations in Germany by EG Group. The transaction is subject to required regulatory approvals and the closing is expected in 2021. On February 4, 2021, OMV announced its intention to sell its business in Slovenia, including around 120 filling stations.

<sup>2</sup> On September 23, 2020, OMV and VERBUND reached an agreement for the acquisition of a 51% interest in Gas Connect Austria GmbH by VERBUND. The closing is subject to regulatory approval and is expected in the first half of 2021.

<sup>3</sup> On February 4, 2020 OMV announced its intention to sell the nitrogen business of Borealis, which includes the fertilizer business.

**Our value chain**



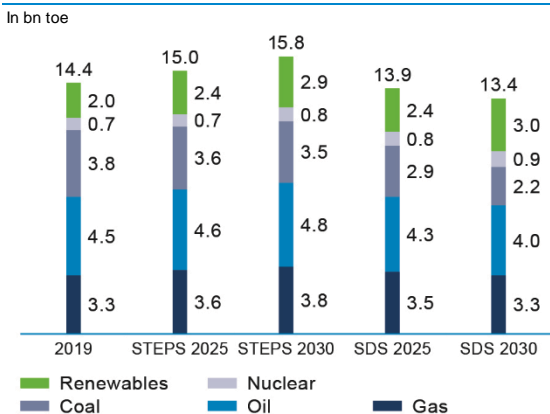
# Strategy

The OMV 2025 Strategy builds on the proven concept of integration, which ensures strong cash flows and resilience. Significant milestones were reached since 2018: built a high-quality gas-focused asset base in Upstream and extended the portfolio into high-value chemicals by increasing the share in Borealis to 75%. The Group strategic ambition now focuses on chemicals growth, maximizing value through its existing portfolio and increasing the share of low- and zero-carbon products in the portfolio. OMV strives to substantially increase the clean CCS Operating Result and operating cash flow, before net working capital effects, to at least EUR 5 bn each by 2025.

## Market outlook

Global energy demand continues to grow and will be met predominantly through traditional energy sources.

### Global energy demand by primary energy sources



Source: IEA World Energy Outlook 2020

The COVID-19 pandemic had a significant impact on energy markets worldwide in 2020, disrupting supply and demand dynamics. The global economy is now bracing for a multi-year recovery with a strongly divergent pace among different regions. In the short to medium term, energy demand will again grow but will be coupled with the possibility that some changes in consumer behavior may remain, especially in strongly affected sectors like tourism and aviation. 2020 can be considered a landmark year for the global energy transition, especially in the light of the European Green Deal, the growth of renewable energy, despite the crisis, and the fact, that many countries declared net zero carbon ambitions. This leaves a sustainable impact on the energy markets in the medium to long term.

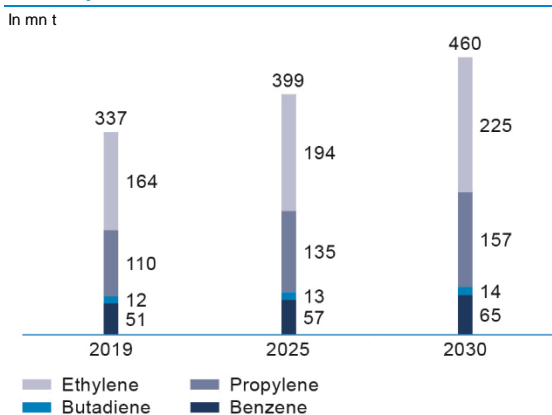
Global energy demand will continue to increase following the outlook in the IEA Stated Policies Scenario (STEPS) which incorporates the impact of the existing policy framework and is expected to rise 9% by 2030, on account of GDP and population growth. Oil and gas demand continue to grow and will still account for about 55% of global energy demand. This expected growth trajectory might slow, however, if current emissions target announcements materialize and the

energy transition results in declining fossil fuel demand. This trend is in accordance with the IEA Sustainable Development Scenario (SDS) showing a potential trajectory towards fulfillment of the UN climate goals factoring in high political ambitions.

Despite strong growth in renewables, oil will remain the main source of primary energy in the next decade, capturing a share of about 30% and exhibiting a compound annual growth rate of 0.5% by 2030. The increase in oil consumption will come from rising demand for petrochemical products as well as growing road and aviation transportation sectors in emerging markets. While oil product consumption is expected to decline in mature markets such as North America and Europe, global growth beyond 2030 will come from Asia, the Middle East and Africa. Driven by the global climate protection ambitions, the refinery industry is putting significant effort into partially replacing conventional oil feedstocks with bio-based feedstocks or recycled plastic materials. New technologies for producing alternative fuels, initially by means of pyrolysis or gasification are gaining traction. This will help producers contribute to global emissions reduction targets.

Natural gas will continue to be the fastest growing major energy source among fossil fuels, supported by strong global decarbonization policies and more stringent emissions standards. Gas demand will grow at an annual rate of 1.2% by 2030. This is attributable to the ability of natural gas to displace coal in the power generation sector. It also provides a reliable fuel source for the energy transition, serving as backup for the increasing share of renewables in the power generation mix.

### Global petrochemical demand



Source: IHS Chemical Supply & Demand (2020)

The growth in global demand for petrochemical products is closely linked to economic development as well as increasing prosperity and living standards in developing economies. Therefore, the growing petrochemicals market will continue to be an important consumer of oil and gas and a driver of global oil demand. Demand for olefins such as ethylene, propylene, butadiene, and benzene is expected to increase by 37% by 2030, mainly due to demand growth in Asia. These petrochemicals are considered to be the major building blocks for the chemical industry. Their derivatives, such as polyolefins, offer unique properties and economic benefits such as low material costs, as well as easy and fast processing. Petrochemicals are increasingly being used as a substitute for other energy-intensive materials due to their advantageous characteristics. They remain essential for various industries such as packaging, construction, transportation, healthcare, pharmaceuticals, and electronics. These sectors underpin the robust overall rise in demand, which stems primarily from the Asia-Pacific region and is aligned with the economic development there. Demand in mature markets such as Europe, North America, and Japan is expected to remain generally healthy in the long term in line with economic development, but growth rates are expected to slow down.

Naphtha, an oil derivative product, is expected to remain the main feedstock for the petrochemical industry. Other key feedstocks are associated gas in the Middle East and shale gas in North America. In addition, recycled products are becoming increasingly important feedstock that will help to better manage global plastic waste.

### Strategic cornerstones – OMV set to become stronger and more valuable

The OMV 2025 Strategy builds on the proven concept of integration, which ensures strong cash flows and resilience. When the strategy was announced in March 2018, the Group aimed at growing both the Upstream and the Downstream businesses. Since the strategy was introduced, OMV has transformed its portfolio as it achieved significant milestones. Upstream now has a high-quality asset base with expanded production and reserves, low production costs, and a portfolio shifted to gas. The Downstream business saw most notable transformations and step changes. In 2019, the Downstream business increased its international footprint by acquiring a 15% interest in ADNOC Refining and ADNOC Global Trading. In 2020, OMV embarked on a transformational journey, by acquiring an additional 39%-share in Borealis, a leading provider of polyolefins, base chemicals, and fertilizers. OMV holds now 75% controlling interest in Borealis. With this acquisition, OMV further extended its value chain into high-value chemicals and gained access to attractive growth markets. At the same time, this acquisition is a decisive step toward successfully positioning OMV for a low-carbon future, as the Company's portfolio shifts towards non-energy, low-carbon emissions products, as well as an emphasis on plastics recycling and circular economy. OMV's cash out for the acquisition of the 39% stake in Borealis, totaling EUR 3.9 bn, was supported by solid cash generation, strict cost and capital discipline, and a newly announced divestment program amounting to EUR 2 bn by end of 2021.

In the first nine months after the launch of the program, the Group successfully signed three major transactions:

- ▶ Divestment of its 51% stake in Gas Connect Austria in order to exit its regulated gas transportation business completely
- ▶ Disposal of the retail network in Germany, given its limited integration with the Burghausen refinery
- ▶ Divestiture of the Upstream assets in Kazakhstan, allowing OMV Petrom to focus on the growth opportunities in the Black Sea region

OMV will continue to implement this program, thus pursuing the divestments of the nitrogen business in Borealis and the retail and commercial operations in Slovenia.

### OMV Group – 2020 strategic achievements

- ▶ Signed transformative agreement for increasing share in Borealis to 75%
- ▶ Adhered to its dividend policy: distributed dividends were at the highest, equal to prior-year level of EUR 1.75 per share
- ▶ Agile reaction to the COVID-19 pandemic: significant reduction in spending
- ▶ Successfully signed divestments with a net debt effect of more than EUR 1 bn, in line with the EUR 2 bn disposal target by the end of 2021
- ▶ Achieved its carbon footprint reduction target ahead of time and set new, ambitious goals

In a continuously changing world, the Group strategic ambition focuses on chemicals growth, maximizing value through its existing portfolio and increasing the share of low- and zero-carbon products in the portfolio. In Upstream, the current organic projects pipeline will be executed. The business will be run for generating value, optimizing the cash flow to enable transformation at Group level. In its transition towards a low-carbon portfolio, Upstream production will be maintained in a corridor of approximately 450-500 kboe/d, with overweight on gas (around 60%). In its existing refining operations, the output mix will be increasingly shifted towards higher-value petrochemicals as part of the shift towards non-energy products. In its chemicals business, OMV will leverage Borealis as a platform for growth, focusing on delivering organic growth projects as well as building a sustainable chemicals portfolio by becoming a leading player in the circular economy. To further underscore its commitment to reducing the carbon footprint, OMV is investing in developing alternative sustainable feedstocks and biofuels. This portfolio will enable OMV to increase both its clean CCS Operating Result and its operating cash flow, before net working capital effects, to at least EUR 5 bn each by 2025.

In February 2021, OMV changed its corporate structure by splitting and expanding the current area of Downstream fuels and chemical operations in two areas: Refining and Chemicals & Materials. In addition, the Upstream business segment was renamed to Exploration and Production.

### OMV Group – 2025 strategic priorities

- ▶ Transition to become an integrated chemical company
- ▶ Continue to leverage the proven concept of integration along the value chain
- ▶ Maximize value of existing traditional oil and gas portfolio
- ▶ Expand portfolio of low- and zero-carbon products

- ▶ Strive for leadership in plastics recycling and circular economy
- ▶ Strengthen balance sheet and deliver attractive shareholder returns

### Upstream

The Upstream business has been significantly transformed since the introduction of OMV's strategy in 2018. The business aimed at building a portfolio of higher quality that generates more cash, on the base of a renewed and improved asset base, with double reserves and increased production, as well as through extending its track record of operational excellence.

The successful strategy execution enabled Upstream to optimize its portfolio, as OMV expanded production to the UAE and the Asia-Pacific region. At the same time, in line with its strategy, the Group divested its operations in Pakistan and marginal fields in Romania, signed the divestment of the Kazakhstan upstream assets, and oil fields in New Zealand and is advancing the divestment of oil assets in Malaysia. The portfolio shift focused on four core regions with the aim to create five core regions. The fifth core region was established by an increased footprint in Asia-Pacific, through the SapuraOMV joint venture partnership in Malaysia and the acquisition of Shell's upstream business in New Zealand.

The portfolio was further strengthened as key development projects were brought on stream in Malaysia (Gorek, Larak and Bakong offshore gas fields) and in Abu Dhabi, where Umm Lulu Super Complex operates in full field mode since April 2020. In reshaping its portfolio, Upstream targeted to ensure sustainable reserve replacement with low-cost barrels in order to improve the Company's overall resilience.

OMV has therefore already achieved most of its targets. By the end of 2020, it had ensured a three-year reserve replacement rate (RRR) of 138% and low-cost production of USD 6.6/boe, well below the initial target of USD 8/boe. Thanks to the robust portfolio built over the last years, Upstream reached a production volume of 463 kboe/d in 2020. The 2020 target of 500 kboe/d was not reached due to negative external factors such as the security situation in Libya and COVID-19-related production cuts imposed by governments. Moreover, the portfolio was shifted toward gas as the bridge fuel for the transition to a low-carbon future. In 2020, 62% of hydrocarbon production was gas, outperforming the initial Group target of 50%.

DigitUP, the global Upstream digitalization program launched in 2018 to further improve and ensure OMV's

competitive position, has progressed swiftly and successfully, laying the foundation for OMV's transformation into a top digital player. In order to leverage the value impact of its digitalization strategy, OMV Upstream kicked off a key organizational initiative called UPfront in the second half of 2020. The initiative complements Upstream's digital transformation and aims to deliver a value-oriented organization as a key pillar for business resilience and competitiveness.

#### Upstream – 2020 strategic achievements

- ▶ Production costs reduced to USD 6.6/boe
- ▶ Production reached 463 kboe/d, overweight on gas (62%)
- ▶ Three-year average reserve replacement rate of 138%
- ▶ Portfolio further strengthened: key development projects fully on stream in Malaysia and Abu Dhabi, progress in non-core assets divestment such as Kazakhstan and marginal fields Romania
- ▶ Established Upstream organization transformation initiative UPfront, to complement the digitalization strategy and further improve and ensure Upstream's competitive position

In a rapidly changing world, OMV is revising its volume targets for 2025. The initial goal of reaching a production volume of 600 kboe/d and 1P reserves of 2 bn boe by 2025 will no longer be pursued. Going forward, the Upstream portfolio will be run for generating value, optimizing the cash flow, with a strong emphasis on gas. The delivery of key projects in the portfolio, including those from past M&A projects, as well as Upstream's digital and organizational transformation program will sustain a substantial increase of free cash flow into and beyond 2025. With the current portfolio, OMV expects to maintain a relatively stable production corridor of around 450–500 kboe/d, with around 60% gas by 2025. The exact level of production and reserves will depend on the cash generation capacity of the portfolio. Strengthening value delivery and cash generation are the main goals and criteria for managing and developing the portfolio. In this respect, the portfolio will be further optimized, focusing on its existing five regions: Central and Eastern Europe, North Sea, Russia, Middle East and Africa, and Asia-Pacific. The acquisition of Achimov 4A/5A will only be held as an option, without commitment, and will only be realized if its value will be attractive to OMV and the Group's financial framework will allow it. OMV's exploration and appraisal activities will focus on gas and low-cost opportunities with a total budget of around EUR 230 mn per year.

Upstream will focus on reducing the carbon intensity of its operations and aims to lower carbon intensity by more than 60% by 2025 compared to 2010. This effort will include portfolio changes, a phase out of routine gas flaring and venting, a reduction of fugitive methane emissions and completion of projects like the photovoltaic plant developed with VERBUND in Schönkirchen, Austria for the purpose of powering OMV's own operations. The latter is the largest ground-mounted photovoltaic plant in Austria, with a total capacity of 14.85 MWp expected to come fully on stream in 2021. The first phase was completed by the end of 2020 with a capacity of 11.4 MWp. Upon its completion, the photovoltaic plant will generate around 14.25 GWh in Austria and will save a total of 10,000 t of CO<sub>2</sub> per year.

Upstream targets to reinforce its portfolio competitiveness and resilience against market volatility and the rapidly changing demands of the oil and gas industry. The strong focus on operational excellence and digitalization, in addition to portfolio optimization, will ensure that the unit production cost will remain below USD 7/boe beyond 2025. Upstream's ambition is to further establish itself as one of the top digital players in the industry. Digital transformation will continue to be a key enabler for Upstream's business resilience and competitiveness. Digital technologies like real-time data and analytics as well as agile ways of working will be leveraged to improve efficiency, reliability, and safety and enhance decision-making. To unlock the full value potential from its digital transformation program, Upstream is also implementing an agile organizational structure. A new organizational set-up will emerge in the course of 2021 as a result of the UPfront initiative. This will be reflected in Upstream's business structure, leadership, workflows, and behaviors, with fully integrated, remote, digitally collaborative multi-disciplinary teams underpinning accelerated delivery and a value-oriented organization.

#### Upstream – 2025 strategic cornerstones

- ▶ Upstream portfolio will be run for generating value, optimizing the cash flow
- ▶ Maintain production corridor of approximately 450–500 kboe/d, with overweight on gas
- ▶ Manage production cost below USD 7/boe
- ▶ Drive digital transformation and agile organizational structure to reinforce resilient competitiveness
- ▶ Aim to lower carbon intensity by more than 60% by 2025 vs. 2010

### Downstream – fuels and chemicals

The Downstream fuels and chemicals portfolio has undergone a major transformation since the strategy was introduced in 2018. The Company aimed to strengthen its competitive position in Europe, while exporting its successful business model to international growth markets by nearly doubling its refining capacity and expanding its chemicals position. In this respect, 2019 and 2020 represented milestone years for Downstream and chemicals. The Group established its Downstream presence outside Europe by becoming a partner in ADNOC Refining and ADNOC Global Trading. OMV holds a 15% stake in the fourth-largest refinery complex in the world, located on the doorstep of attractive growth markets in the Asia-Pacific and the Middle East regions. These international markets are served by ADNOC Global Trading, the marketing and trading arm for refined products from Ruwais, which went live in December 2020.

In 2020, OMV increased its share in Borealis from 36% to 75%. With full control of Borealis, Downstream increases its base chemicals production and extends its value chain to polyolefins and fertilizers. The business has gained a superior position: a truly international footprint with access to attractive customer segments and growth markets, as well as strong know-how, including proprietary multi-modal technology for the production of polyolefins. Innovation is at the core of Borealis, making the company a preferred partner for the manufacturing of chemical products globally. The geographical outreach of the OMV chemicals business expands considerably, as Borealis has a strong European presence and is active in the Middle East, Asia-Pacific as well as in North and South Americas. As a result of the Borealis acquisition, the OMV Group expects to realize substantial synergies totaling more than EUR 800 mn by 2025. The integration benefits will come from operational cost savings, combined purchasing, debottlenecking, increased capital efficiency, and tax benefits.

In its European operations, OMV continued to strengthen its competitive advantage. Following its target to shift to higher-value products, OMV successfully completed the construction of a new isobutene extraction plant at the Burghausen refinery in Germany in October 2020. The plant went on stream at end of 2020 and is producing up to 45,000 t of high-purity isobutene per year. The Group will also expand the naphtha cracker at the Burghausen refinery by around 50,000 t by 2022. Additionally, OMV decided to invest EUR 200 mn in the co-processing of 160,000 t of biofuels at the Schwechat refinery, and the production start is planned for 2023. In its Retail business, despite

the COVID-19 crisis, the profitability per filling station improved to more than EUR 230,000 in 2020, significantly over-achieving the previously set target of EUR 180,000.

### Downstream fuels and chemicals – 2020 strategic achievements

- ▶ Closed transformative transaction increasing share in Borealis to 75%
- ▶ Completed the new isobutene extraction plant at the Burghausen refinery in Germany
- ▶ Achieved refinery utilization rate of 86%, despite COVID-19 crisis
- ▶ Signed the divestment of the German manned retail network
- ▶ Delivered record Retail results in the COVID-19 year
- ▶ Went live with the ADNOC Global Trading organization

With this significantly transformed portfolio, OMV has a new key business – chemicals. OMV is set to become the largest producer of olefins in Europe and one of the largest polyolefin producers worldwide, ranking second in Europe and eighth globally. OMV will continue to build on this position, with Borealis as a platform for growth. The Group will therefore focus on bringing on stream its current organic growth projects. In Kallo, Belgium, the new propane dehydrogenation plant is anticipated to be in operation in 2023. Through Baystar JV (Borealis 50 %, Total 50 %) the new ethane steam cracker unit in Bayport, Texas is expected to start operations in 2021. The corresponding Borstar polyethylene unit is foreseen to start production in 2022. In the UAE, Borouge is currently building a fifth polypropylene unit to start up in 2021. Additional organic growth opportunities are progressing as well, such as Borouge 4, which is currently in the FEED phase.

Through the strategic extension of its value chain into high-value chemicals and plastics recycling, OMV is positioning for a low-carbon future. The Group is further integrating the Refining and Chemical's value chains. In order to ensure a sustainable chemical footprint, OMV together with Borealis aims to be a leader in the plastics recycling and circular economy. Going forward, more products will be designed for recyclability. By 2025, the Group will invest up to EUR 1 bn in the chemical and mechanical recycling of post-consumer plastic waste and sustainable fuels.

In the European Refining business, OMV will continue to be an industry leader, focusing on cost and operational efficiency. The three refining sites in



Schwechat, Burghausen, and Petrobrazi will continue to be operated as one integrated refinery system, optimizing asset utilization and maximizing margins through the exchange of intermediate products. OMV will modify its European refining assets to reflect expected demand changes and will shift to higher-value products. OMV is actively working on energy transition projects in the areas of conventional and advanced biofuels, synthetic fuels, hydrogen and energy efficiency. OMV is underway to further transform its Downstream oil business in the face of a low-carbon future, focusing on chemicals, alternative feedstocks, technologies, and fuels. Consequently, OMV no longer aims to further increase its refining capacity.

#### Downstream fuels and chemicals – 2025 strategic cornerstones

- ▶ Leverage Borealis as platform for growth: deliver organic growth portfolio
- ▶ Realize integration synergies with Borealis in the amount of more than EUR 800 mn
- ▶ Strive for leadership in plastics recycling and circular economy
- ▶ Optimize asset utilization and maximize margin generation across the integrated value chain
- ▶ Reduce operational carbon footprint
- ▶ Shape portfolio to focus on low- and zero-carbon products

#### Downstream gas

Since March 2018, the Downstream gas business made impressive progress in implementing its growth strategy, building a strong market presence from Northwest to Southeast Europe. Reliable equity gas production, sustainable supply partnerships and a structured and customer-centric market approach contributed to the competitive advantage.

Record-high OMV Group natural gas sales in 2020 will continue to grow until 2025 and beyond. OMV is well on track to reach its target to grow the sales portfolio to more than 250 TWh by 2025, achieving a 10% market share in Germany, one of the largest European markets. OMV will continue to maintain its market leadership in Austria and Romania as well as expand the market position in the Netherlands and Belgium. In 2020, the Central European Gas Hub in Austria reached a new all-time high nominated gas volume of more than 800 TWh. OMV's gas storage business again benefited in 2020 from high customer demand and a favorable market price development, reaching an all-time high storage result. The utilization of the Gate LNG regasification terminal improved substantially. Moreover, Downstream gas delivered its first cargo of LNG to China.

In September 2020, OMV signed an agreement to divest its entire 51% stake in Gas Connect Austria to VERBUND in order to exit the regulated gas transportation business in line with its strategy.

#### Downstream gas – 2020 strategic achievements

- ▶ Increased OMV natural gas sales by 20% year-on-year to 164 TWh
- ▶ Record Downstream gas results
- ▶ Reached 7% market share in Germany at the end of 2020, increased market share in the Netherlands to more than 4% and Belgium to almost 2%
- ▶ Record volume of more than 800 TWh traded at CEGH
- ▶ Divestment of 51% stake in Gas Connect Austria to VERBUND

In the longer term, European natural gas demand is expected to remain resilient while indigenous natural gas production in Europe will decline significantly. Larger volumes of natural gas will have to be imported. Therefore, OMV will continue to strengthen its equity gas volumes from Austria, Norway, and Romania as well as long-term supply contracts from Russia in the portfolio.

The contracts with Gazprom at the Western European delivery points are further complemented by LNG agreements.

#### Downstream gas – 2025 strategic cornerstones

- ▶ Become leading integrated supplier with strong market presence from Northwest to Southeast Europe
- ▶ Grow the value of gas in OMV portfolio and achieve sales levels of at least 250 TWh
- ▶ Achieve 10% market share in Germany
- ▶ Solidify market leadership in Austria and Romania

## Finance

OMV's value-driven finance strategy aims to enable growth, drive performance, and reward shareholders. The strategy is supported by a solid financial framework focused on returns and cash flow. OMV aims to increase the clean CCS Operating Result, clean CCS net income attributable to stockholders as well as the operating cash flow, before net working capital effects. The Group strives for a ROACE of at least 12% while maintaining a strong balance sheet and a strong investment credit rating. OMV also continues to target attractive shareholder returns.

In 2020, OMV increased its shareholding in Borealis to 75%. The cash out for the transaction amounted to

EUR 3.9 bn. In an extremely challenging macroeconomic environment due to the COVID-19 pandemic, OMV managed to successfully access the financial markets and secure funding. This, together with stringent cost and capital expenditure reduction, enabled the Group to pay the entire amount in full at closing. OMV closed the year with a gearing ratio, excluding leases, of 41%.

#### Finance – 2020 strategic achievements

- ▶ Achieved a positive organic free cash flow after dividends of EUR 0.4 bn
- ▶ Continued to adhere to its dividend policy and left the dividend equal to the previous year's level, at EUR 1.75 per share
- ▶ Successfully accessed the financial markets to secure funding of EUR 4.5 bn, including senior and hybrid bonds, at attractive prices
- ▶ Swiftly reacted to the macroeconomic environment and reduced spending in 2020: reduced organic investments by around 30% to around EUR 1.7 bn excluding Borealis, cut costs by more than EUR 300 mn (including exploration expenditure reduction)

Capital and cost discipline remain a priority. Thus, the Group plans for an organic capital expenditure between EUR 2.5–3 bn per year, including Borealis. For 2021, OMV expects total CAPEX of EUR 2.7 bn. In the short

term, OMV is focusing on deleveraging the balance sheet, to reach a gearing ratio, excluding leases, of around 30%, by the end of 2021. In this respect, the Group is successfully implementing a EUR 2 bn divestment program by the end of 2021. In addition, OMV re-affirms its progressive dividend policy, aiming to increase dividends every year, or to at least maintain dividends at the respective previous year's level.

OMV's capital allocation priorities are as follows:

1. Organic CAPEX
2. Debt reduction
3. Progressive dividend policy

#### Finance – 2025 strategic cornerstones

- ▶ ROACE target of at least 12%
- ▶ Positive free cash flow after dividends
- ▶ Grow clean CCS net income attributable to stockholders
- ▶ Increase clean CCS Operating Result to EUR ≥5 bn by 2025
- ▶ Increase operating cash flow excluding net working capital effects to EUR ≥5 bn by 2025
- ▶ Long-term gearing ratio, excluding leases, of ≤30%
- ▶ Competitive shareholder return with a progressive dividend policy
- ▶ Maintain a strong investment-grade credit rating

# Sustainability

**We are committed to building a sustainable world worth living in – for everyone. OMV aims to provide a secure supply of affordable energy for the sustainable development of society and the economy while respecting the environment.**

OMV's responsible approach to business stipulates the prevention and mitigation of sustainability risks associated with OMV's activities. We also aim to seize the opportunities presented by taking a sustainable approach to business. Growing demand for energy and accelerating climate change pose immense challenges for the energy sector. OMV clearly recognizes that climate change is one of the most important global challenges today and acknowledges the goals set forth by the Paris Climate Change Agreement. We are aware of our responsibility and we will live up to our commitment to the Paris Agreement and the EU climate targets. We are therefore transforming our business model step by step with the aim of reducing the carbon footprint of the Company. (Read more in Carbon Efficiency).

The Sustainability Strategy 2025 constitutes an integral part of the Corporate Strategy 2025 and is the sustainable component of OMV's business ambitions. Sustainable business behavior is crucial for OMV to create and protect value in the long term, to build trust-based partnerships, and to attract customers as well as the best employees, investors, and suppliers. The Sustainability Strategy's targets relating to OMV's operations and products are aligned with the production, sales, and product portfolio plans set by the Corporate Strategy. In 2020, we updated our Sustainability Strategy to set new carbon targets, including an ambition to be carbon neutral in our operations by 2050.

## OMV's sustainability targets and commitments


### Health, Safety, Security, and Environment (HSSE)

#### ► Commitments:

- Health, safety, security, and protection of the environment have the highest priority in all activities.
- Proactive risk management is essential for realizing OMV's HSSE vision of "ZERO harm – NO losses."

#### ► Targets:

- Achieve zero work-related fatalities
- Stabilize Lost-Time Injury Rate<sup>1</sup> at below 0.30 (per 1 million hours worked)
- Keep leading position for Process Safety Event Rate<sup>2</sup>

 For more information, see the chapter Health, Safety, Security, and Environment.

### Carbon efficiency

#### ► Commitments:

- OMV focuses on improving the carbon efficiency of its operations and product portfolio.
- OMV is fully committed to acting on climate change mitigation and responsible resource management.
- OMV aims for net-zero operations by 2050 or sooner.

#### ► Targets for operations (scope 1):

- Reduce the OMV Group's carbon intensity of operations by  $\geq 30\%$  by 2025 vs. 2010<sup>3</sup>
- Lower the carbon intensity of OMV's Upstream operations by  $\geq 60\%$  vs. 2010<sup>3</sup>
- Lower the carbon intensity of OMV's Refining operations by  $\geq 20\%$  vs. 2010<sup>3</sup>
- $\geq 1$  mn t CO<sub>2</sub> equivalent emissions reduction in operated assets<sup>4</sup>
- Achieve zero routine flaring and venting of associated gas as soon as possible, no later than 2030

#### ► Targets for products (scope 3):

- Reduce carbon intensity of the product portfolio by  $>6\%$ , which equates to low- or zero-carbon products accounting for  $\geq 60\%$  of total products by 2025<sup>5</sup>

<sup>1</sup> Lost-Time Injury Rate is the frequency of injuries leading to lost working days, relative to one million working hours of employees and contractors.

<sup>2</sup> See Abbreviations and Definitions for the definition of a Process Safety Event (PSE)


<sup>3</sup> CO<sub>2</sub> equivalent emissions produced to generate a certain business output using the following business-specific metric – Upstream: t CO<sub>2</sub> equivalent/toe produced; refineries: t CO<sub>2</sub> equivalent/t throughput (crude and semi-finished products without blended volumes); power: t CO<sub>2</sub> equivalent/MWh produced – consolidated into an OMV Group Carbon Intensity Operations Index, based on weighted average of the business segments' carbon intensity

<sup>4</sup> Including divestments. The reduction will be achieved in the 2020–2025 period.

<sup>5</sup> Low- or zero-carbon sales comprise oil and gas to non-energy, gas to energy, renewables, power, and petrochemicals third-party sales.


## Innovation

- ▶ **Commitments:**
  - ▶ OMV's innovation efforts focus on optimizing production, exploring high-end petrochemical solutions, developing innovative energy solutions, and embracing digital technologies.
  - ▶ Innovation is supported by investment and partnerships in research and development.
- ▶ **Targets for ReOil®:**
  - ▶ Develop ReOil® into commercially viable industrial-scale process (unit size of around 200,000 t per year)
- ▶ **Targets for Co-Processing:**
  - ▶ Increase the share of sustainable feedstock co-processed in the refineries to around 200,000 t per year by 2025
- ▶ **Targets for Enhanced Oil Recovery (EOR):**
  - ▶ Increase the recovery factor in the CEE region in selected fields by 5–15 percentage points by 2025 through innovative Enhanced Oil Recovery (EOR) methods

 For more information, see the chapters Upstream and Downstream.

## Employees

- ▶ **Commitments:**
  - ▶ OMV is committed to building and retaining a talented team of experts for integrated and international growth.
  - ▶ OMV is committed to its diversity strategy with a focus on gender equality and internationality.
- ▶ **Targets:**
  - ▶ Increase share of women at management level<sup>1</sup> to 25% by 2025
  - ▶ Keep high share of executives with international experience<sup>2</sup> at 75%

 For more information, see the chapter Employees.

## Business principles and social responsibility

- ▶ **Commitments:**
  - ▶ OMV strives to uphold equally high ethical standards at all locations.
  - ▶ OMV is a signatory to the United Nations (UN) Global Compact, is fully committed to the UN Guiding Principles on Business and Human

Rights, and aims to contribute to the UN's 2030 Agenda for Sustainable Development.

- ▶ **Targets:**
  - ▶ Promote awareness of ethical values and principles: conduct in-person or online business ethics trainings for all employees
  - ▶ Assess Community Grievance Mechanisms at all sites against UN Effectiveness Criteria<sup>3</sup> by 2025
  - ▶ Conduct human rights training courses for all employees exposed to human rights risks<sup>4</sup> by 2025
  - ▶ Increase the number of supplier audits covering sustainability elements to >20 per year by 2025<sup>5</sup>

In 2020, OMV acquired a majority stake in leading polyolefins producer Borealis. Together with Borealis, OMV is committed to playing a leading role in driving the circular economy.

Like OMV, Borealis has set concrete sustainability targets. Borealis' sustainability ambition is to create a world where there is no waste of resources, no emissions into the environment and no harm to society, while delivering prosperity for Borealis.

Borealis is committed to driving the transformation towards a circular plastics economy, to ensuring process and chemicals safety, and to reducing its carbon footprint by means of improving energy intensity, increasing the share of renewable energy and zero continuous flaring and driving innovation.

In 2021, we will update our Corporate Strategy and integrate Borealis' targets, including sustainability ambitions, into the overall OMV strategy. The strategic targets referred to above do not yet include Borealis.

OMV intends to allocate significant resources to the implementation of the Sustainability Strategy 2025. Up to EUR 1 bn will be invested by OMV and Borealis in innovative energy and circular economy solutions such as ReOil® and Co-Processing by 2025.

<sup>1</sup> Management level: executives and advanced career level

<sup>2</sup> Equal to or greater than three years of living and working abroad

<sup>3</sup> Legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, based on engagement and dialogue

<sup>4</sup> Employees in corporate functions managing human rights risks as well as the corresponding functions in countries with elevated human rights risks

<sup>5</sup> Suppliers in scope for this target are active suppliers (at least one purchase order in the past year) who meet certain criteria such as procurement spend and strategic fit.

## Carbon efficiency performance

OMV recognizes climate change as one of the most important global challenges and fully supports the goals set forth by the Paris Climate Change Agreement. OMV integrates risks and opportunities related to climate change impacts into the development of the Company's business strategy and the planning of operational activities. In this regard, OMV aims to reduce its carbon footprint in an effort to mitigate the impact of its operations and product portfolio on climate change.

OMV implements measures aimed at optimizing its operational processes, increasing energy efficiency, reducing flaring and venting, and reducing methane emissions through leakage detection and improvement of asset integrity. For instance, four steam turbines generate 85% of the electricity needed to operate the Schwechat refinery. In the course of a planned inspection of one of these steam turbines, we implemented a technological advance: specially molded turbine blades that increase efficiency and reduce CO<sub>2</sub> emissions. By 2021, a total of three turbines will be modernized, decreasing CO<sub>2</sub> emissions by some 60,000 t per year. We will continue phasing out routine flaring and venting as soon as possible, but no later than 2030, as part of OMV's commitment to the World Bank's "Zero routine flaring by 2030" initiative. We are also increasingly turning to renewable sources of electricity to power our operations. OMV and electricity producer VERBUND joined forces to build Austria's largest photovoltaic plant. The east-west facing solar park, which started operating in December 2020, uses 34,600 PV modules to produce around 10.96 GWh of solar power in the first phase of construction. This reduces emissions by around 8,000 t of CO<sub>2</sub> per year in the first step. This number will increase to 10,000 t once the second construction phase is finalized.

A cornerstone of our climate strategy is increasing the share of low- and zero-carbon products in our product portfolio. Natural gas is the fossil fuel with the lowest carbon intensity and supports the integration of renewable energy into the energy grid. Based on our Upstream production project pipeline, we will increase the share of natural gas in our Upstream portfolio to around 60% by 2025. This reinforces OMV's strategy of placing the focus on natural gas production rather than oil.

Oil remains a valuable and important raw material which, however, will be refined in petrochemical processes rather than burned as a fuel. OMV focuses on high-quality refinery products such as low-emission

premium fuels and feedstocks for the chemical industry. The acquisition of Borealis in 2020 was a key step to transforming our product portfolio with the goal of using our equity oil to produce petrochemicals.

In addition to increasing the share of natural gas and petrochemical products in our portfolio, we also focus on alternative fuels such as hydrogen and electromobility options.

For instance, OMV is currently developing a first-of-its-kind green hydrogen production system based on a 10 MW electrolysis plant at the Schwechat refinery as part of the UpHy project. The electrolysis will be powered by renewable electricity, producing true green, zero-carbon hydrogen. The initial plan is to use the green hydrogen in the refinery in Schwechat for the hydration of vegetable oil and fossil fuels, thereby reducing the CO<sub>2</sub> emitted by up to 15,000 t per year. The second step will be to use the green hydrogen for decarbonizing hard-to-electrify transportation segments like buses and trucks.

In 2020, OMV achieved an outstanding CDP Climate Change score of A- (Leadership) for the fifth time in a row. With its CDP Climate Change score, OMV is among 20 companies in the global oil and gas sector that achieved a leadership score and among the top 5 companies across all sectors in Austria. In addition, the Transition Pathway Initiative (TPI) has assigned OMV the highest level (Level 4: strategic assessment) rating for carbon management quality.

## Business principles and social responsibility performance

### Business ethics and compliance

OMV is a signatory to the UN Global Compact and has a Code of Business Ethics in place that applies to all employees. Although we are headquartered in Austria – a country with high business ethics standards – we operate in several countries in the Middle East, North Africa, Asia-Pacific, and Central and Eastern Europe that are defined as high risk by the Transparency International Corruption Perception Index. We strive to avoid the risks of bribery and corruption that are specific to our sector. We also highly value our reputation. Therefore, our highest priority is ensuring uniform compliance with our business ethics standards wherever we operate. Compliance with ethical standards is a non-negotiable value that supersedes any business interest. Absolute commitment to this objective is embedded at all levels at OMV from top management to every employee. Our business partners are also expected to share the same

understanding of and commitment to ethical standards. Every activity of the Company, from planning business strategy to daily operations, is assessed for compliance with ethical standards, such as the Code of Conduct and Code of Business Ethics.

A dedicated cross-regional compliance organization consisting of 37 compliance experts ensures that OMV standards are consistently met across the Group. In 2020, face-to-face business ethics trainings were conducted with 496 employees. The Integrity Platform provides an anonymous whistleblower mechanism for OMV employees and external stakeholders, such as suppliers. They can use this platform to report issues of non-compliance with legal regulations, the Code of Business Ethics, or other internal guidelines of the OMV Group.

#### Supplier compliance

OMV has a Code of Conduct in place that ensures that suppliers support OMV's principles. Corporate and legal HSSE requirements are communicated to potential suppliers at the tender stage. In order to mitigate supply chain risks including forced labor, slavery, human trafficking, and corruption, OMV imposes the legal requirements and internal rules and standards applicable to OMV on its suppliers. Our suppliers are obligated to fully comply with the content of the Code of Conduct, and all supply chain partners are required to sign the Code of Conduct. OMV reserves the right to terminate relationships with suppliers if non-compliance with applicable policies is discovered or if non-compliance is not addressed in a timely manner. OMV has a process in place to ensure that parties sanctioned by the EU or international organizations, such as the United Nations, are not accepted as procurement partners.

OMV Procurement conducts assessments of its strategic suppliers with respect to Environment, Social, and Governance (ESG) issues in order to raise awareness of OMV's ESG commitments. In 2020, Procurement carried out ESG assessments of 16<sup>1</sup> strategic suppliers and performed 18 audits covering

sustainability topics. In 2020, we paid considerable attention to our climate change and carbon management plans along the supply chain. We also shared our strategic approach and examples for improving carbon footprints with a view to 2021 and beyond.

#### Human rights

Human rights are universal values that guide our conduct in every aspect of our activities. We have been a signatory to the UN Global Compact since 2003 and are fully committed to the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the Universal Declaration of Human Rights. OMV considers human rights to be an important aspect of our risk management approach, which is integrated into our decision-making processes. OMV recognizes its responsibility to respect, fulfill, and support human rights in all business activities and to ensure that OMV does not become complicit in any human rights abuses as defined under current international law.

In 2020, we conducted 1 human rights risk assessment at country level to identify and assess on-going and emerging human rights impacts and resulting potential risks relevant to OMV business activities in the country, in order to prevent and mitigate human rights risks and impacts. A total of 2,304 employees received training on human rights topics through the e-learning tool and in-person training sessions (2019: 9,241). As professional training is essential to ensure compliance with our human rights commitment, we have set ourselves the goal of training, by 2025, all employees who are highly exposed to human rights topics, such as security, human resources, procurement, and community relations managers. By 2020, 79% of the target group was trained. In addition, an internal awareness campaign on human rights was implemented. In 2020, 0 incidents of human rights violations (child labor, harm to indigenous people, or discrimination) were reported (2019: 0).


<sup>1</sup> Data excluding Borealis


### Community relations and development

OMV maintains an active partnership with local communities in all countries in which the Company does business and is committed to adding value to these societies. As part of OMV's stakeholder dialogue, we have implemented community grievance mechanisms at all operating sites. In 2020, OMV registered 812 grievances (2019: 1,196) from the community grievance mechanisms. All of the grievances were handled in accordance with OMV's localized Community Grievance Management (CGM) procedures, which stipulate a stringent approach to systematically receiving, documenting, addressing, and resolving grievances in all of the countries where we operate.

OMV's Sustainability Strategy 2025 has set the goal of aligning the CGM system at all sites with the Effectiveness Criteria of the United Nations Guiding Principles. We are implementing this target by conducting assessments that include reviews of management processes and consultations with internal

and external stakeholders. The assessments result in recommendations and tailored action plans to improve grievance management at site level. The action plans are implemented by local management and monitored by headquarters. In 2020, we conducted an assessment in New Zealand and established a CGM in line with UN Effectiveness Criteria in Malaysia. The assessments are performed by an independent third-party consulting firm. The sites already assessed represent 98% of all registered grievances at OMV in 2020.

 For more information about OMV's Environmental, Social, and Governance (ESG) ratings and the indices in which OMV is included, see the chapter OMV on the Capital Markets.

 For management approaches and performance details for all material topics, see the stand-alone OMV Sustainability Report 2020. This report also serves as the separate consolidated non-financial report of OMV Aktiengesellschaft in accordance with section 267a of the Austrian Commercial Code (UGB).

## Health, Safety, Security, and Environment

**Health, safety, security, and protection of the environment are key values at OMV. The integrity of OMV's operating facilities, loss prevention, proactive risk management, and climate change mitigation are essential for attaining OMV's HSSE vision of "ZERO harm – NO losses."**

### HSSE Strategy

To achieve this vision, the OMV Group's HSSE Strategy 2025 was established as an integral part of the OMV Sustainability Strategy. The HSSE Strategy focuses on the cross-functional goals of strong HSSE commitment and leadership, increased efficiency and effectiveness of HSSE processes, management of HSSE risks, and skilled people, as well as subject matter goals in the areas of

- ▶ Health: improve the ability to work through integrated health management
- ▶ Safety: build on sustainable safety for people and plants
- ▶ Security: protect people and assets from emerging malicious intentional threats
- ▶ Environment: minimize the environmental footprint throughout the entire lifecycle of activities

### Health, safety, and security

In 2020, the combined Lost-Time Injury Rate (LTIR) for OMV employees and contractors was 0.32 (2019: 0.34), and our combined Total Recordable Injury Rate (TRIR) was 0.60 (2019: 0.95). We had no work-related fatalities<sup>1</sup>.

In Upstream, our combined efforts resulted in an LTIR of 0.22 (2019: 0.43). This was a significant improvement year-on-year. We had 12 High Potential Incidents (HiPos) which could have resulted in serious or even fatal injuries under slightly different circumstances. We continued our focus on the wellbeing of the workforce and our safety culture. We conducted five global contractor performance meetings, which all had a significant HSSE component. At Hub level, contractor and supplier management continued to offer opportunities for HSSE improvement through auditing and review.

Downstream's HSSE performance in 2020 was again very good and remained at competitive levels compared to international benchmarks in an overall challenging environment heavily impacted by the COVID-19 pandemic. Process safety assessments as well as improvement measures were always a high priority. The number of High Potential Incidents (HiPos) significantly dropped from 29 in 2019 to 21 in 2020. The LTIR in 2020 was 0.41 (2019: 0.22). Special emphasis during the year was placed on contractor management, training on various emergency and crisis management scenarios, and leadership engagement.

#### OMV Group safety performance

| In mn hours worked                     | 2020 | 2019 |
|--|------|------|
| <b>Company</b>                         |      |      |
| Lost-Time Injury Rate                  | 0.43 | 0.51 |
| Total Recordable Injury Rate           | 0.83 | 1.26 |
| <b>Contractors</b>                     |      |      |
| Lost-Time Injury Rate                  | 0.27 | 0.27 |
| Total Recordable Injury Rate           | 0.48 | 0.81 |
| <b>Total (Company and contractors)</b> |      |      |
| Lost-Time Injury Rate                  | 0.32 | 0.34 |
| Total Recordable Injury Rate           | 0.60 | 0.95 |

Employee wellbeing and health are the foundation for successful company performance as they are core elements of ensuring the ability to work. The year 2020 was dominated by the worldwide COVID-19 pandemic. Our medical teams and service providers were challenged to support the emergency management teams in updating and implementing pandemic preparedness plans, guidelines, and health information and supporting COVID-19-infected employees at home and in hospitals. In addition, OMV continued its long tradition of offering healthcare and preventive health programs, such as cardiovascular disease prevention programs, voluntary health checks, vaccinations (mainly flu), and virtual health hours, which far exceed local statutory requirements.

<sup>1</sup> Borealis data are included as of the closing date.



During 2020, the COVID-19 pandemic also brought significant challenges to safety management. At operational level, we implemented protection measures such as strictly separated teams in key areas, hygiene measures, and constant awareness building. Despite travel limitations and thanks to digital communication and collaboration tools, we conducted a number of key safety-related activities:

- ▶ We rolled out a newly developed e-learning module about the Life Saving Rules to remind our employees about simple rules to prevent hazards that carry the greatest potential for serious injuries.
- ▶ The Safety Culture reassessments were completed as planned, some of them in virtual meetings.
- ▶ The coordinators of the safety culture program met quarterly in a virtual forum to exchange best practice across the OMV Group worldwide. The half-yearly meetings with the program owner were conducted online.
- ▶ Contractor HSSE management is key to the OMV Group's safety performance. We therefore trained beneficiaries and procurement staff on the updated internal regulations framework. We conducted strategic supplier meetings with the main contractors to share information, experience, and expectations.
- ▶ We introduced a harmonized set of KPIs for process safety. With the goal of developing a Group-wide process safety road map in mind, we worked out a concept and guidance for the ventures, assets, and refineries on how to compile local road maps for their facilities. In addition, we built the OMV Group's process safety network on an online collaboration platform and held virtual meetings with more than 150 participants, including senior management.
- ▶ The rollout of the new cloud-based HSSE reporting tool took place successfully.

Tensions in the geopolitical landscape remained at a consistent baseline at the close of 2020, with all threat and risk profiles confirming previously known trends and patterns. We continue to monitor these geopolitical situations, accelerating our understanding of strategic events to proactively identify any emergent threat and risk profiles that might intersect with our regional business planning. This included incidents of armed conflict, civil unrest, targeted activism, and criminality which have manifested at local, national, regional, and international levels. The Middle East continues to maintain a consistent geopolitical trajectory and therefore remains a crucial region for Corporate Security.

Our Crisis Management and Resilience procedures proved invaluable during the early containment phases of the 2020 COVID-19 pandemic. Local Emergency Management Teams were quick to take the initiative, working closely with their Corporate Management Team to execute the Executive Board's pandemic strategy. Our unique Integrated Travel Security Platform allowed us to immediately manage and, where required, restrict travel to specific countries as they became subject to heightened infection rates and international travel restrictions. Effective utilization of this platform was fundamental in the proactive relocation of employees and families from countries with critical infection rates.

Corporate Security continued to deliver global operational support, governance, and oversight throughout 2020, and will maintain a comparable and effective security strategy for 2021. OMV will thus be able to further operate in dynamic environments with converging asymmetric threats.

## Environmental management

Due to the nature of its operations, OMV has an impact on the environment. The Group strives to minimize that impact at all times, particularly in terms of spills, energy efficiency, greenhouse gas (GHG) emissions, as well as water and waste management. OMV aims to optimize processes to use natural resources as efficiently as possible and to reduce emissions and discharges.

In 2020, there were two major hydrocarbon spills (level 3 out of five levels; 2019: one). The total volume of hydrocarbon spilled decreased compared to the previous year. OMV continued to improve its oil spill response preparedness and capabilities.

Key environmental actions and achievements in 2020:

- ▶ Water risk assessment related to the operations of Arpechim Terminal in Downstream and Muntenia Asset in Upstream: Both the river basin data and the industrial activity data were analyzed by using an methodology developed by the World Wide Fund for Nature.
- ▶ Significant improvement of water use efficiency: At Oltenia Asset, freshwater withdrawal intensity decreased by 70% in 2020 versus 2019 because new facilities in the Hurezani and Bustuchin gas processing and compressor stations now use air/glycol cooling instead of water cooling. Arpechim Terminal was able to reduce freshwater withdrawal by 35% compared to 2019 by optimizing the pretreated water distribution system and the fire water system.
- ▶ Rerouting of 2.5 km of the main oil pipeline from the Petromar offshore platform to the onshore terminal to mitigate the potential operational risk to an environmentally sensitive area of the Danube Delta Biosphere Reserve: The old pipeline segment was decommissioned, and the land returned to its original state. The protected habitat was not affected.
- ▶ Support of biodiversity projects in New Zealand: Further details can be found in the Sustainability Report.
- ▶ Update of the Group's Environmental Management Standard establishing minimum requirements for odor emissions

## Employees

**We know that it is our 25,000 employees (incl. Borealis) who turn our strategy into results and success. We are proud of the result we have achieved together. Trust and pride in the organization fuel our employees' energy and determination to tackle challenges and to focus on innovative solutions to make us even stronger.**

### OMV's People Strategy

In 2020, the COVID-19 situation required considerable additional focus from our organization's HR function. We continue to build on our strategic priorities to unlock our organization's full potential and to strengthen the foundation for growth and success:

- ▶ Implement a continuous listening strategy
- ▶ Increase organizational agility
- ▶ Increase focus on diversity and inclusion
- ▶ Ensure OMV remains a great place to work

### Highlights of 2020

During the COVID-19 pandemic, many employment-related measures were newly implemented to not only protect the health, wellbeing, and economic situation of our employees, but also to ensure that we foster a supportive culture throughout the year. By closely monitoring the immense legislative output, we succeeded in maintaining full labor law compliance while also offering our staff new options for relief for their pandemic-induced personal situations and needs. Employees were offered various new solutions (depending on the local jurisdiction) to more flexibly combine work duties and care obligations. Work from home was made available to all staff where practically and technically feasible. The "Working From Home Guide" was created as a virtual guide with tips and tricks to improve virtual teams and the use of technology. Learning Collections were provided to enable employees to learn how to lead during crisis times, how to manage stress, and how to work virtually. Information and advice on all employee-relevant questions was provided on a permanent basis. Reliable internal processes to mirror new administrative rules were promptly implemented. Free psychological support was offered to all employees including talking to professionals to help cope with the COVID-19 situation. Due to the extensive organizational efforts and the outstanding flexibility of our employees, we were able to avoid measures like short-time work or redundancies.

Especially in 2020, we had to ensure increased communication with our employees. Part of this communication effort was a continuous listening strategy intended to improve how our organization listens to our employees to obtain their feedback as

well as their input and ideas (through quick polls, Q&A and listening circles). The quick poll showed that employees feel well supported, and this resulted in an increased engagement rate. We continued to make "remaining a great place to work" our strategic priority: After all, 9 out of 10 employees recommend OMV as a workplace.

Continuing our Digital Journey, our focus last year was on stepping up global and virtual programs that are easily accessible and facilitated in-house. By switching to virtual and online training, we were able to continue these despite COVID-19 restrictions. At the end of 2020, we were proud to report that we were able to keep the participation rate as high as in 2019.

#### Number of training participants<sup>1,2,3</sup>

|                        | 2020          | 2019          |
|------------------------|---------------|---------------|
| Austria                | 3,662         | 3,579         |
| Romania/rest of Europe | 10,914        | 11,317        |
| Middle East and Africa | 769           | 715           |
| Rest of the world      | 699           | 712           |
| <b>Total</b>           | <b>16,044</b> | <b>16,323</b> |

#### Money spent on training per region<sup>1,2,3</sup>

| In EUR                 | 2020             | 2019             |
|------------------------|------------------|------------------|
| Austria                | 1,512,514        | 2,722,418        |
| Romania/rest of Europe | 2,477,244        | 4,836,744        |
| Middle East and Africa | 134,197          | 381,065          |
| Rest of the world      | 225,262          | 330,999          |
| <b>Total</b>           | <b>4,349,217</b> | <b>8,271,226</b> |

<sup>1</sup> Excluding conferences and trainings for external employees

<sup>2</sup> Excluding Avanti GmbH, Borealis Group, DUNATÁR Kőolajtermék Tároló és Kereskedelmi Kft. Gas Connect Austria GmbH, and SapuraOMV Upstream

<sup>3</sup> Number of employees who received at least one training

OMV and Borealis have joined forces and will continue to grow stronger together. A larger business means that a broader range of professional development opportunities are available. We focus on strategic talent exchanges between both companies, secondments and international assignments for critical projects and/or personal growth, and cross-divisional transfers for continuous career development.

Our second strategic investment entails providing career opportunities with SapuraOMV. We are proud of

our partnership with SapuraOMV and our ability to offer assignments for OMV employees into SapuraOMV and vice versa, which strengthens our employees' experience and skill sets.

## Diversity

We have introduced several global initiatives as part of our ongoing commitment to gender diversity at OMV. The first highlight is the launch of a new women's leadership program, SHEnergy, focused on personal advancement and developing the leadership skills of current and future female leaders.

Secondly, we held Career Aspiration Talks to raise the visibility of women in our Company. In doing so, we aim to also strengthen our pipeline of future female leaders.

These individual talks with a panel of senior managers and HR help us learn about our female employees' career aspirations so that we in turn can support them by providing development opportunities and job recommendations.

As a result, the percentage of women in the Group (including Borealis) is about 25% (2019: 26% excluding Borealis). 20.7% (excluding Borealis; 2019: 19.6%) of employees in advanced management and executive positions are female.

## Employee key figures

At the end of 2020, OMV employed 25,291 persons (including Borealis). Compared with 2019, the number of employees increased by 27.4%.

### Employees<sup>1</sup>

|  |      | 2020          | 2019          |
|--|------|---------------|---------------|
| <b>Employees by region</b>                 |      |               |               |
| Austria                                    |      | 3,938         | 3,965         |
| Romania/rest of Europe                     |      | 12,539        | 14,219        |
| Middle East and Africa                     |      | 587           | 686           |
| Rest of the world                          |      | 974           | 975           |
| Borealis Group                             |      | 7,253         |               |
| <b>Total number of employees</b>           |      | <b>25,291</b> | <b>19,845</b> |
| <b>Diversity</b>                           |      |               |               |
| Female                                     | in % | 25            | 26            |
| Male                                       | in % | 75            | 74            |
| Female Senior Vice Presidents <sup>2</sup> | in % | 15            | 16            |
| <b>Number of nationalities<sup>3</sup></b> |      | <b>101</b>    | <b>77</b>     |

<sup>1</sup> Regional split available for the OMV Group excluding Borealis (based on legal entity)

<sup>2</sup> Excluding Avanti GmbH, Borealis Group, DUNATÁR Kőolajtermék Tároló és Kereskedelmi Kft. Gas Connect Austria GmbH, and SapuraOMV Upstream

<sup>3</sup> Excluding Avanti GmbH, DUNATÁR Kőolajtermék Tároló és Kereskedelmi Kft. Gas Connect Austria GmbH, and SapuraOMV Upstream

## OMV Group Business Year

**In the year 2020, OMV recorded a clean CCS Operating Result of EUR 1.7 bn. The cash flow from operating activities amounted to EUR 3.1 bn. Despite the very challenging market environment, OMV delivered an organic free cash flow before dividends of EUR 1.3 bn, which was more than sufficient to cover the payment of dividends in the amount of EUR 879 mn. The inorganic cash flow from investing activities was EUR 4.1 bn, mainly reflecting the acquisition of the additional share in Borealis.**

### Business environment

After years of solid global economic growth, the world experienced a shock in 2020 from COVID-19. The global pandemic and related health crisis caused a strong global economic recession. Several lockdown periods in different countries on various continents during 2020 led to significant economic distortions along industrial production, trade, and supply chains and adversely affected all sectors reliant on contact-intensive interactions (tourism, travel, hospitality, culture, entertainment).

Global economic output fell by 3.5% in 2020, implying reduced economic activity across all sectors and elevated unemployment rates. In 2021, economic performance should rebound to somewhat above 2019 levels. However, the expected recovery will be heavily influenced by the great uncertainty as to the future course of the pandemic and the associated disruptions of domestic activity, the effects of government-implemented economic support policies in response, and global and regional economic spill-over effects. Global trade contracted by almost 10% in 2020 caused by substantial disruptions in global supply chains and trade restrictions (e.g., on medical supplies). A return of the economy to its pre-crisis framework and structure will depend on the successful global penetration of a vaccination and treatments.

The varying regional speed of pandemic waves has led to huge disparities in economic performance on different continents. The eurozone's gross domestic product (GDP) fell by 7.2% in 2020. In the emerging and developing Asian countries, this figure decreased by only 1% due to rigorous quarantine and contact tracing measures, especially in China, which enabled a return to growth in late 2020.

The economic environment in Central and Eastern European countries kept pace with the EU average, with GDP declining by between -2% (Serbia) and -9.4% (Croatia). The difference depended on the regional duration and scale of lockdowns, and the GDP sector composition. Massive government spending in all countries aimed to support economic recovery, but increased national debt to record levels.

Germany's GDP declined by 5.4% in 2020 as a result of domestic COVID-19 restrictions as well as negative effects in the country's main export markets. The industrial and service sectors continued to suffer, while other sectors were able to rebound as soon as lockdown restrictions eased. In Austria, GDP fell by 7.4% in 2020 due to stronger lockdown restrictions and the affected tourism/service sector accounting for a larger share of the economy. Romania's economy contracted by 5.5% (greater than the Eurozone average) due to its GDP's reduced reliance on services and the buoyancy of the construction sector.

Global oil demand declined by 8.8 mn bbl/d in 2020 after a new record high level of 100.0 mn bbl/d in 2019. The spread of COVID-19 from Asia to Europe and the United States (and other continents) in the first and second quarter 2020 led to various global containment measures. As a result, nearly all major oil products were impacted negatively. Road transportation fuels, including gasoline and gasoil/diesel declined by around 5 mn bbl/d globally. However as soon as lockdown restrictions eased, consumption slowly returned to pre-crisis levels by the end of 2020. Jet fuel/kerosene witnessed an exceptional decline due to air travel and mobility restrictions, falling 3.2 mn bbl/d. It will take a multi-year recovery to return to 2019 levels when global tourism revives.

Regionally, European oil product demand felt a greater impact (-13%) than Asia (-5%), where lockdown measures were eased in the second half of 2020 and economic growth recovered.

Global oil demand disruptions led to sudden significant disparities in global oil production – especially in the second quarter 2020. In March, the OPEC+ alliance and additional oil producing countries agreed to a significant immediate oil production cut and a stepwise return by 2021, which was implemented with a high production compliance rate. The oil price drop dried up US crude oil production (-0.9 mn bbl/d vs. 2019) and ushered in an exceptional wave of bankruptcies, lagging investments, and consolidation. Libya, Venezuela, and Iran, all exempt from the OPEC+ cuts, managed to raise output. Most of this came from Libya, which rapidly increased production from approximately 100 kbbl/d to around 1 mn bbl/d after a cease-fire agreement was signed in September. Iran and

Venezuela remained affected by US sanctions and infrastructure constraints, which left their production at comparatively low levels.

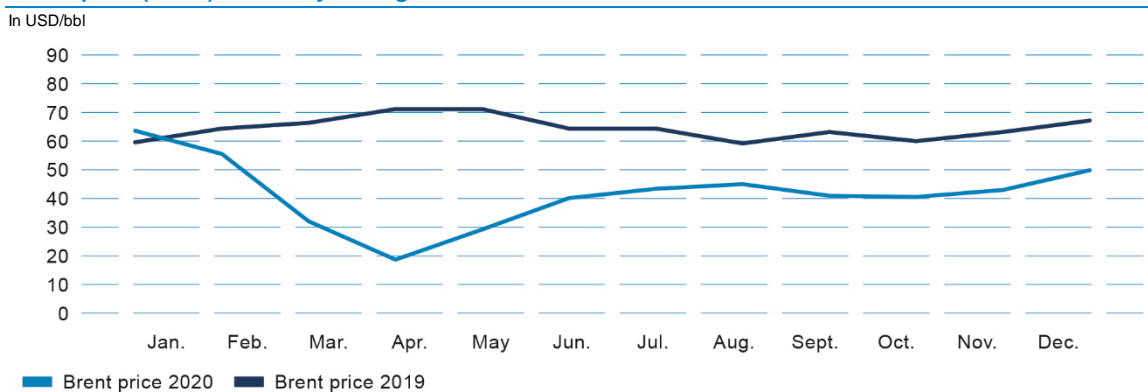
The price of Brent crude started with peaks around USD 65–70/bbl before a dramatic collapse to about USD 13/bbl during the second quarter 2020, when the full impact of COVID-19 lockdowns hit the United States and Europe. Effective OPEC+ supply management and the gradual recovery of economic activity, particularly in Asia, led to a surge in oil prices to around USD 50/bbl at the end of 2020. This was also fueled by the positive mood around the start of vaccination programs and economic stimulus measures. Overall, the average Brent crude price was approximately USD 42/bbl in 2020, its lowest level since 2004.

Low commodity prices and an unstable financial and liquidity environment caused an approximately 18% decline in energy investments by energy companies in 2020. Oil and gas investments declined by nearly 40% in 2020 (vs. 2019). This will have to be compensated for in the coming years to ensure the required oil and gas production for covering future global oil demand.

Oil product demand in the Central and Southeast European countries relevant to OMV followed the global decline trend. Transportation fuel demand fell by around 8% for gasoline and diesel and by more than 50% for jet fuel in the relevant markets in 2020. Austria's market volume reached 9,6 mn t (–16% compared to 2019), with demand for fuels down and demand for heating oil increasing due to a favorable cost situation. In total, Austrian energy demand likely fell by –8% in 2020. The Romanian oil product market seemed less exposed to the impact of COVID-19, only declining by –3% compared to 2019.

Global gas demand declined by only around –4% in 2020 due to a milder COVID-19 impact on gas fundamentals than was the case for oil. However, the global gas supply (mainly LNG exports) continued to rise significantly, triggered by an investment cycle in recent years. The greater cyclical oversupply led to extraordinarily low gas prices in Europe (around EUR 7/MWh during the summer months) and Asia. In Austria, gas demand fell by some –4% in 2020, while natural gas imports and domestic production dropped by –12% and –18%, respectively. This was compensated for by higher storage withdrawal rates after last year's record-high storage level of 90 TWh.

### Crude price (Brent) – monthly average



## Financial review of the year

### Key financials

in EUR mn (unless otherwise stated)

|  |           | 2020         | 2019         | Δ            |
|--|-----------|--------------|--------------|--------------|
| Sales revenues <sup>1</sup>  | in EUR mn | 16,550       | 23,461       | (29)%        |
| <b>Clean CCS Operating Result<sup>2</sup></b>                          | in EUR mn | <b>1,686</b> | <b>3,536</b> | <b>(52)%</b> |
| Clean Operating Result Upstream <sup>2</sup>                           | in EUR mn | 145          | 1,951        | (93)%        |
| Clean CCS Operating Result Downstream <sup>2</sup>                     | in EUR mn | 1,514        | 1,677        | (10)%        |
| Clean Operating Result Corporate and Other <sup>2</sup>                | in EUR mn | (47)         | (67)         | 30%          |
| Consolidation: Elimination of inter-segmental profits                  | in EUR mn | 74           | (25)         | n.m.         |
| Clean CCS Group tax rate   | in %      | 32           | 38           | (6)          |
| Clean CCS net income <sup>2</sup>                                      | in EUR mn | 1,026        | 2,121        | (52)%        |
| <b>Clean CCS net income attributable to stockholders<sup>2,3</sup></b> | in EUR mn | <b>679</b>   | <b>1,624</b> | <b>(58)%</b> |
| Clean CCS EPS <sup>2</sup>   | in EUR    | 2.08         | 4.97         | (58)%        |
| <b>Special items<sup>4</sup></b>                                       | in EUR mn | <b>(220)</b> | <b>(64)</b>  | <b>n.m.</b>  |
| thereof Upstream   | in EUR mn | (1,282)      | (71)         | n.m.         |
| thereof Downstream   | in EUR mn | 1,071        | 31           | n.m.         |
| thereof Corporate and Other  | in EUR mn | (9)          | (24)         | n.m.         |
| CCS effects: inventory holding gains/(losses)                          | in EUR mn | (416)        | 110          | n.m.         |
| <b>Operating Result Group</b>  | in EUR mn | <b>1,050</b> | <b>3,582</b> | <b>(71)%</b> |
| Operating Result Upstream  | in EUR mn | (1,137)      | 1,879        | n.m.         |
| Operating Result Downstream  | in EUR mn | 2,160        | 1,847        | 17%          |
| Operating Result Corporate and Other                                   | in EUR mn | (56)         | (91)         | 38%          |
| Consolidation: Elimination of inter-segmental profits                  | in EUR mn | 83           | (54)         | n.m.         |
| Net financial result   | in EUR mn | (175)        | (129)        | (35)%        |
| Group tax rate   | in %      | (69)         | 38           | n.m.         |
| Net income   | in EUR mn | 1,478        | 2,147        | (31)%        |
| <b>Net income attributable to stockholders<sup>3</sup></b>             | in EUR mn | <b>1,258</b> | <b>1,678</b> | <b>(25)%</b> |
| Earnings Per Share (EPS)   | in EUR    | 3.85         | 5.14         | (25)%        |
| Cash flow from operating activities                                    | in EUR mn | 3,137        | 4,056        | (23)%        |
| Free cash flow before dividends  | in EUR mn | (2,811)      | (583)        | n.m.         |
| Free cash flow after dividends   | in EUR mn | (3,690)      | (1,441)      | (156)%       |
| Organic Free cash flow before dividends <sup>5</sup>                   | in EUR mn | 1,273        | 2,119        | (40)%        |
| Organic Free cash flow after dividends                                 | in EUR mn | 394          | 1,261        | (69)%        |
| Gearing ratio excluding leases   | in %      | 41           | 22           | 19           |
| Leverage ratio   | in %      | 32           | 22           | 10           |
| Capital expenditure <sup>6</sup>                                       | in EUR mn | 6,048        | 4,916        | 23%          |
| Organic capital expenditure <sup>7</sup>                               | in EUR mn | 1,884        | 2,251        | (16)%        |
| Clean CCS ROACE  | in %      | 5            | 11           | (6)          |
| <b>ROACE</b>   | in %      | <b>8</b>     | <b>11</b>    | <b>(4)</b>   |

<sup>1</sup> Sales revenues excluding petroleum excise tax

<sup>2</sup> Adjusted for special items and CCS effects; further information can be found in Note 4 – Segment Reporting – of the Consolidated Financial Statements

<sup>3</sup> After deducting net income attributable to hybrid capital owners and net income attributable to non-controlling interests

<sup>4</sup> The disclosure of special items is considered appropriate in order to facilitate the analysis of the ordinary business performance. To reflect comparable figures, certain items affecting the result are added back or deducted. Special items from equity-accounted companies and temporary hedging effects for material transactions are included.

<sup>5</sup> Organic free cash flow before dividends is cash flow from operating activities less cash flow from investing activities excluding disposals and material inorganic cash flow components (e.g., acquisitions)

<sup>6</sup> Capital expenditure including acquisitions

<sup>7</sup> Organic capital expenditure is defined as capital expenditure including capitalized Exploration and Appraisal expenditure and excluding acquisitions and contingent considerations.

## Notes to Key Financials

### Clean CCS Operating Result

#### Special items and CCS effect

In EUR mn

|  | 2020         | 2019         | Δ            |
|--|--------------|--------------|--------------|
| <b>Clean CCS Operating Result<sup>1</sup></b>        | <b>1,686</b> | <b>3,536</b> | <b>(52)%</b> |
| <b>Special items</b>                                 | <b>(220)</b> | <b>(64)</b>  | <b>n.m.</b>  |
| thereof: Personnel restructuring                     | (39)         | (34)         | (16)%        |
| thereof: Unscheduled depreciation / write-ups        | (1,084)      | (39)         | n.m.         |
| thereof: Asset disposal                              | 19           | 5            | n.m.         |
| thereof: Other                                       | 885          | 4            | n.m.         |
| <b>CCS effects: inventory holding gains/(losses)</b> | <b>(416)</b> | <b>110</b>   | <b>n.m.</b>  |
| <b>Operating Result Group</b>                        | <b>1,050</b> | <b>3,582</b> | <b>(71)%</b> |

<sup>1</sup> Adjusted for special items and CCS effects

**Sales revenues** decreased by 29% to EUR 16,550 mn, driven by the overall lower global commodity price environment and fallen sales volumes for most products, mainly caused by the effects of the COVID-19 pandemic and partially compensated by higher natural gas sales volumes in the Downstream segment. The **clean CCS Operating Result** declined considerably from EUR 3,536 mn in 2019 to EUR 1,686 mn. The contribution from Upstream amounted to EUR 145 mn (2019: EUR 1,951 mn). In Downstream, the clean CCS Operating Result stood at EUR 1,514 mn (2019: EUR 1,677 mn). The **clean CCS Group tax rate** in 2020 was 32% (2019: 38%), reflecting the lower contribution from Upstream, in particular from countries with high tax regimes. The **clean CCS net income** went down to EUR 1,026 mn (2019: EUR 2,121 mn). The **clean CCS net income attributable to stockholders** amounted to EUR 679 mn (2019: EUR 1,624 mn). **Clean CCS Earnings Per Share** were EUR 2.08 (2019: EUR 4.97).

**Net special items** of EUR (220) mn were recorded in 2020 (2019: EUR (64) mn). In Upstream, net special items in 2020 amounted to EUR (1,282) mn (2019: EUR (71) mn) and were mainly related to the impairments triggered by OMV's revision of its long-term price assumptions for Brent crude oil. The

Downstream net special items amounting to EUR 1,071 mn in 2020 (2019: EUR 31 mn) mainly included a step-up in the valuation of the previously owned 36% share in Borealis. In Corporate and Other, net special items amounted to EUR (9) mn in 2020 (2019: EUR (24) mn). **CCS effects** of EUR (416) mn (2019: EUR 110 mn) were recognized in 2020.

The OMV Group's **reported Operating Result** decreased substantially to EUR 1,050 mn (2019: EUR 3,582 mn). The **net financial result** decreased to EUR (175) mn (2019: EUR (129) mn). The **Group tax rate** was significantly affected by income coming from tax synergies from the acquisition of additional shares in Borealis that led to a write-up of deferred tax assets in the Austrian tax group (among other effects). **Net income** thus amounted to EUR 1,478 mn (2019: EUR 2,147 mn). The **net income attributable to stockholders** was EUR 1,258 mn compared to EUR 1,678 mn in 2019. **Earnings Per Share** decreased to EUR 3.85 compared to EUR 5.14 in 2019.

More details on special items and CCS effects can be found in Note 4 – Segment Reporting – of the Consolidated Financial Statements.



## Gearing ratio excluding leases and Leverage ratio

### Gearing ratio excluding leases

In EUR mn (unless otherwise stated)

|  | 2020          | 2019          | Δ           |
|--|---------------|---------------|-------------|
| Bonds                                      | 8,869         | 5,802         | 53%         |
| Other interest-bearing debts <sup>1</sup>  | 2,130         | 769           | 177%        |
| <b>Debt excluding leases</b>               | <b>10,999</b> | <b>6,570</b>  | <b>67%</b>  |
| Cash and cash equivalents <sup>2</sup>     | 2,869         | 2,938         | (2)%        |
| <b>Net debt excluding leases</b>           | <b>8,130</b>  | <b>3,632</b>  | <b>124%</b> |
| <b>Equity</b>                              | <b>19,899</b> | <b>16,863</b> | <b>18%</b>  |
| <b>Gearing ratio excluding leases in %</b> | <b>41%</b>    | <b>22%</b>    | <b>19</b>   |

<sup>1</sup> Including other interest-bearing debts that were reclassified to liabilities associated with assets held for sale

<sup>2</sup> Including cash and cash equivalents that were reclassified to assets held for sale

### Leverage ratio<sup>1</sup>

In EUR mn (unless otherwise stated)

|                                     | 2020          | 2019          | Δ           |
|-------------------------------------|---------------|---------------|-------------|
| <b>Net debt excluding leases</b>    | <b>8,130</b>  | <b>3,632</b>  | <b>124%</b> |
| Lease Liabilities <sup>2</sup>      | 1,217         | 1,054         | 15%         |
| <b>Net debt including leases</b>    | <b>9,347</b>  | <b>4,686</b>  | <b>99%</b>  |
| <b>Capital employed<sup>3</sup></b> | <b>29,246</b> | <b>21,549</b> | <b>36%</b>  |
| <b>Leverage ratio in %</b>          | <b>32%</b>    | <b>22%</b>    | <b>10</b>   |

<sup>1</sup> Defined as net debt including leases-to-capital employed

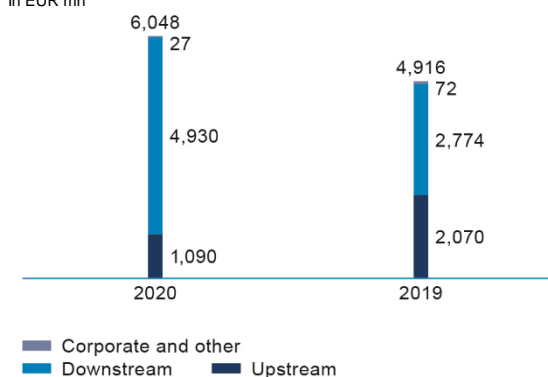
<sup>2</sup> Including lease liabilities that were reclassified to liabilities associated with assets held for sale

<sup>3</sup> Equity plus net debt including leases

## Capital Expenditure (CAPEX)

### Total CAPEX

In EUR mn



**Upstream** CAPEX decreased mainly as a result of a cut-back of capitalized E&A following a widespread effort to reduce spending in 2020. 2019 was impacted by the acquisition of a 50% interest in SapuraOMV in Malaysia.

**Downstream** CAPEX increase was mainly related to the acquisition of an additional 39% share in Borealis AG.

The **reconciliation** of total expenditure to the **investments as shown in the cash flow statement** is depicted in the following table:

**Capital expenditure<sup>1</sup>**

In EUR mn

|  | 2020         | 2019         | Δ            |
|--|--------------|--------------|--------------|
| <b>Total capital expenditure</b>   | <b>6,048</b> | <b>4,916</b> | <b>23%</b>   |
| +/- Changes in the consolidated Group and other adjustments                                    | (3,954)      | (411)        | n.m.         |
| - Investments in financial assets  | (156)        | (2,155)      | 93%          |
| <b>Additions according to statement of non-current assets (intangible and tangible assets)</b> | <b>1,938</b> | <b>2,351</b> | <b>(18)%</b> |
| +/- Non-cash changes   | 21           | (193)        | n.m.         |
| <b>Cash outflow from investments in intangible assets and property, plant and equipment</b>    | <b>1,960</b> | <b>2,158</b> | <b>(9)%</b>  |
| + Cash outflow from investments, loans and other financial assets                              | 194          | 2,265        | (91)%        |
| + Acquisitions of subsidiaries and businesses net of cash acquired                             | 3,880        | 460          | n.m.         |
| <b>Investments as shown in the cash flow statement</b>   | <b>6,034</b> | <b>4,883</b> | <b>24%</b>   |

<sup>1</sup> Includes acquisitions as well as equity-accounted investments and other interests; adjusted for capitalized decommissioning costs, exploration wells that have not found proved reserves, borrowing costs and other additions that by definition are not considered capital expenditure

**Notes to the cash flow statement****Summarized cash flow statement**

In EUR mn

|  | 2020           | 2019           | Δ           |
|--|----------------|----------------|-------------|
| Sources of funds   | 2,786          | 4,264          | (35)%       |
| Cash flow from operating activities  | 3,137          | 4,056          | (23)%       |
| Cash flow from investing activities  | (5,948)        | (4,638)        | 28%         |
| Free cash flow   | (2,811)        | (583)          | n.m.        |
| Cash flow from financing activities  | 2,808          | (484)          | n.m.        |
| Effect of exchange rate changes on cash and cash equivalents                                   | (66)           | (22)           | n.m.        |
| Net (decrease)/increase in cash and cash equivalents   | (69)           | (1,088)        | (94)%       |
| Cash and cash equivalents at beginning of period   | 2,938          | 4,026          | (27)%       |
| <b>Cash and cash equivalents at end of period</b>  | <b>2,869</b>   | <b>2,938</b>   | <b>(2)%</b> |
| thereof cash disclosed within Assets held for sale   | 15             | 7              | 116%        |
| <b>Cash and cash equivalents presented in the consolidated statement of financial position</b> | <b>2,854</b>   | <b>2,931</b>   | <b>(3)%</b> |
| <b>Free cash flow after dividends</b>  | <b>(3,690)</b> | <b>(1,441)</b> | <b>156%</b> |

**Cash flow from operating activities** amounted to EUR 3,137 mn, down by EUR 919 mn compared to 2019, significantly impacted by a worsened market environment, mainly caused by the effects of the COVID-19 pandemic.

**Cash flow from investing activities** showed an outflow of EUR 5,948 mn in 2020, compared to EUR 4,638 mn in 2019. 2020 included a net cash outflow of EUR 3,870 mn related to the acquisition of an additional 39% stake in Borealis AG while 2019 contained a cash outflow of EUR 460 mn related to the acquisition of a 50% interest in SapuraOMV and a cash

outflow of EUR 2,095 mn related to the acquisition of a 15% stake in the ADNOC Refining business. Cash flow from investing activities in 2020 included a cash outflow of EUR 18 mn related to the financing agreements for the Nord Stream 2 pipeline project (2019: EUR 113 mn).

**Cash flow from financing activities** showed an inflow of EUR 2,808 mn compared to an outflow of EUR 484 mn in 2019 mainly attributable to the issuance of bonds of EUR 3.25 bn and hybrid bonds of EUR 1.25 bn in 2020, while 2019 included new bonds of EUR 1.3 bn.

## Notes to the income statement

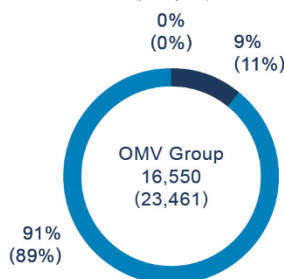
### Summarized income statement

In EUR mn

|   | 2020          | 2019          | Δ            |
|---|---------------|---------------|--------------|
| Sales revenues  | 16,550        | 23,461        | (29)%        |
| Other operating income and net income from equity-accounted investments | 1,915         | 665           | 188%         |
| <b>Total revenues and other income</b>                                  | <b>18,465</b> | <b>24,127</b> | <b>(23)%</b> |
| Purchases (net of inventory variation)                                  | (9,598)       | (13,608)      | (29)%        |
| Production and operating expenses incl. production and similar taxes    | (2,217)       | (2,191)       | 1%           |
| Depreciation, amortization, impairments and write-ups                   | (2,418)       | (2,302)       | 5%           |
| Selling, distribution and administrative expenses                       | (1,896)       | (1,892)       | n.m.         |
| Exploration expenses  | (896)         | (229)         | n.m.         |
| Other operating expenses  | (389)         | (322)         | 21%          |
| <b>Operating Result</b>   | <b>1,050</b>  | <b>3,582</b>  | <b>(71)%</b> |
| <b>Net financial result</b>   | <b>(175)</b>  | <b>(129)</b>  | <b>35%</b>   |
| <b>Profit before tax</b>  | <b>875</b>    | <b>3,453</b>  | <b>(75)%</b> |
| Taxes on income and profit  | 603           | (1,306)       | n.m.         |
| <b>Net income for the year</b>  | <b>1,478</b>  | <b>2,147</b>  | <b>(31)%</b> |
| thereof attributable to hybrid capital owners                           | 84            | 75            | 11%          |
| thereof attributable to non-controlling interests                       | 136           | 393           | (65)%        |
| <b>Net income attributable to stockholders of the parent</b>            | <b>1,258</b>  | <b>1,678</b>  | <b>(25)%</b> |
| Effective tax rate (%)  | (69)          | 38            | (107)        |

### Sales to third parties 2020 (2019)

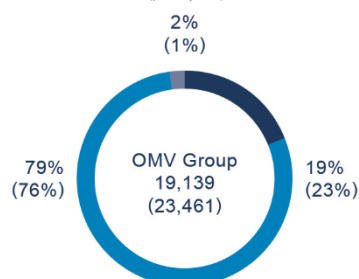
In EUR mn if not otherwise stated (prior year)



|                     |        |          |
|---------------------|--------|----------|
| Upstream            | 1,527  | (2,583)  |
| Downstream          | 15,019 | (20,874) |
| Corporate and Other | 4      | (4)      |

### Total not consolidated sales 2020 (2019)

In EUR mn if not otherwise stated (prior year)



|                     |        |          |
|---------------------|--------|----------|
| Upstream            | 3,705  | (6,239)  |
| Downstream          | 15,082 | (20,958) |
| Corporate and Other | 352    | (345)    |

**Sales revenues** decreased mainly due to overall lower global commodity price environment and reduced sales volumes for most products, predominantly caused by the effects of the COVID-19 pandemic. The sales split by geographical areas can be found in the Notes to the Consolidated Financial Statements (Note 4 – Segment Reporting).

**Other operating income** increased from EUR 280 mn in 2019 to EUR 1,877 mn in 2020 and was mainly impacted by EUR 1,284 mn gains from revaluation and recycling effects related to the previously held at-equity share of 36% in Borealis. Further details on the Borealis acquisition can be found in the Notes to the

Consolidated Financial Statements (Note 3 – Changes in group structure).

**Net income from equity-accounted investments** decreased from EUR 386 mn to EUR 38 mn mainly due to the negative contribution of Abu Dhabi Oil Refining Company, driven by negative inventory effects due to prolonged turnaround and negative market environment. Also, there was a lower contribution from Borealis as it was consolidated at-equity only until October 2020 and additionally the result was negatively impacted by a drop in petrochemical margins following COVID-19 impact on polyolefin business and negative inventory effects in the first half of 2020.

In Q3/20, OMV updated its mid-term plan and revised its long-term planning assumptions which lead to significant impairments, impacting the lines “**Depreciation, amortization, impairments and write-ups**” as well as “**Exploration expenses**”. Details can be found in the Notes to the Consolidated Financial Statements (Note 7– Depreciation, amortization, impairments and write-ups).

**Net financial result** decreased mainly due to negative FX result which was only partly offset by lower interest expenses. For further details refer to the Notes to the Consolidated Financial Statements (Note 11 – Net financial result).

The **effective tax rate** was significantly affected by income from tax synergies from the acquisition of additional shares in Borealis that led to write-up of deferred tax assets in the Austrian tax group (among other effects). For further details on the group’s effective tax rate, please refer to Note 12 – Taxes on income and profit – of the Consolidated Financial Statements.

## Notes to statement of financial position

### Summarized statement of financial position (condensed)

In EUR mn

|  | 2020          | 2019          | Δ          |
|--|---------------|---------------|------------|
| <b>Assets</b>                                    |               |               |            |
| Non-current assets                               | 35,695        | 28,950        | 23%        |
| Current assets                                   | 12,112        | 11,248        | 8%         |
| Assets held for sale                             | 1,464         | 177           | n.m.       |
| <b>Equity and liabilities</b>                    |               |               |            |
| Equity   | 19,899        | 16,863        | 18%        |
| Non-current liabilities                          | 18,020        | 13,961        | 29%        |
| Current liabilities                              | 10,616        | 9,395         | 13%        |
| Liabilities associated with assets held for sale | 736           | 156           | n.m.       |
| <b>Total assets/equity and liabilities</b>       | <b>49,271</b> | <b>40,375</b> | <b>22%</b> |

The statement of financial position in 2020 was overall significantly impacted by the acquisition of 39% additional shares in Borealis AG leading to obtaining control and discontinuation of the equity method. For further details refer to Note 3 – Changes in group structure – of the Consolidated Financial Statements.

**Non-current assets:** Intangible assets and property, plant and equipment increased by EUR 2,004 mn compared to 2019 following the full consolidation of Borealis, partly offset by impairments and held for sale classifications. Equity- accounted investments increased by EUR 3,170 mn to EUR 8,321 mn mainly due to the inclusion of Abu Dhabi Polymers Company Limited (Borouge) following the Borealis acquisition, partly offset by the derecognition of the previously held 36% share in Borealis.

**Assets held for sale and liabilities associated with assets held for sale** increased significantly mainly due to the reclassification of the Gas Connect Group and the OMV retail network in Germany to held for sale. For further details please refer to Note 20 – Assets and liabilities held for sale – of the Consolidated Financial Statements.

**Equity** (including non-controlling interest) increased mainly due to the issuance of two new hybrid bonds on September 1, 2020 with a total size of EUR 1.25 bn. Furthermore, non-controlling interests rose following the Borealis acquisition, reflecting the 25% retained interest of Mubadala Investment Company (Abu Dhabi).

**Non-current liabilities** were impacted mainly by the issuance of senior bonds with a total volume of EUR 3.25 bn in 2020. For further details please refer to Note 24 – Liabilities – of the Consolidated Financial Statements.

## Upstream

In the Upstream Business Segment, OMV delivered a resilient performance despite an overall challenging environment. Despite COVID 19-related restrictions, production reached 463 kboe/d, with production cost at USD 6.6/boe in line with last year and the one-year Reserve Replacement Rate slightly above 100%.

### At a glance

|   |                 | 2020    | 2019  | Δ     |
|---|-----------------|---------|-------|-------|
| Clean Operating Result                    | in EUR mn       | 145     | 1,951 | (93)% |
| Special items                             | in EUR mn       | (1,282) | (71)  | n.m.  |
| Operating Result                          | in EUR mn       | (1,137) | 1,879 | n.m.  |
| Capital expenditure <sup>1</sup>          | in EUR mn       | 1,090   | 2,070 | (47)% |
| Exploration expenditure                   | in EUR mn       | 227     | 360   | (37)% |
| Exploration expenses                      | in EUR mn       | 896     | 229   | n.m.  |
| Production cost                           | in USD/boe      | 6.58    | 6.61  | (0)%  |
| Total hydrocarbon production              | in kboe/d       | 463     | 487   | (5)%  |
| Total hydrocarbon sales volumes           | in kboe/d       | 439     | 463.8 | (5)%  |
| Proved reserves as of December 31         | in mn boe       | 1,337   | 1,332 | 0%    |
| Average Brent price                       | in USD/bbl      | 41.84   | 64.21 | (35)% |
| Average realized crude price <sup>2</sup> | in USD/bbl      | 37.97   | 61.66 | (38)% |
| Average realized gas price <sup>2</sup>   | in USD/1,000 cf | 3.12    | 4.08  | (23)% |

<sup>1</sup> Capital expenditure including acquisitions, notably the acquisition of a 50% interest in the newly formed company SapuraOMV in 2019 for USD 540 mn

<sup>2</sup> Average realized prices include hedging effects.

### Financial performance

The **clean Operating Result** dropped sharply from EUR 1,951 mn to EUR 145 mn in 2020. Net market effects had a negative impact of EUR (1,846) mn as a consequence of materially lower average realized oil and gas prices. A reduced operational performance lowered returns by EUR (245) mn and was mainly a consequence of the force majeure situation and the ensuing liftings shortfall in Libya during most of the year. Significantly higher sales volumes in Malaysia had a strong balancing effect. Depreciation decreased by EUR (286) mn due to reduced production, impairments, and reserve revisions. In 2020, OMV Petrom contributed EUR 1 mn to the clean Operating Result compared to EUR 599 mn in 2019.

Net **special items** amounted to EUR (1,282) mn in 2020 (2019: EUR (71) mn) and were mainly related to the impairments triggered by OMV's revision of its long-term price assumptions for Brent crude oil. The **Operating Result** contracted sharply to EUR (1,137) mn (2019: EUR 1,879 mn).

**Production cost** excluding royalties was at the same level on average in 2020 as in 2019, at USD 6.6/boe. Further cost saving initiatives and reduced activity during the COVID-19 lockdown were able to offset the incremental effect stemming from lower production. At OMV Petrom, production cost also remained stable at USD 10.9/boe.

The **total hydrocarbon production** volume decreased by 24 kboe/d to 463 kboe/d, primarily due to lower production in Libya as a result of the force majeure situation. Production in Malaysia rose substantially and was able to offset some of the reduced production in Romania, New Zealand, and Russia. OMV Petrom's total production was down by 7 kboe/d to 145 kboe/d mainly due to natural decline. Total sales volumes fell to 439 kboe/d (2019: 464 kboe/d) in line with production volumes.

In 2020, the **average Brent price** reached USD 41.8/bbl, a substantial decrease by 35%. The Group's **average realized crude price** dropped by 38%. The **average realized gas price** in USD/1,000 cf receded by 23%.

**Capital expenditure** including capitalized E&A was cut back to EUR 1,090 mn in 2020 (2019: EUR 2,070 mn) following a widespread effort to reduce spending. Capital expenditure in 2019 included the purchase of a 50% interest in SapuraOMV for USD 540 mn. Organic capital expenditure was primarily directed at projects in

Romania, Norway, the United Arab Emirates, and New Zealand. **Exploration expenditure** was EUR 227 mn in 2020, and could thus be reduced by 37% compared to 2019. It was mainly related to activities in Norway, New Zealand, Romania, and Malaysia.

## Production

|                             | 2020                     |                                    |              |                    | 2019                     |                                    |              |                    |
|-----------------------------|--------------------------|------------------------------------|--------------|--------------------|--------------------------|------------------------------------|--------------|--------------------|
|                             | Oil and NGL<br>in mn bbl | Natural gas <sup>1</sup><br>in bcf |              | Total<br>in mn boe | Oil and NGL<br>in mn bbl | Natural gas <sup>1</sup><br>in bcf |              | Total<br>in mn boe |
| Romania <sup>2</sup>        | 23.4                     | 146.5                              | 27.1         | 50.5               | 24.1                     | 156.2                              | 28.9         | 53.0               |
| Austria                     | 3.8                      | 24.9                               | 4.2          | 8.0                | 4.0                      | 29.2                               | 4.9          | 8.9                |
| Kazakhstan <sup>2</sup>     | 2.1                      | 2.0                                | 0.3          | 2.5                | 2.1                      | 1.8                                | 0.3          | 2.4                |
| Norway                      | 15.1                     | 97.5                               | 16.2         | 31.3               | 16.6                     | 90.0                               | 15.0         | 31.6               |
| Libya                       | 2.4                      | –                                  | –            | 2.4                | 11.1                     | –                                  | –            | 11.1               |
| Tunisia                     | 0.6                      | 7.0                                | 1.2          | 1.7                | 0.8                      | 3.2                                | 0.5          | 1.4                |
| Yemen                       | 1.3                      | –                                  | –            | 1.3                | 1.8                      | –                                  | –            | 1.8                |
| Kurdistan Region<br>of Iraq | 1.0                      | 14.6                               | 2.4          | 3.4                | 0.9                      | 14.2                               | 2.4          | 3.3                |
| United Arab<br>Emirates     | 8.4                      | –                                  | –            | 8.4                | 8.1                      | –                                  | –            | 8.1                |
| New Zealand                 | 3.8                      | 57.7                               | 9.6          | 13.4               | 4.6                      | 65.2                               | 10.9         | 15.5               |
| Malaysia <sup>2</sup>       | 2.7                      | 53.3                               | 8.9          | 11.6               | 2.1                      | 15.5                               | 2.6          | 4.7                |
| Russia                      | –                        | 208.4                              | 34.7         | 34.7               | –                        | 218.0                              | 36.3         | 36.3               |
| <b>Total</b>                | <b>64.7</b>              | <b>612.0</b>                       | <b>104.7</b> | <b>169.4</b>       | <b>76.1</b>              | <b>593.1</b>                       | <b>101.7</b> | <b>177.9</b>       |

<sup>1</sup> To convert natural gas from cf to boe, the following conversion factor was applied in all countries: 1 boe = 6,000 cf; except for Romania, where the following factor was used: 1 boe = 5,400 cf.

<sup>2</sup> The figures above include 100% of all fully consolidated companies.

## Portfolio developments

Despite COVID 19-related restrictions, OMV made good progress in the implementation of the OMV Strategy 2025. Nawara was successfully started up in Tunisia, and in Malaysia the GoLaBa (Gorek, Larak and Bakong) fields were commissioned. In the United Arab Emirates, the Umm Lulu Super Complex was brought into full field mode. Additionally, the portfolio was streamlined by the sale of OMV Petrom's operations in Kazakhstan, and progress was made toward divesting an asset in New Zealand. Furthermore, OMV embarked on the divestment of its oil assets in Malaysia, which are now classified as held for sale. The transaction is expected to close in 2021.

### Central and Eastern Europe

In 2020, we continued to optimize the portfolio in Romania. OMV Petrom signed an agreement to sell 40 onshore oil and gas fields in Southern Romania, together producing around 1,100 boe/d. In addition, OMV Petrom signed the transaction for the sale of its operations in Kazakhstan consisting of production licenses for four onshore fields. The closing of the

transaction is subject to certain conditions precedent (including authority approval) and is expected for the first half of 2021. Following a successful bidding process, negotiations began on a production-sharing contract for Offshore Exploration Block II in the Republic of Georgia and are estimated to be finalized in the first quarter of 2021.

The global outbreak of the COVID-19 pandemic made 2020 an extremely challenging year from an operational point of view. Nevertheless, OMV Petrom managed to maintain uninterrupted production, construction, workover, and turnaround operations. Due to the difficult market environment ushered in by the pandemic, fewer new wells and sidetracks were drilled in 2020 compared to the previous year (63 vs. 100). In September, planned maintenance activities took place in the Hurezani production area.

In Austria, the largest ground-mounted photovoltaic plant was constructed in Schönkirchen-Reyersdorf in partnership with VERBUND. This will reduce OMV's CO<sub>2</sub> emissions by around 10,000 t per year.

### Middle East and Africa

For the Middle East and Africa region, 2020 was a challenging year marked by the effects of the COVID-19 pandemic, the tense security situation in Libya and Yemen, social unrest in Tunisia, and the impact of the OPEC+ quota in the United Arab Emirates. Operations continued safely nevertheless, HSSE performance was outstanding, projects went ahead, and production was maintained at levels permitted by the prevailing conditions.

In Libya, production came to a halt for the larger part of the year due to the political instability on the ground, which resulted in the shut-down of oil export terminals between January and October. Production resumed and steadily ramped up in the last two months of the year, almost returning to previous levels.

The most significant effects of the COVID-19 pandemic on projects and activities in the region were delays of the Ghasha concession development in the United Arab Emirates and the Khor Mor development in the Kurdistan Region of Iraq (KRI). Workover activities in Yemen also had to be discontinued and thus depressed production levels. However, despite these challenges, OMV successfully managed to continue its operations in Yemen and Tunisia, and began commercial natural gas production at Nawara in March.

In line with the strategy to pursue further growth options in the region, OMV signed a Memorandum of Understanding with Sonatrach, the national state-owned company of Algeria, in July. The MoU covers the identification of potential upstream opportunities where the two parties could jointly invest in exploration or development and production projects in Algeria. The MoU underscores the interest of both companies in investigating collaboration options following the passing of a new Algerian Hydrocarbon Law.

### North Sea

In 2020, the Norwegian authorities approved the plan for development and operation of the Hywind project, which will contribute to reducing emissions from the Snorre and Gullfaks oil and gas fields. They also introduced a tax incentive scheme allowing immediate expensing of CAPEX, including a 24% uplift for the special petroleum tax in 2020 and 2021. The Wisting and Iris/Hades projects will both benefit from this rule.

### Russia

In March 2020, OMV signed an amendment to the basic sale agreement on the potential acquisition of a 24.98% interest in the Achimov 4A/5A phase development. This foresees an extension of the

negotiation phase for the final transaction documents on a non-exclusive basis until June 2022. In these negotiations, material developments and changes in circumstances up to signing (including the planned start of production of Achimov 4A/5A) are to be taken into account by the parties in good faith. This relates in particular to the economic effective date and the purchase price.

### Asia-Pacific

SapuraOMV, the strategic partnership formed with Sapura Energy Berhad ("Sapura Energy"), delivered substantial incremental production from the Phase 1 development (Gorek, Larak, and Bakong fields) of the SK408 Production Sharing Contract (PSC) in 2020. This increased SapuraOMV's production to over 30 kboe/d.

SapuraOMV made progress on the development of its other discovered resources, which include SK408's Jerun and Teja fields and SK310's B14 field. This effort culminated in the final investment decision by SapuraOMV's Board of Directors for the Jerun project in December 2020.

SapuraOMV secured several new exploration permits in Australia to maintain a robust exploration portfolio for future growth of the business in the region.

In 2020, OMV embarked on the divestment of its oil assets in Malaysia, which were reclassified as held for sale. The transaction is expected to close in 2021.

OMV New Zealand is prioritizing the redevelopment and optimization of the existing Maui and Pohokura natural gas assets. Major infill drilling campaigns on both assets also advanced during 2020, and drilling started in Maui. OMV New Zealand will invest around NZD 500 mn (EUR 270 mn) over the next two years to rejuvenate production in the Maui and Pohokura natural gas fields.

A new hydrocarbon discovery in the Taranaki Basin in 2020 that needs to be appraised and confirmed in 2022, could potentially bring new hydrocarbon volumes to market in the 2025–2027 timeframe.

Divestment by OMV New Zealand of its 69% share of the Maari field to Jadestone Energy is expected to be completed in early 2021. Average production from the asset in 2020 was 4 kboe/d net to OMV (in 2019: 5 kboe/d).

## Key projects

### Neptun (Romania, OMV 50%)

In cooperation with ExxonMobil as the operator, OMV Petrom continued assessing the commercial and economic viability of the Neptun Deep project in the Romanian Black Sea. Cumulative production from Neptun Deep was estimated at 125–250 mn boe (net to OMV). OMV Petrom remains interested in seeing the Black Sea resources developed. However, the final investment decision depends on a range of factors including a stable and competitive fiscal framework and a liberalized natural gas market. Regarding the former, mainly in reference to the Offshore Law, amendments are scheduled to be made by means of a parliamentary process according to public statements. This process will be initiated by the new Parliament elected in December 2020. On the liberalized natural gas market front, some progress was made through replacement of the central market obligation with a natural gas release program.

### Other major projects (Romania, OMV 100%)

Despite the difficult environment, some major milestones were achieved in other projects. At the Petromar asset, the rerouting of a section of 2.7 km of the 12" onshore pipeline that connects the offshore Central Platform to the onshore Midia Terminal was successfully completed. In addition, a pilot project for Enhanced Oil Recovery (EOR) was initiated in the Independenta field, at the Moldova asset. This project aims to increase the recovery factors from our mature fields by injecting a mixture of viscous water into the reservoir. So far, encouraging results were achieved, and OMV Petrom is currently analyzing the possibility of extending this technology to other fields in the coming years.

### Nawara (Tunisia, OMV 50%)

In Q1/20, OMV managed to successfully start up operations at the onshore Nawara natural gas and condensate field development, thereby achieving commercial natural gas flows despite COVID 19-related restrictions. This meant that the final phase of commissioning and startup of the gas treatment plant and central processing facility had to be performed remotely. Despite the peak production level of 9 kboe/d (OMV share) already having been achieved in 2020, production had to be shut down for three months due to social unrest in the country, which also affected project close-out activities. The project unlocks South Tunisia's natural gas resources and supplies urgently needed natural gas, LPG, and condensate to the Tunisian market.

### Umm Lulu and SARB (United Arab Emirates, OMV 20%)

Umm Lulu and Satah Al Razboot (SARB) are two offshore oil fields situated in the shallow waters of Abu Dhabi. Pipelines connect both fields to dedicated processing, storage, and loading facilities on Zirku Island. In 2020, the Umm Lulu Super Complex started up in full field mode in April, while the commissioning of the natural gas treatment plant, the wellhead towers, brownfield modification works, and Super Complex performance testing are still in progress, following delays caused by COVID-19. Development drilling is planned to continue until 2023. Production started up at the Umm Lulu and SARB fields in September 2018 and reached an average level of 23 kboe/d (OMV share) in 2020. This was affected by production limitations in connection with the OPEC+ quota. Production from the concession area is expected to increase to 215 kboe/d (43 kboe/d net to OMV) by 2023.

### Khor Mor (KRI, OMV 10%)

The Pearl consortium develops, produces, processes, and transports natural gas from Khor Mor, a major gas condensate field located in the Kurdistan Region of Iraq (KRI). The consortium plans to increase production by drilling additional wells and by expanding the capacity of the facilities by another 42 kboe/d (thereof 4.2 kboe/d net to OMV). The resulting additional natural gas production will be introduced into the existing Pearl-operated natural gas pipeline to support increasing domestic natural gas demand. In 2020, the engineering, procurement, and construction contract for Khor Mor Train 1 was awarded, but project progress was impacted by contractor force majeure related to the COVID-19 pandemic, resulting in a delay of one year.

### Gullfaks (Norway, OMV 19%)

In 2020, the Equinor-operated Gullfaks field delivered strong production volumes thanks to robust natural gas exports. The planned revision stop at Gullfaks A was finalized early in November. The Norwegian authorities approved the plan for development and operation of the Hywind project in April 2020. The wind farm is a pioneering project and a contribution to reducing emissions from the Snorre and Gullfaks oil and gas fields. The offshore wind farm will consist of 11 floating wind turbines with a total capacity of 88 MW and will meet about 35% of the annual power demand of the platforms. Construction on the wind farm started in Q4/20.



**Gudrun (Norway, OMV 24%)**

The Equinor-operated Gudrun field continued to produce at a high efficiency level and was only slightly affected by COVID-19 and the OPEC production cuts. Phase 2 of the Gudrun field redevelopment is planned to enable water injection in Q4/21, with ongoing batch drilling and topside modifications to the existing platform. During 2020, two additional infill production wells were also drilled. The first started production in April 2020; the second is scheduled to start in early 2021.

**Edvard Grieg (Norway, OMV 20%)**

The Edvard Grieg offshore oil field operated by Lundin Petroleum continued to produce above expectations in 2020, due to high production efficiency and increased capacity in Ivar Aasen. Planned maintenance revision stops were completed on time. The Edvard Grieg infill drilling campaign is on track to start in Q1/21.

**Aasta Hansteen (Norway, OMV 15%)**

Aasta Hansteen continued steady production in 2020, with no major impact from COVID-19. Since September 2020, Aasta Hansteen has reached close to 100% production efficiency on its increased export capacity of around 160 kboe/d gross.

**Wisting (Norway, OMV 25%)**

In 2020, the Wisting license partners awarded several contracts for concept studies to further move the project toward a final concept. Operator Equinor and its partners have considered various concepts to determine potential solutions for cost-effective field development and will further develop a floating production unit based on a circular FPSO solution. An important objective for the Wisting project is reducing the carbon footprint of production. The project will study a power-from-shore solution for a circular FPSO. The Wisting project is on track to deliver the plan for development and operation by year-end 2022 to take advantage of the tax incentives introduced in spring 2020.

**Hades/Iris (Norway, OMV 30%)**

OMV made the Hades and Iris discoveries in 2018. The exploration well found natural gas and condensate in both Hades and Iris. The objective of the 2020 Hades appraisal well was to delineate the 2018 discovery, reduce the uncertainty of the resource estimate, and perform a formation test. The appraisal well phase was concluded as planned in Q3/20. The Hades/Iris project is on track to deliver a plan for development and operation by year-end 2022 to take advantage of the tax incentives introduced in spring 2020.

**Yuzhno-Russkoye (Russia, OMV 24.99%)**

The second phase of the Turonian development project has been completed at Yuzhno-Russkoye. A total of 45 wells were drilled, and 24 new wells in the Turonian formation started producing. A plateau production extension until 2023 was confirmed.

**SK408 (Malaysia, OMV 40%)**

In Malaysia, Phase 1 development of the SK408 Gorek, Larak, and Bakong fields was completed by June 2020, increasing production in Malaysia to more than 30 kboe/d in 2020. The development of the Jerun field as Phase 2 of the SK408 development achieved a key milestone, obtaining the final investment decision in December 2020 with first gas planned in 2024. The project is currently pending joint venture partner approval. This development is expected to contribute an additional initial production rate of over 30 kboe/d.

**Maui A Crestal Infill (New Zealand, OMV 100%)**

Drilling operations on the Maui A offshore platform commenced in October, following an interruption to rig installation and integration due to COVID-19 restrictions. First gas production was achieved late 2020 and drilling operations are continuing for the subsequent wells in the campaign.

**Maui B IRF Phase 3 (New Zealand, OMV 100%)**

The Maui B IRF Phase 3 infill drilling opportunity targets by-passed natural gas in the Maui reservoir sands, by sidetracking shut-in wells on the Maui B offshore platform. Up to six sidetracks are currently under consideration with a final decision yet to be made.

**Pohokura Depletion Compression (New Zealand, OMV 74%)**

This project increases well deliverability and reserves recovery thanks to the installation of an electric single-stage centrifugal compressor. First gas was achieved from the Pohokura Depletion Compression project in September. The innovative application of remote working technologies also made it possible to recover time lost during construction due to COVID-19 restrictions.

**Toutouwai Appraisal (New Zealand, OMV 40%, SapuraOMV 30%)**

Hydrocarbons were discovered in the Toutouwai-1 exploration well during the New Zealand exploration campaign in April 2020. The campaign was curtailed before a full logging and testing program could be executed due to COVID-19 restrictions. An appraisal well is planned for early 2022 to evaluate the commercial viability of the discovery and coordinate further development planning.

## Exploration and appraisal highlights

In 2020, OMV completed the drilling of seven exploration and appraisal wells in five different countries, two of which were successful.

In Austria, OMV finalized one exploration well started in 2019.

OMV Petrom drilled one exploration well in Romania, and two deep exploration wells were tested in the second half of 2020. One test concluded that reservoirs seem unlikely to produce, whereas the second evaluation is still ongoing.

In Norway, the Hades appraisal well was successful.

OMV finalized two exploration wells in New Zealand in 2020. While Tawhaki-1 in the Great South Basin proved dry, Toutouwai-1 in the Taranaki Basin is a likely commercial discovery. An appraisal well is planned for 2022.

In Malaysia, SapuraOMV completed two exploration wells on block SK408 with non-commercial natural gas volumes in Remayong.

OMV participated in three 3D seismic surveys completed in 2020, one in Romania (Hunt/OMV Petrom), one in Australia (SapuraOMV), and one in Bulgaria (Total/OMV). In Romania, Hunt/OMV Petrom completed the 1,583 km<sup>2</sup> 3D seismic survey (within the VIII – Urziceni Est license) in February 2020. In March, SapuraOMV completed a 3D offshore seismic survey (GEM 3D) covering an area of 420 km<sup>2</sup> offshore from Australia in the Vulcan sub-basin. In May, Total/OMV completed a 3D offshore survey (Han Asparuh 3D) covering an area of 5,614 km<sup>2</sup> offshore from Bulgaria.

Due to the current environment (COVID-19, oil price, budget restrictions), drilling of several exploration wells was shifted to 2021 or later. Exploration and appraisal expenditures decreased to EUR 227 mn in 2020 (2019: EUR 360 mn).

## Reserves development

**Proved reserves (1P)** as of December 31, 2020, increased to 1,337 mn boe (thereof OMV Petrom<sup>1</sup>: 473 mn boe). With a one-year Reserve Replacement Rate (RRR) of 102% (2019: 135%), a value of over 100% has now been achieved five years in a row. The three-year RRR reached 138% (2019: 166%). Proved

reserves remained stable despite the challenging market environment. Major contributions came from successful drilling and development activities in the United Arab Emirates, Russia and Norway, and the positive production performance in Russia, Norway and New Zealand.

**Proved and probable reserves (2P)** increased to 2,365 mn boe (thereof OMV Petrom<sup>1</sup>: 761 mn boe), remaining broadly stable as well, mostly as a result of successful development activities in Malaysia and New Zealand.

## Innovation and new technologies

OMV's Upstream strategy is to apply state-of-the-art technologies developed in-house to well-maintained assets, to pilot these technologies, and to promote rapid global implementation. The current focus of research and development is on improving recovery rates and extending the lifetimes of mature fields.

OMV applies various enhanced oil recovery methods which are part of the Smart Oil Recovery 3.0 (SOR 3.0) program. This enables OMV to increase ultimate oil recovery by up to 15 percentage points in selected fields and thus extend the field life. Thanks to further progress with the rollout of SOR projects, more than 440 kboe of incremental oil was produced by OMV Austria by the end of 2020. In Austria, the program continues with eight additional highly slanted wells scheduled to be drilled in Q1/21.

The two Upstream laboratories OMV Tech Center & Lab and OMV Petrom Upstream Laboratories (ICPT) continue to strengthen their partnership for working on the SOR projects in Romania. The exchange aims to use the knowledge and experience gained from the Austrian SOR projects by the Tech Center & Lab in recent years.

<sup>1</sup> OMV Petrom covers Romania and Kazakhstan.

Increasingly complex reservoir fluid conditions are resulting in faster degradation of pipelines and processing equipment. To address this, OMV Upstream is growing its expertise in the application of nanotechnology products. A first pilot application in sucker rod pumping systems of wear- and corrosion-reducing nanocoatings uncovered the benefits of the technology. Promising results have also been achieved in laboratory studies using nanofluids for enhanced oil recovery by stabilizing emulsions and altering the wettability of reservoir rocks.

Significant progress has been made with the launch of the OMV Innovation & Technology Center (ITC) in Austria. More than 100 guided tours and events were held between June 2020 and the end of the year, all in compliance with COVID-19 measures.

Supplementing existing partnerships with leading international universities, OMV continues to run joint initiatives with Gubkin Russian State University of Oil and Gas in Moscow.

## Digitalization

Over two years ago, we launched our global Upstream digital initiative called DigitUP to bring digital transformation to all value-added areas and regions where OMV is active. DigitUP's goal is to bring innovations from a wide range of industries into OMV's everyday work, thus making our work safer, more sustainable, and more profitable.

In 2020, we further strengthened our partnerships with companies such as Aker BP, Schlumberger, Aucerna, Microsoft, and Cognite. The aim is to share experiences and ideas on the digital journey that give us firsthand access to the latest digital developments.

In 2020, one key area in Subsurface focused on improving the efficiency of exploration and development projects by connecting our subsurface assets with surface information and production facilities in 3D models.

In New Zealand, condensate optimization for the Pohokura natural gas field was put into operation, resulting in a revenue increase while freeing up engineering time. During the COVID-19 lockdowns, we used remote certification and virtual site visits to continue with our offshore production in New Zealand while complying with restrictions. This avoided production deferrals. Reducing long-distance travel further resulted in lower risk exposure, lower external costs, and a CO<sub>2</sub> footprint reduction overall.

The newly constructed "Drilling Cockpit" now provides a location-independent, cross-disciplinary collaboration environment for critical well-engineering decisions. Drilling activities are monitored in real time, backed by historic simulations, and supported by Group-wide subject matter experts. This makes drilling safer by reducing potential incidents and keeping losses to a minimum.

The GeoCloud rollout at all locations enables 540 employees secure access to more than 140 petrotechnical applications and 1 petabyte of data. This ensures that we can fully utilize our people's capabilities while they are working remotely during COVID-19 from any location with any device.

In December 2020, OMV and Schlumberger announced a five-year strategic partnership to work on an enterprise-wide deployment of artificial intelligence and digital solutions. One aspect of the partnership will focus on improving data search capabilities and ways to store and access data. In Subsurface, the pilots have proven that state-of-the-art applications will shape the future landscape of subsurface technologies for exploration and development. The goal is to optimize the hydrocarbon life cycle in exploration and field development and to utilize artificial intelligence to identify prospects and automatically update our reservoir models. This will contribute to shorter field development times and improved plan development economics.

## Downstream

**OMV's Downstream business refines and markets fuels, chemicals, and gas. It operates three inland refineries in Europe and holds a strong market position within the areas of its refineries, serving a strong branded retail network and commercial customers. In the Middle East, it owns 15% of ADNOC Refining and ADNOC Global Trading. In 2020, OMV increased its share in Borealis to 75%, strengthening its chemical business and extending the value chain into polymers. In gas, OMV is active along the entire gas value chain.**

### At a glance

|   |            | 2020   | 2019   | Δ     |
|---|------------|--------|--------|-------|
| Clean CCS Operating Result <sup>1</sup>       | in EUR mn  | 1,514  | 1,677  | (10)% |
| thereof petrochemicals                        | in EUR mn  | 224    | 241    | (7)%  |
| thereof Borealis <sup>2</sup>                 | in EUR mn  | 300    | 314    | (5)%  |
| thereof ADNOC Refining & Trading              | in EUR mn  | (107)  | 8      | n.m.  |
| thereof gas                                   | in EUR mn  | 337    | 194    | 73%   |
| Special items                                 | in EUR mn  | 1,071  | 31     | n.m.  |
| CCS effects: Inventory holding gains/(losses) | in EUR mn  | (425)  | 139    | n.m.  |
| Operating Result                              | in EUR mn  | 2,160  | 1,847  | 17%   |
| Capital expenditure <sup>3</sup>              | in EUR mn  | 4,930  | 2,774  | 78%   |
| OMV refining indicator margin <sup>4</sup>    | in USD/bbl | 2.44   | 4.44   | (45)% |
| Ethylene/propylene net margin <sup>4,5</sup>  | in EUR/t   | 400    | 433    | (8)%  |
| Utilization rate refineries                   |            | 86%    | 97%    | (11)  |
| Total refined product sales                   | in mn t    | 17.81  | 20.94  | (15)% |
| thereof retail sales volumes                  | in mn t    | 5.88   | 6.53   | (10)% |
| thereof petrochemicals                        | in mn t    | 2.36   | 2.34   | 1%    |
| Natural gas sales volumes                     | in TWh     | 164.01 | 136.71 | 20%   |

Note: As of Q1/20, the reporting structure of the Downstream Business Segment was restructured to comprehensively reflect the operations of the Downstream business. For comparison only, figures of previous periods are presented in the same structure.

<sup>1</sup> Adjusted for special items and CCS effects; further information can be found in Note 4 – Segment Reporting – of the Consolidated Financial Statements

<sup>2</sup> Borealis was fully consolidated in OMV's financials following the closing of the acquisition of the additional 39% stake on October 29, 2020.

<sup>3</sup> Capital expenditure including acquisitions; notably the acquisition of an additional 39% stake in Borealis in Q4/20 for USD 4.68 bn and the purchase of a 15% stake in ADNOC Refining and Trading joint venture for USD 2.43 bn in Q3/19

<sup>4</sup> Actual refining and petrochemical margins realized by OMV may vary from the OMV indicator refining margin, the ethylene/propylene net margin, and the market margins due to factors including different crude oil slate, product yield, operating conditions, or feedstock.

<sup>5</sup> Calculated based on West European Contract Prices (WECP) with naphtha as feedstock

### Financial performance

At EUR 1,514 mn, the **clean CCS Operating Result** declined by 10% compared to the same period of the previous year (2019: EUR 1,677 mn). Negative effects of COVID-19 on demand as well as on refining margins could not be fully offset by a strong natural gas and retail business and a significant positive contribution of margin hedges. OMV Petrom's input to the clean CCS Operating Result of Downstream amounted to EUR 448 mn (2019: EUR 387 mn).

The **OMV refining indicator margin** declined by 45% to USD 2.4/bbl (2019: USD 4.4/bbl), primarily due to the negative effects of the COVID-19 pandemic. Substantially lower middle distillate and lower gasoline cracks following a weak macro environment put considerable pressure on refining margins. Lower feedstock costs, a result of lower crude oil prices, and improved heavy fuel oil and naphtha margins could not

offset these effects. In 2020, the **utilization rate of the refineries** reached a resilient level of 86% (2019: 97%) despite the imposed lockdown measures related to COVID-19. At 17.8 mn t, **total refined product sales volumes** were down by 15%, following lower demand as a result of imposed travel restrictions. The commercial business experienced lower sales volumes, in particular demand for jet fuel dropped sharply, while margins in the commercial business remained stable. The result in the retail business increased despite a reduction of 10% in retail sales volumes, following higher margins and a larger share of premium fuels.

The contribution of the **petrochemicals business** declined by 7% to EUR 224 mn (2019: EUR 241 mn) mainly as a consequence of lower petrochemical margins, which were partially offset by slightly higher petrochemical sales volumes. The **ethylene/propylene net margin** contracted by 8%. While the butadiene net

margin weakened considerably, benzene net margin decreased to a lesser extent.

The contribution of **Borealis** slightly decreased to EUR 300 mn (2019: EUR 314 mn). Following the acquisition of an additional 39% stake on October 29, 2020, the Borealis result was fully consolidated for the last two months of 2020. The effect from the full consolidation was offset by a weaker market environment, sizeable negative inventory effects as a consequence of this, and unplanned outages at the Stenungsund and Porvoo crackers. While polyolefin margins remained at a healthy level, polyolefin sales volumes slightly increased due to higher sales in the packaging sector, partially offset by lower sales in the automotive sector. The fertilizer business declined following a solid performance in 2019, mainly as a result of weaker margins and operational issues in Q4/20. The contribution from Borouge was down slightly mainly due to weak market conditions in Asia in the first half of the year.

In 2020, the contribution of **ADNOC Refining & Trading** came in at EUR (107) mn (2019: EUR 8 mn). As of Q1/20, the ADNOC Refining & Trading result is calculated based on Current Cost of Supply (CCS) and excludes inventory holding gains/losses. The adverse market environment in 2020 weighed on the result. In addition, the result was negatively impacted by an extensive turnaround of the Ruwais refinery complex, which started at the beginning of February and lasted into Q2/20. Despite challenging market circumstances, ADNOC Global Trading was successfully launched at the beginning of December.

The contribution of the **gas business** grew by 73% to EUR 337 mn (2019: EUR 194 mn) mainly as a consequence of the substantially improved power business in Romania as well as the greatly improved performance of the storage business and lower depreciation. Gas Connect Austria is reclassified as an asset held for sale. The power business in Romania provided strong support thanks to favorable forward contracts, increased revenues from the electricity balancing market, and a one-off revenue recovery stemming from a 2019 power price regulation. **Natural gas sales volumes** rose significantly from 136.7 TWh to 164.0 TWh, driven by higher sales volumes in Germany, the Netherlands, Belgium, and Austria.

Net **special items** amounted to EUR 1,071 mn (2019: EUR 31 mn). With the closing of the Borealis transaction, OMV realized a step-up in the valuation of the previous 36% share in Borealis and booked a special item of around EUR 1.3 bn. CCS effects of

EUR (425) mn were caused by the sharp drop in crude oil prices in the first half of 2020. As a result, the Operating Result of Downstream increased by EUR 313 mn to EUR 2,160 mn (2019: EUR 1,847 mn).

**Capital expenditure** in Downstream amounted to EUR 4,930 mn (2019: EUR 2,774 mn) and was mainly related to the acquisition of an additional 39% stake in Borealis for USD 4.68 bn. In 2019, capital expenditure included the acquisition of a 15% stake in ADNOC Refining and Trading Joint Venture for USD 2.43 bn. Organic capital expenditure in 2020 was predominantly related to investments in the European refineries and in Borealis.

## Business overview

Downstream refines and markets fuel products in Central and Eastern Europe as well as in the Middle East through OMV's 15% interest in ADNOC Refining and ADNOC Global Trading. OMV is strongly forward integrated into chemicals and recently expanded its value chain into polymers by acquiring a controlling interest in Borealis, one of the world's leading polyolefin producers. Borealis has a strong European footprint and is active in the Middle East and Asia-Pacific through Borouge, a joint venture with ADNOC, and in North America where Borealis and Total are partners in the Baystar joint venture.

OMV's European Downstream business model is characterized by a high degree of physical integration along the value chain from crude supply to refining, retail, and commercial sales. Total refined product sales amounted to 17.8 mn t. Commercial fuel customers are mainly from industrial transportation and construction sectors and account for more than 50% of the sales volume. Petrochemicals customers comprise around 13%. The strongly branded retail network comprises 2,085 filling stations and accounts for approximately 33% of the total marketed volume.

The gas business operates across the entire gas value chain from the wellhead to the burner tip. It includes the Group's power business activities with one gas-fired power plant in Romania. Natural gas sales volumes amounted to 164.0 TWh.

### Refining including product supply and sales

Throughout 2020, refining margins came under significant pressure. From the second quarter onward, demand for oil products dropped to unforeseen levels because of the mobility restrictions associated with the COVID-19 pandemic. At the peak of the crisis, during

the second quarter of 2020, global demand has fallen by 16% compared with 2019.

The biggest contributor to the drop in oil demand was the transportation sector, particularly jet fuel, because air traffic was almost entirely halted as a result of international lockdowns. Refineries quickly adapted their processes to the new supply requirements by way of yield shifts and run cuts, but product inventories filled up quickly. Demand for middle distillates, primarily diesel, partly supported by a particularly strong economic recovery in Asia, did not compensate for this development, and pressure on the supply-demand balance remained in place.

Many refiners blended surplus jet fuel into diesel and delivered this to the market, resulting in inflated stocks. Naphtha gradually came under pressure due to increasing competition from less expensive LPG. Gasoline and middle distillates suffered due to difficult market conditions, while heavy products gained an advantage from continuous sour oil strength as OPEC+ cut supply by record high volumes. Rising crude prices toward the end of the year added more pressure, leading to lower-than-average refining margins.

Although demand was significantly lower, the sales unit's commercial margin remained close to its 2019 level. Inland premia for the spot market came under severe pressure in 2020, due to a lack of spot demand and the excess supply caused by COVID-19. Reduced local demand was balanced out by increased sales in out-trading markets, which supported refinery utilization. The heating oil business was a significant contributor to the overall result, since heating oil demand was relatively strong due to favorable prices. This was a result of weaker crude oil prices.

At OMV's Schwechat and Burghausen refineries, production was partly shifted toward the production of petrochemicals to adjust to the drop in jet fuel demand. Despite the challenging COVID-19 market situation, the utilization rate of OMV's European refineries still reached 86%.

#### ADNOC Refining and Trading

Alongside majority shareholder ADNOC (65%) and Eni (20%), OMV became a strategic partner in ADNOC Refining by acquiring 15% of the company's shares at the end of July 2019. ADNOC Refining owns a total capacity of 922 kbb/d comprising its Abu Dhabi refinery (85 kbb/d) and its two major refineries in Ruwais. Together these constitute the world's fourth largest refining complex with integrated petrochemicals.

ADNOC Refining's business performance in 2020 was impacted by a major planned turnaround at both Ruwais refineries in the first half of the year. This was compounded by the significant ripples on the refining market caused by the global COVID-19 pandemic.

The turnaround allowed ADNOC Refining to implement a series of technical improvements in the major plants in the Ruwais refineries. These were put in place in the hydroskimming and conversion sections such as the Residue Fluid Catalytic Cracking (RFCC) plant, which is the key unit for upgrading bottom-of-the-barrel components. This in turn lifts the refining margin.

With the same ownership structure as ADNOC Refining, ADNOC Global Trading (AGT) has the mission to trade the majority of ADNOC Refining's export volumes of products as well as supplying non-domestic crudes, condensates, and other liquids for processing.

AGT extends the successful Downstream business model into key geographies and to strategic partners. By continuously optimizing trade flows, it allows ADNOC Refining to access attractive non-domestic feedstock sources, maximize netback for products on global markets (e.g., Asia-Pacific), and implement best practices such as risk management.

Despite unprecedented market circumstances, AGT went live on December 8, 2020, and executed its first trades before the end of the year.

#### Annual refining capacities

| In kbb/d   |            |
|--|------------|
| Schwechat (Austria)                                | 204        |
| Burghausen (Germany)                               | 79         |
| Petrobrazi (Romania)                               | 86         |
| ADNOC Refining (United Arab Emirates) <sup>1</sup> | 138        |
| <b>Total</b>                                       | <b>507</b> |

<sup>1</sup> Equivalent to OMV's 15% share in ADNOC Refining

#### Petrochemicals

Petrochemical margins fell below the 2019 average, reflecting lower global GDP growth rates and new production capacities going online mainly in Asia. After a strong first quarter, driven by a sharp decline in naphtha prices, average ethylene and propylene margins decreased. Overall, they came in below the previous year's level. Butadiene margins were impacted by collapsing demand in the automotive industry. This was because the primary use for butadiene is the production of Styrene Butadiene Rubber (SBR), which is mainly used in the manufacture

of automobile tires. The benzene oversupply and an ever-weaker demand environment put heavy pressure on margins, which gradually recovered from July 2020 onward. Increased petrochemical sales volumes helped mitigate the negative margin impact from the COVID-19 crisis.

Due to the excellent flexibility of the production plants in the Schwechat and Burghausen refineries, some production was successfully shifted to petrochemicals to adjust to the new market requirements caused by COVID-19.

### Borealis

Borealis is a leading provider of base chemicals, polyolefins, and fertilizers. Its drive towards "Value Creation through Innovation" is a cornerstone of its successful business. The company is the second-largest polyolefin producer in Europe and among the top ten producers globally, with a total capacity of 5.7 mn t of polyolefins.

### Key projects

In January 2020, Borealis and NOVA Chemicals announced an agreement whereby Borealis would buy NOVA Chemicals' 50% ownership interest in Novealis Holdings. The acquisition was completed in April 2020. The two companies had established the holding company in 2018. Subsequently, they formed a 50:50 joint venture with Total Petrochemicals & Refining USA to create a new Houston-based company – Bayport Polymers (also known as Baystar). The Baystar project involves the construction of an ethane-based steam cracker in Port Arthur, which will supply approximately 1 mn t/y of ethylene. The facility's ethylene will be used to feed both the existing 400 kt per year polyethylene unit and the new 625 kt per year Borstar polyethylene unit being built. Both Baystar projects have moved ahead, despite disruptions to supply chains around the world, due to the COVID-19 pandemic.

In June, a propylene splitter, one of the largest single pieces of equipment ever shipped, arrived safely at the construction site of the new world-scale propane dehydrogenation (PDH) plant at the existing Borealis production site in Kallo, Belgium. Borealis' new PDH plant is Borealis' most significant investment in Europe, amounting to approximately EUR 1 bn. The plant will have a targeted annual production capacity of 750 kt per year, making it one of the largest and most efficient facilities in the world.

Borealis announced that its new naphtha cavern in Porvoo, Finland has been safely commissioned as of October 2020. After investing around EUR 25 mn in the

construction of this innovative 80,000 m<sup>3</sup> facility, Borealis has become more independent and flexible. The company can now source naphtha for its Porvoo operations from the global market and store it in a more versatile, cost-efficient, and secure way. The cavern can also accommodate renewable naphtha, making it possible for Borealis customers to draw on certified renewable polypropylene and polyethylene, as well as renewable base chemicals (ethylene, propylene, and phenol) in the future.

In August 2020, Borealis announced the successful acquisition of a controlling stake in South Korean compounder DYM Solution Co. Ltd. The acquisition solidifies Borealis' position as a partner of choice for global wire and cable customers, helping to meet the growing needs and requirements of the wire and cable industry today and in the future.

At the Borouge 3 complex in Ruwais, UAE, the construction of another major growth project, the fifth Borstar polypropylene plant (PP5), is nearing completion. The Borouge 4 project is also moving ahead towards successful completion of the FEED (Front-End Engineering and Design) phase.

### Circular economy

Borealis continues to invest in its recycling technologies and facilities. One example of recycling innovation is the ReOil<sup>®</sup> cooperation with OMV. The patented OMV ReOil<sup>®</sup> technology is used to chemically recycle post-consumer plastics into raw materials, which are then used by Borealis to produce polyolefins. Leading European multinational Nestlé has become the first Borealis customer to use the ISCC PLUS-compliant polyolefins in consumer goods packaging.

In September, Borealis announced the launch of the Bornewables<sup>™</sup> portfolio. These premium polyolefin products are manufactured with renewable feedstock, derived entirely from waste and residue streams. Bornewables boast the same material performance as virgin polyolefins, with a smaller carbon footprint.

Borcycle<sup>™</sup> is a proprietary state-of-the-art technology launched in 2019. It transforms plastic waste streams into value-adding, versatile recycled polyolefins. These serve as the foundation for an increasing number of more sustainable products and applications in the rigid packaging segment. In September, Borealis and MENSHEN, a leading specialist for plastic closures, launched a series of new packaging closures for laundry and homecare applications based on Borcycle<sup>™</sup> UG522MO, a PP compound containing 50% post-consumer-recycled content.

## R&D

In June 2020, the Austrian business magazine trend and ÖGVs, the Austrian society for consumer studies, organized the inaugural Innovation Award 2020/2021 for Austria's most imaginative companies. Borealis is proud to have achieved second place with 12 awards and 649 patents.

One important step-change innovation launched by Borealis in 2014 is now powering the Energiewende – or energy transition – in Germany. Crosslinked polyethylene (XLPE) power cables made with Borealis extruded high-voltage direct current (HVDC) technology are being used for the majority of the so-called German corridor projects. This is the first time that Borlink™ XLPE HVDC technology is being used at extra-high levels of 525 kilovolts (kV). The Borlink cables will be implemented in the northern part of the SuedOstLink and along the entire SuedLink corridor, thereby enabling the transmission of renewable energy from north to south with minimal loss.

## Retail

Despite a challenging environment due to the COVID-19 pandemic, the retail business exceeded the 2019 Operating Result. The COVID-19-driven decline in fuel sales was more than offset by higher fuel margins, an increased share of premium fuels, and cost reductions. As a result, the retail business again proved to be a stable outlet for refinery products and a strong cash generator. Total sales declined by 10% to 5.9 mn t, equivalent to approximately 7.2 bn l. At the end of the year, the network comprised 2,085 filling stations (2019: 2,075). OMV continues to focus on its successful multi-brand strategy. The OMV brand is positioned as a premium brand, with VIVA representing a strong shop, gastronomy, and service offering. The Avanti brand of unmanned filling stations represents the discount segment, while the Petrom brand represents value for money. This strategy has continued to deliver great results, and profitability per site has increased. Sales of OMV's premium MaxxMotion-brand fuels have reached an all-time high at approximately 843 mn l, proving the premium-quality advantage, even during the COVID-19 crisis. The non-fuel business, including the VIVA convenience stores and car washes, continued to perform well, although this segment experienced a 13% decline due to the COVID-19 pandemic. The focus on high-quality products and services in the premium filling station network remains one of OMV's key differentiators. Our new VIVA private-label products, such as VIVA iced coffee and snacks, contributed to an improved retail result as well.

In December 2020, a divestment agreement was signed with EG Group for 285 filling stations in the OMV network in Germany. This will turn OMV's strategic focus toward sustainable and profitable growth in petrochemicals.

## Gas supply, marketing, and trading

OMV markets and trades natural gas in nine European countries and Turkey. In 2020, natural gas sales volumes amounted to 164.0 TWh (2019: 136.7 TWh), an increase of 20%. The foundation for gas sales growth is a diverse supply portfolio, which consists of equity gas and a variety of international suppliers. In addition to mid- and long-term activities, short-term activities at the main international hubs (VTP, NCG, GASPOOL, TTF, PSV) complement OMV's dynamic supply portfolio.

OMV Gas Marketing & Trading GmbH's (OMV Gas) sales activities are focused on a diverse and resilient customer portfolio in the large-scale industry and municipality segments. OMV Gas conducts sales activities in Austria, Germany, Hungary, the Netherlands, and Belgium, where 2020 sales amounted to 114.8 TWh, up 30% over 2019. Italy, Slovenia, and France are covered by origination activities. Increased sales are a substantial achievement given the challenging market environment. Margins remained under pressure due to a competitive and increasingly volatile European gas market, a situation expected to continue.

In Germany, OMV Gas is well on track to reach its goal of a 10% market share by 2025. In 2020, sales reached 52.4 TWh, an increase of 31% over 2019. Its market share was 7% at year-end.

In Romania, OMV Petrom gas and power activities delivered an excellent operating result, reflecting strong power business performance and the optimization of both product and customer portfolios. Natural gas sales volumes to third parties reached 47.7 TWh in 2020, a slight increase compared to 47.2 TWh in 2019. Starting in July 2020, ANRE initiated a gas release program in Romania, whereby gas producers are obligated to offer 30% of their production volume to the centralized markets.

In Romania, net electrical output increased to 4.2 TWh in 2020 (2019: 3.4 TWh), with the Brazi power plant contributing approximately 7% of Romania's electricity production. It is also an important player on the power balancing market.



In 2020, OMV Gas again substantially improved the capacity utilization of the Gate regasification terminal. Furthermore, the LNG business provides an additional gas source to meet OMV's ambitious sales growth targets in Northwest Europe, while enhancing supply security for OMV's geographically diverse supply portfolio. The LNG business also supports portfolio integration of the supply, marketing, and trading businesses.

### Gas logistics

OMV operates gas storage facilities in Austria and Germany with a storage capacity of 30 TWh. Additionally, OMV holds a 65% stake in the Central European Gas Hub (CEGH), the leading gas trading hub in Central and Eastern Europe. OMV's subsidiary Gas Connect Austria operates an approximately 900 km-long high-pressure natural gas pipeline network in Austria. On September 23, 2020, OMV signed an agreement to divest its entire 51% stake in Gas Connect Austria to VERBUND. Closing of the transaction is subject to regulatory approvals and is expected in the first half of 2021.

In 2020, the storage market was again characterized by strong customer demand and higher market prices due to large summer/winter spreads and volatility. At the European hubs, summer/winter spreads for winter 2020/21 reached levels significantly above previous years. After a relatively high filling level at the end of last winter, strong customer demand meant that Austrian storage facilities were utilized at more than 90% capacity.

At around 510 TWh, actual entry/exit transportation volumes in Eastern Austria (Regelzone Ost) were lower than in 2019 mainly due to generally high storage levels at the beginning of the year and reduced consumption as a consequence of COVID-19. Utilization of the entries from Germany into Austria was particularly low. The exit point to Hungary maintained the high activity level of 2019, and the nominations at the Baumgarten exit point into Slovakia were surprisingly positive.

At the Central European Gas Hub, 827 TWh of natural gas was nominated at the Virtual Trading Point (VTP) in 2020, an increase of 10% compared with 2019 and a new all-time high. This volume corresponds to approximately nine times Austria's annual gas consumption. The EEX CEGH Gas Market was successfully transferred from the PEGAS platform to EEX Gas as of January 2020. Traded volumes totaled 165 TWh in Austria and 13 TWh in the Czech Republic in 2020.

OMV is a financing partner of the Nord Stream 2 project. In the second quarter 2020, OMV provided funds of EUR 17.5 mn, bringing OMV's total payments under the financing agreements for Nord Stream 2 to EUR 729.3 mn.

### Innovation and new technologies

OMV actively explores alternative feedstock, technologies, and fuels with the aim of developing a well-diversified, competitive future portfolio. Efforts and resources focus on chemical recycling for post-consumer plastic waste. Additional attention is given to the production of conventional and advanced biofuels, synthetic fuels, and green hydrogen as future fuels for the hard-to-electrify transportation segment, and as precursors for sustainable chemicals.

OMV's ReOil® proprietary thermal cracking technology was developed to meet the European Commission's targets for the circular economy and to fulfill future packaging recycling quotas. The ReOil® plant with a capacity of 100 kg/h at the Schwechat refinery is already recycling post-consumer and post-industrial plastics into synthetic crude oil in a pyrolysis process. This synthetic crude is then processed mainly into monomers and other hydrocarbons in the Schwechat refinery. OMV and Borealis are pursuing the clear ambition of becoming a leading player in chemical and mechanical recycling technologies.

Furthermore, OMV has taken steps to implement the Co-Processing technology in the Schwechat refinery. This technology enables OMV to process biogenic feedstocks (e.g., domestic rapeseed oil) together with fossil-based materials in an existing refinery hydrotreating plant during the fuel refining process. The final investment decision of around EUR 200 mn for converting a refinery plant to produce 160,000 t of biofuels per year was made in 2020. This will reduce OMV's carbon footprint by up to 360,000 t by substituting fossil diesel. Operations are scheduled to begin by 2023.

OMV signed a supply contract with AustroCell Hallein to supply OMV with advanced bioethanol totaling up to 1.5 mn l per month starting in January 2021. This will reduce emissions by around 45,000 t of CO<sub>2</sub> per year.

Unlike conventional biofuels, advanced fuels do not compete with food production. The amount that can be blended into the fuel pool is not capped, as is the case with waste-based fuels. The principal sources of advanced fuels include biomass fraction from mixed municipal or industrial waste, straw, animal manure, or

residues from forestry and wood processing as well as waste streams. OMV is developing its own proprietary technology to convert one of these biomasses into advanced fuel. The next step is a pilot plant at the Schwechat refinery. OMV also collaborates with technology providers, industry partners, and academic institutions to produce advanced biofuels at scale.

Synthetic fuels, which are made of CO<sub>2</sub> and hydrogen, are a key technology for decarbonizing the aviation industry. OMV is working on two development projects, C2PAT and E-Fuels, to convert CO<sub>2</sub> from industry off-gases into e-fuels with the goal of reaching industry scale by the end of the decade.

OMV and its partners working on the UpHy project, intend to produce green hydrogen for use in both the mobility sector and the refining process. OMV is developing an electrolysis plant at the Schwechat refinery for this purpose, to be powered with renewable electricity, to produce zero-carbon hydrogen. The green hydrogen will initially be used for fuel hydrogenation. However, the ultimate goal is to develop commercial hydrogen fuel cells for transportation applications such as commercial buses and trucks. As a pioneer in hydrogen mobility, OMV operates five hydrogen filling stations in Austria. In 2020, OMV together with Daimler Trucks AG, IVECO, Shell, and the Volvo Group launched the H2Accelerate program. These partners committed to creating the conditions necessary for a mass-market roll-out of hydrogen trucks in Europe. Fleets are expected to operate first in regional clusters and along European high-capacity corridors. Over time, the clusters are going to be interconnected into a pan-European network.

OMV is actively involved in the development of alternative energy sources for major mobility applications in line with market developments for emission reductions.

OMV holds 40% of SMATRICS, Austria's largest e-mobility provider, and works together with IONITY on high-power charging solutions in the CEE region. With the OMV e-mobility card, ROUTEX customers can seamlessly use their energy source of choice at a range of roaming partners all over Europe.

Compressed natural gas (CNG) and liquefied natural gas (LNG) can reduce CO<sub>2</sub> and particulate emissions from vehicles by 20% and 90%, respectively. OMV will unlock this potential by opening its first LNG station in Austria in 2021. The station will offer LNG as an alternative fuel for heavy-duty vehicles.

During 2020, OMV began installing photovoltaic panels on more than 90 stations in multiple countries with the aim of continuing this expansion in 2021. This will reduce the stations' carbon footprint and improve the economic efficiency of operations.

## Digitalization

In 2020, OMV anchored digitization in its business strategy. The focus was on immediate value creation, delivered by teams from the business units. Digitalization projects have fostered customer retention, excellence in optimizing processes and assets, and a collaborative and empowered internal culture. Our spend on digital growth and transformation initiatives has increased to two-thirds of our digital expenditure, making us a cross-industry digital leader.

Customer retention efforts have resulted in loyalty growth across both segments and geographies. In 2020, nearly 50% of fuel customers regularly placed online orders, which demonstrates our ability to scale digital platforms through a crisis.

Another COVID-19 adaptation involved our refineries using complex computing power to switch almost instantly from jet fuel production to manufacturing petrochemical raw materials. This compensated for the diminished demand for kerosene and secured 10 percentage points of refinery utilization during the lockdown.

A focus on data for decision-making has enabled us to know our customers better. By combining data with smart analysis and machine learning algorithms, the retail business has begun identifying buying patterns at our filling stations and making sure they never run out of fuel or supplies. Data insights helped us reshape the pricing framework and deliver predictable returns from fuels and petrochemical customers.

Gas trading is using an automated tool with 15 different algorithms to execute non-stop automated deals in milliseconds to secure reliable gas supplies for all of OMV's customers.

The installation of GPS trackers in 3,000 rail tank cars along with new software is enabling active fleet management, fleet optimization, and reduced production losses. This activity is forecast to bring a financial benefit of more than EUR 2 mn within four years.

Across tank farms and refineries, 9 out of 22 terminal automation roll-outs are complete. This will result in 70% (DE) and 60% (RO) reductions in equivalent operating costs in 2021. Over five years, the savings will be around EUR 7 mn.

Both routine work and projects have benefited from a drive to increase automation. More than 50,000 robotics process automation hours have been logged, resulting in better workload management and enabling employees to give attention to activities that require their cognitive skills.

These digitalization achievements are the result of strong cross-disciplinary collaboration with operations, sales, and IT teams who contribute complementary expertise. *DigitalMotion* is our Downstream-wide digitalization umbrella. It has become a collaboration hub where tools, methodologies, and ideas are shared. A digital enthusiast community of nearly 400 employees has been established. The community is sharing learning and experiences about digitalization across disciplines and business units, including Borealis. The Digital Bootcamp has been a development gateway for employees who are adopting customer-oriented design thinking and agile scrum techniques, which speed up the implementation of ideas.

## Outlook

Following the reorganization of the OMV Group, starting with Q1/21 OMV will change its reporting structure. The business segments will be reported as follows: Exploration & Production, Refining & Marketing, and Chemicals & Materials.

### Market environment

For 2021, OMV expects the average Brent crude oil price to be in the range between USD 50/bbl and USD 55/bbl (2020: USD 42/bbl). In 2021, the average realized gas price is anticipated to be higher than EUR 10/MWh (2020: EUR 8.9/MWh).

### Group

In 2021, organic CAPEX is projected to come in at around EUR 2.7 bn, including non-cash effective CAPEX related to leases of around EUR 0.2 bn.

### Exploration & Production

OMV expects total production to be at around 480 kboe/d in 2021 (2020: 463 kboe/d), depending on the security situation in Libya and production cuts imposed by governments.

Organic CAPEX for Exploration & Production is anticipated to come in at EUR 1.1 bn in 2021.

In 2021, Exploration and Appraisal (E&A) expenditure is expected to be at around EUR 230 mn (2020: EUR 227 mn).

### Refining & Marketing

The OMV refining indicator margin is expected above the previous year's level (2020: USD 2.4/bbl).

Total refined product sales in 2021 are projected to be higher compared to 2020 (2020: 17.8 mn t). In OMV's markets, retail margins are forecast to be lower than in 2020 and commercial margins are predicted to be higher than the prior-year level.

The utilization rate of the European refineries is expected to remain at the prior-year level (2020: 86%). In 2021, there is no major turnaround planned for our refineries in Europe.

Natural gas sales volumes in 2021 are projected to be above those in 2020 (2020: 164 TWh).

Organic CAPEX in Refining & Marketing and Corporate are forecast at around EUR 0.7 bn.


### Chemicals & Materials

The European ethylene indicator margin is expected to be at the prior year's level (2020: EUR 435/t). The European propylene indicator margin is projected to be at the prior year's level as well (2020: EUR 364/t).

The polyethylene sales volume of Borealis AG in 2021 is projected to be slightly above the prior-year level (2020: 1.76 mn t). The polypropylene sales volume of Borealis AG is expected to be in line with the prior-year level (2020: 2.12 mn t).

The European polyethylene indicator margin in 2021 is forecast to be above the previous year's level (2020: EUR 350/t). The European polypropylene indicator margin is expected to be above the previous year's level. (2020: EUR 413/t).

Organic CAPEX related to Chemicals & Materials amount to around EUR 0.9 bn.

 For information about the longer-term outlook, see Strategy.

## Risk Management

**Like the oil, gas and petrochemical industry as a whole, OMV is exposed to a variety of risks – including market and financial risks, operational risks, and strategic risks. The Group's risk management processes focus on identification, assessment, and evaluation of such risks and their impact on the Group's financial stability and profitability. The objective of these activities is to actively manage risks in the context of the Group's risk appetite and defined risk tolerance levels in order to achieve OMV's long-term strategy.**

It is OMV's view that the Group's overall risk is significantly lower than the sum of the individual risks due to its integrated nature and the fact that various risks partially offset each other. The balancing effects of industry risks, however, can often lag or weaken. OMV's risk management activities therefore focus on the net risk exposure of the Group's existing and future portfolio. The interdependencies and correlations between different risks are also reflected in the Company's consolidated risk profile. Risk management and insurance activities are centrally coordinated at the corporate level by the Treasury and Risk Management department. This department ensures that well-defined and consistent risk management processes, tools, and techniques are applied across the entire organization. Risk ownership is assigned to the managers who are best suited to oversee and manage the respective risk.

The overall objective of the risk policy is to safeguard the cash flows required by the Group and to maintain a strong, investment-grade credit rating in line with the Group's risk appetite.

OMV is closely monitoring the development of the consequences of the COVID-19 pandemic and regularly evaluating the impact on the Group's cash flow and liquidity position. OMV is responding to the situation with targeted measures to safeguard the Company's economic stability and the secure supply of energy. The health and wellbeing of every employee is our top priority. At the same time, OMV is implementing targeted measures to preserve the Company's financial strength, namely reduction of investments, cost cutting, and postponing acquisition projects.

### Enterprise-Wide Risk Management

Non-financial and financial risks are regularly identified, assessed, and reported through the Group-wide Enterprise-Wide Risk Management (EWRM) process.

The main purpose of the OMV Group's EWRM process is to deliver value through risk-based management and decision-making, which is ensured by applying a "three lines of defense model" (1. business management, 2. risk management and oversight functions, 3. internal audit). The assessment of financial, operational, and strategic risks helps the Group leverage business opportunities in a systematic manner. This ensures that

OMV's value grows sustainably. Since 2003, the EWRM system has helped enhance risk awareness and improve risk management skills across the entire organization, including at subsidiaries in more than 20 countries. The OMV Group is constantly enhancing the EWRM process based on internal and external requirements.

A cross-functional committee chaired by the OMV Group's CFO with senior management members of the OMV Group – the Risk Committee – ensures that the EWRM process effectively captures and manages material risks across the OMV Group.

The process is facilitated by a Group-wide IT system supporting the established individual process steps: risk identification, risk analysis, risk evaluation, risk treatment, reporting, and risk review through continuous monitoring of changes to the risk profile. The overall risk resulting from the bottom-up risk management process is computed using Monte Carlo simulations and compared against planning data. This is further combined with a top-down approach from the senior management view to capture the risks inherent in the strategy. The process also includes companies that are not fully consolidated. Twice a year, the results from this process are consolidated and presented to the Executive Board and the Audit Committee. In compliance with the Austrian Code of Corporate Governance, the effectiveness of the EWRM system is evaluated by the external auditor on an annual basis. The key non-financial and financial risks identified with respect to OMV's medium-term plan are:

- ▶ Financial risks including market price risks and foreign exchange risks
- ▶ Operational risks including all risks related to physical assets, production risks, project risks, personnel risks, IT risks, HSSE, and regulatory/compliance risks
- ▶ Strategic risks arising, for example, from changes in climate change, technology, risks to reputation, or political uncertainties, including sanctions

### Financial risk management

Market price and financial risks arise from volatility in the prices of commodities including the market price risks from European Emission Allowances, foreign

exchange (FX) rates, and interest rates. Also of importance are credit risks, which arise from the inability of a counterparty to meet a payment or delivery commitment. As an oil, gas and petrochemical company, OMV has a significant exposure to oil and gas prices. Substantial FX exposures include the USD, RON, NOK, NZD, SEK and RUB. The Group has a net USD long position mainly resulting from oil production sales. The comparatively less significant short positions in RON, NOK, NZD, SEK and RUB originate from expenses in local currencies in the respective countries.

#### Management of market price risk, FX risk, European Emission Allowances

The analysis and management of financial risks arising from foreign currencies, interest rates, commodity prices, European Emission Allowances, counterparties, liquidity, and insurable risks are consolidated at the corporate level. Market price risk is monitored and analyzed centrally in respect of its potential cash flow impact using a specific risk analysis model that considers portfolio effects. The impact of financial risks (e.g., market prices, currencies) on the OMV Group's cash flow and liquidity are reviewed quarterly by the Risk Committee, which is chaired by the CFO and comprises the senior management of the business segments and corporate functions.

In the context of market price risk and FX risk, the OMV Executive Board decides on hedging strategies to mitigate such risks whenever deemed necessary. OMV uses financial instruments for hedging purposes to protect the Group's cash flow from the potential negative impact of falling oil and gas prices in the Upstream business.

In the Downstream business, OMV is especially exposed to volatile refining and petrochemical margins and natural gas prices, as well as inventory risks. Corresponding optimization and hedging activities are undertaken in order to mitigate those risks. Those include margin hedges as well as stock hedges. An optimization, trading and hedging risk control governance system defines clear mandates including risk thresholds for such activities. In addition, Emission Compliance Management ensures a balanced position of emission allowances by selling the surplus or covering the gap.

#### Management of interest rate risk

To balance the Group's interest rate portfolio, loans can be converted from fixed to floating rates and vice versa according to predefined rules. 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 rates are not considered to be a material risk.

#### Management of credit risk

Significant counterparty credit risks are assessed, monitored, and controlled at the Group and segment level using predetermined credit limits for all counterparties, banks, and security providers. The procedures are governed by guidelines at the OMV Group and OMV Petrom level. Based on the high economic uncertainty resulting from the COVID-19 pandemic, special attention is paid to early warning signals like changes in payment behavior.

#### Operational risks

The nature of OMV's business operations exposes the Group to various health, safety, security, and environmental (HSSE) risks. Such risks include the potential impact of natural disasters as well as process safety and personal security events. Other operational risks comprise risks related to the delivery of capital projects or legal/regulatory non-compliance. All operational risks are identified, analyzed, monitored, and mitigated following the Group's defined risk management process.

Control and mitigation of assessed risks takes place at all organizational levels using clearly defined risk policies and responsibilities. The key Group risks are governed centrally to ensure the Group's ability to meet planning objectives through corporate directives, including those relating to health, safety, security, environment, legal matters, compliance, human resources, and sustainability.

OMV puts a special emphasis on five Sustainability Strategy areas: HSSE; Carbon Efficiency; Innovation; Employees; Business Principles and Social Responsibility. OMV Executive Board members regularly (at least quarterly) discuss current and upcoming environmental, climate, and energy-related policies and regulations; related developments in the fuels and gas market; the financial implications of carbon emissions trading obligations; the status of innovation project implementation; and progress on achieving sustainability-related targets. OMV focuses on assessing the potential vulnerabilities of the Company to climate change (e.g., water deficiency, droughts, floods, landslides), the impact of the Company on the environment, and the mitigation actions that will ensure a successful transition to a low-carbon environment (e.g., carbon emission reduction, compliance with new regulatory requirements).

As OMV's activities rely on information technology systems, the Group may experience disruption due to major cyber events. Security controls are therefore implemented across the Group to protect information and cyber assets that store and process information. IT-related risks are assessed, monitored regularly, and managed actively with dedicated information and security programs across the organization.

## Strategic risks




In order to identify strategic risks which might have potential long-term effects on the Company's objectives OMV continuously monitors its internal and external environment.

OMV operates and has financial investments in countries that are subject to political uncertainties, in particular Libya, Kazakhstan, Yemen, Russia, Brazil, and Tunisia. Possible political changes may lead to disruptions and limitations in production or an increased tax burden, restrictions on foreign ownership, or even nationalization of property. However, OMV has extensive experience in dealing with 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.

OMV also evaluates the risk of potential US or EU sanctions and their impact on planned or existing operations. The aim here is to stay in full compliance with all applicable sanctions. In particular, risks due to political and regulatory developments both inside and outside of Europe with potential unfavorable effects on the Nord Stream 2 project and on OMV's activities in Russia are regularly assessed and monitored.

OMV consistently evaluates the Group's exposure to risks related to climate change in addition to the market price risk from European Emission Allowances. Such risks comprise the potential impact of 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. Measures that we implement to manage or mitigate such risks are set out in the relevant sections of this report, particularly in Sustainability and Strategy.

Through systematic employee succession and development planning, Corporate Human Resources targets suitable managerial employees to meet future growth requirements in order to mitigate personnel risks.

-  For further details on risk management and the use of financial instruments, please refer to Note 28 of the Consolidated Financial Statements.
-  For further details on climate-change-related risks and their management, see the OMV's Sustainability Report.
-  For further details on health, safety, security, and environmental risks, please refer to the chapter Health, Safety, Security, and Environment in the Directors' Report.

## Other Information

### Information required by section 243a of the Unternehmensgesetzbuch (Austrian Commercial Code)

1. The capital stock amounts to EUR 327,272,727 and is divided into 327,272,727 bearer shares of no par value. There is only one class of shares.
2. There is a consortium agreement in place between the two core shareholders, Österreichische Beteiligungs AG (ÖBAG) and Mubadala Petroleum and Petrochemicals Holding Company L.L.C (MPPH), which provides for coordinated behavior and certain limitations on transfers of shareholdings.
3. ÖBAG holds 31.5% and MPPH holds 24.9% of the capital stock.
4. All shares have the same control rights.
5. Employees who are shareholders directly exercise their voting rights at the Annual General Meeting.
6. The Company's Executive Board must consist of two to six members. The Company's Supervisory Board must consist of at least six members elected by the Annual General Meeting and of the members nominated under section 110 (1) of the Arbeitsverfassungsgesetz (Austrian Labor Constitution Act). Resolutions concerning the dismissal of members of the Supervisory Board pursuant to section 87 (8) of the Aktiengesetz (Austrian Stock Corporation Act) require a simple majority of the votes cast. To approve capital increases pursuant to section 149 of the Austrian Stock Corporation Act and alterations of the Articles of Association (except those concerning the Company's objects), simple majorities of the votes and capital represented in adopting the resolution are sufficient.
7.
  - 7.a) As the authorized capital granted by the Annual General Meeting on May 14, 2014 expired on May 14, 2019, the Annual General Meeting decided upon a new authorized capital on September 29, 2020. Specifically, it authorized the Executive Board until September 29, 2025 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 Austrian 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. The Annual General Meeting also 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 transfer programs, in particular long term incentive plans, equity deferrals or other participation programs 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.
  - 7.b) 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, of the Austrian Commercial Code) or by third parties for the account of the Company.
  - 7.c) 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 (1) (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 Annual 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.

8. OMV has issued perpetual hybrid notes in the amount of EUR 3,250 mn which are subordinated to all other creditors. According to IFRS, the net proceeds of the hybrid notes in the amount of EUR 3,228 mn 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 principal amount of EUR 1,500 mn, in two tranches of EUR 750 mn each with the following interest payable:

- (i) The hybrid notes of tranche 1 bear a fixed interest rate of 5.250% per annum until, but excluding, December 9, 2021, which is the first call date of tranche 1. From December 9, 2021 (including), until, but excluding, December 9, 2025, the hybrid notes of tranche 1 will bear interest per annum according to a reset interest rate to be determined according to the relevant five-year swap rate plus a specified margin. From December 9, 2025 (including), the notes will bear an interest rate per annum at the relevant five-year swap rate for the relevant interest period plus a specified margin and a step-up of 100 basis points.

- (ii) The hybrid notes of tranche 2 bear a fixed interest rate of 6.250% per annum until, but excluding, December 9, 2025, which is the first call date of tranche 2. From December 9, 2025 (including), tranche 2 will bear an interest rate per annum at the relevant five-year swap rate for the relevant interest period plus a specified margin and a step-up of 100 basis points.

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 Annual General Meeting of OMV resolves upon a dividend payment on OMV shares.

On June 19, 2018 OMV issued a hybrid bond with a principal amount of EUR 500 mn. The hybrid bond bears a fixed interest rate of 2.875% per annum until, but excluding, June 19, 2024. From June 19, 2024 (including), until, but excluding, June 19, 2028 the hybrid notes will bear interest at a rate corresponding to the relevant five-year swap rate plus a specified margin. From June 19, 2028 (including), the notes will bear an interest rate per annum at the relevant five-year swap rate for the relevant interest period plus a specified margin and a step-up of 100 basis points. 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 Annual General Meeting of OMV resolves upon a dividend payment on OMV shares.

On September 1, 2020, OMV issued hybrid notes with an aggregate principal amount of EUR 1,250 mn, in two tranches (Tranche 1: EUR 750 mn; Tranche 2: EUR 500 mn) with the following interest payable:

- (iii) The hybrid notes of tranche 1 bear a fixed interest rate of 2.500% per annum until, but excluding September 1, 2026, which is the first reset date of tranche 1. From the first reset date (including), until, but excluding, September 1, 2030, the hybrid notes of tranche 1 will bear interest per annum at a reset interest rate which is determined according to the relevant five-year swap rate plus a specified margin. From September 1, 2030 (including), the notes will bear an interest rate per annum at the relevant five-year swap rate for each interest period thereafter

plus a specified margin and a step-up of 100 basis points.

- (iv) The hybrid notes of tranche 2 bear a fixed interest rate of 2.875% per annum until, but excluding September 1, 2029, which is the first reset date of tranche 2. From the first reset date (including), until, but excluding, September 1, 2030, the hybrid notes of tranche 2 will bear interest per annum at a reset interest rate which is determined according to the relevant five-year swap rate plus a specified margin. From September 1, 2030 (including), the notes will bear an interest rate per annum at the relevant five-year swap rate for each interest period thereafter plus a specified margin and a step-up of 100 basis points.

Interest is due and payable annually in arrears on September 1 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 Annual General Meeting of OMV resolves upon a dividend payment on OMV shares.

The hybrid notes outstanding as of December 31, 2020 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 notes are redeemed. In the case of a change of control, for example, OMV may call the hybrid notes for re-demption or else the applicable interest rate will be subject to an increase according to the terms and conditions of the hybrid notes.

9. The material financing agreements to which OMV is a party and bonds issued by OMV contain typical change of control clauses.

10. There are no agreements between the Company and members of the Executive Board and Supervisory Board or employees regarding the payment of compensation in the event of a public takeover bid.
11. The most important elements of the internal control and risk management system regarding the accounting process are the following: Governance for the internal control system is defined by internal corporate regulations (ICS Directive and its Annexes). Corporate Internal Audit controls the compliance with these principles and requirements through regular audits, based on the annual audit plan approved by the Audit Committee of the Supervisory Board, or through ad hoc audits.

The results of those audits are presented to the Audit Committee of the Supervisory Board. For the main "end-to-end" processes (e.g. purchase-to-pay, order-to-cash), Group-wide Minimum Control Requirements are defined. Based on a defined time plan, the implementation and the effectiveness are being monitored. The establishment of Group-wide standards for the preparation of annual and interim financial statements by means of the corporate IFRS Accounting Manual is also regulated by an internal corporate regulation. The Group uses a comprehensive risk management system. The essential processes of the financial reporting system have been identified and analyzed. In addition, the effectiveness of the risk management system is regularly evaluated by external auditors. The results of the evaluation are reported to the Audit Committee of the Supervisory Board.

12. In accordance with section 267a (6) of the Commercial Code, a separate consolidated non-financial report will be issued.

## Subsequent events

 Please refer to Note 37 in the Consolidated Financial Statements.

Vienna, March 10, 2021

The Executive Board

**Rainer Seele m.p.**

Chairman of the Executive Board  
and Chief Executive Officer

**Johann Pleininger m.p.**

Deputy Chairman of the Executive Board  
and Chief Upstream Operations Officer

**Reinhard Florey m.p.**

Chief Financial Officer

**Thomas Gangl m.p.**

Chief Downstream Operations Officer

**Elena Skvortsova m.p.**

Chief Commercial Officer



# 3

## CONSOLIDATED CORPORATE GOVERNANCE REPORT

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# Consolidated Corporate Governance Report

**OMV, as a publicly listed company with its headquarters in Austria, is dedicated to the principles of sound corporate governance and has always sought to comply with best practice in corporate governance to ensure responsible management and control of the OMV Group, a high level of transparency for every stakeholder and, ultimately, the sustainable and long-term creation of value.**

Austrian law, the Articles of Association, the Internal Rules for the corporate bodies, and the Austrian Code of Corporate Governance (ACCG) provide the core legal framework for OMV's corporate governance. OMV adheres to the ACCG issued by the Austrian Working Group for Corporate Governance. The code is publicly accessible at [www.corporate-governance.at](http://www.corporate-governance.at). OMV's compliance with the ACCG in 2020 was evaluated externally by independent advisors. The report on the evaluation is available at [www.omv.com](http://www.omv.com) and confirms that OMV conformed to all of the compulsory "comply or explain" rules (the "C-rules") and also all of the recommended rules (the "R-rules"). As for C-rules 27 and 28, explanations concerning the structure of the compensation for the Executive Board and the Supervisory Board of OMV is described in the Remuneration Policy. The implementation of the policy and the performance outcomes of the financial year under review are set out in the annual Remuneration Report for OMV's Executive Board and Supervisory Board prepared starting with financial year 2020. The Remuneration Policy and the Remuneration Report are published on [www.omv.com](http://www.omv.com). The next external evaluation is scheduled to be carried out for the 2022 financial year.

For OMV Petrom S.A., a company consolidated in the OMV Group and the shares of which are publicly listed on the Bucharest Stock Exchange as well as on the London Stock Exchange, the relevant Corporate Governance Report can be found at [www.omvpetrom.com/en/about-us/corporate-governance-aboutus](http://www.omvpetrom.com/en/about-us/corporate-governance-aboutus).

In accordance with the recommendation in the AFRAC opinion on the Corporate Governance Report, the Corporate Governance Report of the parent company and the consolidated Corporate Governance Report are combined in one report.

## Executive Board<sup>1</sup>

### Rainer Seele, \*1960

Date of initial appointment: July 1, 2015

End of the current period of tenure: June 30, 2022

Chairman of the Executive Board and Chief Executive Officer

Responsible for the overall management and coordination of the Group

Rainer Seele received his PhD in chemistry at the University of Göttingen and subsequently had senior appointments at the BASF Group where in 2000 he first became a member of the Executive Board and then later chairman of the Executive Board at WINGAS GmbH. From 2009 until 2015, he was chairman of the board of directors of Wintershall Holding GmbH.

### Functions in major subsidiaries of the OMV Group

| Company                        | Function  |
|--------------------------------|---|
| OMV Petrom S. A.               | President of the Supervisory Board  |
| Borealis AG                    | Deputy Chairman of the Supervisory Board (until October 29, 2020)<br>Chairman of the Supervisory Board (since October 29, 2020) |
| OMV Downstream GmbH            | Managing Director (until June 15, 2020)   |
| OMV Gas Logistics Holding GmbH | Managing Director (until June 4, 2020)  |

<sup>1</sup> The Supervisory Board of OMV Aktiengesellschaft has approved a reorganization of the OMV Group involving splitting and expanding the current area of Refining & Petrochemical Operations into two areas: Refining and Chemicals & Materials. The Supervisory Board has further appointed Alfred Stern as Executive Board member for Chemicals & Materials. The changes will take effect as of April 1, 2021.

**Johann Pleininger, \*1962**

Date of initial appointment: September 1, 2015  
 End of the current period of tenure: August 31, 2023  
 Deputy Chairman of the Executive Board and responsible for the Upstream Business Segment

Chief Upstream Operations Officer

Johann Pleininger started his professional career at OMV in 1977 and later studied mechanical and economic engineering. During his time at OMV, he held various senior positions. From 2007 to 2013, he was an Executive Board member of OMV Petrom in Bucharest, responsible for Exploration & Production. Prior to his appointment as Executive Board member of OMV, he was the Senior Vice President responsible for the core Upstream countries Romania and Austria as well as for the development of the Black Sea region.

Member of the Supervisory Board of FK Austria Wien AG

**Functions in major subsidiaries of the OMV Group**

| Company                                   | Function                              |
|---|---------------------------------------|
| OMV Petrom S. A.                          | Member of the Supervisory Board       |
| OJSC Severneftegazprom                    | Member of Board of Directors          |
| SapuraOMV Upstream Sdn. Bhd.              | Deputy Chairman of Board of Directors |
| OMV Exploration & Production GmbH         | Managing Director                     |
| OMV Austria Exploration & Production GmbH | Chairman of the Supervisory Board     |

**Reinhard Florey, \*1965**

Date of initial appointment: July 1, 2016  
 End of the current period of tenure: June 30, 2024  
 Chief Financial Officer

Responsible for Finance

Reinhard Florey graduated with a degree in mechanical engineering and economics from the Graz University of Technology while also completing his music studies at the University of Fine Arts. He started his career in corporate consulting and strategy consulting. From 2002 to 2012, he worked in different positions worldwide for Thyssen Krupp AG. Until June 2016, he was CFO and Deputy CEO of Outokumpu Oyj.

Member of the Supervisory Board of Wiener Börse AG

**Functions in major subsidiaries of the OMV Group**

| Company                         | Function   |
|---------------------------------|--|
| OMV Petrom S. A.                | Deputy Chairman of the Supervisory Board                 |
| OMV Petrom Global Solutions SRL | President of the Supervision Body (until August 1, 2020) |
| Borealis AG                     | Member of the Supervisory Board (since October 29, 2020) |

**Thomas Gangl, \*1971<sup>1</sup>**

Date of initial appointment: July 1, 2019  
 End of the current period of tenure: June 30, 2022  
 Executive Board member responsible for Refining & Petrochemical Operations

Chief Downstream Operations Officer

Thomas Gangl began his OMV career in 1998 as a process engineer at the Schwechat refinery after studying process engineering at the Vienna University of Technology and mechanical engineering at the University of Salford (Manchester). In 2011, he became General Manager of OMV Deutschland GmbH and Site Manager in Burghausen. He was appointed Site Manager in Schwechat in 2014 and took over the role of Senior Vice President of the Refining & Petrochemicals Business Unit with responsibility for all three OMV refineries in 2016. On July 1, 2019, Thomas Gangl became the Executive Board member responsible for Refining & Petrochemical Operations.

**Functions in major subsidiaries of the OMV Group**

| Company                        | Function                                    |
|--------------------------------|---|
| OMV Petrom S.A.                | Member of the Supervisory Board             |
| Borealis AG                    | Member of the Supervisory Board             |
| OMV Downstream GmbH            | Managing Director                           |
| OMV Gas Logistics Holding GmbH | Managing Director (since February 12, 2020) |

**Working practices of the Executive Board**

The approval requirements, responsibilities of individual Executive Board members, decision-making procedures, and the approach to conflicts of interest are governed by the Internal Rules of the Executive Board. The Executive Board holds meetings at least every two weeks to exchange information and issue decisions on all matters requiring plenary approval.

**Elena Skvortsova, \*1970**

Date of initial appointment: June 15, 2020  
 End of the current period of tenure: June 14, 2023  
 Executive Board member responsible for Marketing & Trading

Chief Commercial Officer

Elena Skvortsova studied at Moscow State Linguistic University and the Thunderbird School of Global Management in the United States. She began her professional career at Bayer in 1994 as an international management trainee; her latest position at Bayer was Associate Director of Bayer Corporation (Healthcare). Starting in 2001, Elena Skvortsova held various leadership positions at Baxter International in the United States, Central and Eastern Europe, and the United Kingdom for 13 years. In 2015, she moved to Linde AG and was responsible for managing the Middle East and Eastern Europe region. From March 2019 to April 2020, following the merger of Linde and Praxair, she was head of Praxair Canada Inc., a 100% subsidiary of Linde plc. Elena Skvortsova has been a member of OMV's Executive Board since June 15, 2020, and is responsible for the OMV Downstream Marketing & Trading division.

**Functions in major subsidiaries of the OMV Group**

| Company             | Function                                |
|---------------------|---|
| OMV Downstream GmbH | Managing Director (since June 16, 2020) |

<sup>1</sup> The Supervisory Board of Borealis Aktiengesellschaft has appointed Thomas Gangl to the post of Chief Executive Officer. He will take over the role from Alfred Stern, effective April 1, 2021. Alfred Stern will join the OMV Executive Board and hold responsibility for the Chemicals & Materials division.



## Supervisory Board

OMV's Supervisory Board consists of ten members elected by the General Meeting (shareholders' representatives) and five members delegated by the Group works council<sup>1</sup>. Eight of the current shareholders' representatives were elected at the 2019 Annual General Meeting (AGM) and two were elected at the 2020 AGM. The members of OMV's Supervisory Board in 2020 and their appointments to supervisory boards of other domestic or foreign listed companies as well as any management functions held are shown below.

### Wolfgang C. Berndt, \* 1942

Chairman (until September 29, 2020)

Seats: no seats in domestic or foreign listed companies

### Mark Garrett, \* 1962

Chairman (since September 29, 2020)

(Chief Executive Officer, Marquard & Bahls AG)

Seats: Axalta Coating Systems (Chairman), Umicore

### Thomas Schmid, \* 1975

Deputy Chairman

(Chief Executive Officer, Österreichische

Beteiligungs AG)

Seats: Verbund AG, Telekom Austria AG

### Alyazia Ali Al Kuwaiti, \* 1979

Deputy Chairwoman

(Executive Director Upstream & Integrated, Mubadala

Investment Company PJSC)

Seats: no seats in domestic or foreign listed companies

### Mansour Mohamed Al Mulla, \* 1979

(Platform CFO Petroleum & Petrochemicals, Mubadala

Investment Company PJSC)

Seats: Aldar Properties PJSC

### Stefan Doboczky, \* 1967

(Chief Executive Officer, Lenzing AG)

Seats: no seats in domestic or foreign listed companies

### Karl Rose, \* 1961

(Strategy Advisor, Abu Dhabi National Oil Company)

Seats: no seats in domestic or foreign listed companies

### Elisabeth Stadler, \* 1961

(Chief Executive Officer, VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe)

Seats: voestalpine AG

### Christoph Swarovski, \* 1970

(Chief Executive Officer, Tyrolit AG)

Seats: no seats in domestic or foreign listed companies

### Cathrine Trattner, \* 1976

Seats: no seats in domestic or foreign listed companies

### Gertrude Tumpel-Gugerell, \* 1952

Seats: Commerzbank AG, VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, AT&S

Austria Technologie & Systemtechnik AG

### Delegated by the Group works council (employee representatives)

### Christine Asperger, \* 1964 (until October 1, 2020)

### Herbert Lindner, \* 1961

### Alfred Redlich, \* 1966 (until December 2, 2020)

### Gerhard Singer, \* 1960

### Angela Schorna, \* 1980

More detailed information about all members of OMV's Supervisory Board, including their professional careers, can be obtained from OMV's website at [www.omv.com](http://www.omv.com) > About us > Supervisory Board.

### Diversity

The main considerations in selecting the members of the Supervisory Board are relevant knowledge, personal integrity and experience in executive positions. Furthermore, aspects of diversity of the Supervisory Board with respect to the internationality of the members, the representation of both genders, and the age structure are taken into account. The Supervisory Board includes five women (as per December 31, 2020) and three non-Austrian nationals. The members of the Supervisory Board are aged between 40 and 68.

### Independence

The Supervisory Board has defined the criteria that constitute independence (resolutions dated March 21, 2006, and March 25, 2009). In addition to the guidelines set out in Annex 1 of the ACCG, the Supervisory Board has established the following criteria

<sup>1</sup> Due to the resignation of Christine Asperger (October 1, 2020) and Alfred Redlich (December 2, 2020) there were three members delegated by the Group works council part of the Supervisory Board at the end of 2020.

with regard to its members elected by the General Meeting:

- ▶ A Supervisory Board member shall not serve on the Executive Board of an OMV Group company.
- ▶ A Supervisory Board member shall not hold stock options issued by the Company or any affiliated company, or receive any other performance-related remuneration from an OMV Group company.
- ▶ A Supervisory Board member shall not be a shareholder with a controlling interest in the meaning of EU Directive 83/349/EEC (i.e. an interest of more than 50% of the voting rights or a dominant influence, e.g. through the right to appoint Board members) or represent such a shareholder.

All members elected by the General Meeting have declared their independence from the Company and its Executive Board during the 2020 financial year and up to the time of making such declarations (C-rule 53 of the ACCG). Under C-rule 54 of the ACCG, Wolfgang C. Berndt, Mark Garrett, Stefan Doboczky, Karl Rose,

Elisabeth Stadler, Christoph Swarovski, Cathrine Trattner, and Gertrude Tumpel-Gugerell have made declarations to the effect that they were not shareholders with a stake of more than 10% or represented such shareholders' interests during the 2020 financial year and up to the time of making such declarations. Wolfgang C. Berndt, Mark Garrett, Stefan Doboczky, Karl Rose, Elisabeth Stadler, Christoph Swarovski, Cathrine Trattner, and Gertrude Tumpel-Gugerell were nominated for the election as Supervisory Board members by Österreichische Beteiligungs AG, which must comply with the strict independence and incompatibility criteria of the Austrian Code of Corporate Governance when nominating or appointing persons as members of the Supervisory Boards of its affiliated companies and ensure that they exercise their activities on the Supervisory Boards of the affiliated companies independently of their own interests or those of legal entities closely associated with them.

#### Position and committee memberships in 2020<sup>1</sup>

| Name                     | Supervisory Board and Committees 2020 <sup>1</sup> |                |                |    |    | Term of office                      |
|--------------------------|--|----------------|----------------|----|----|-------------------------------------|
|                          | SB   | PNC            | PPC            | AC | RC |                                     |
| Wolfgang C. Berndt       | C  | C              | M              | M  | C  | May 26, 2010, to September 29, 2020 |
| Mark Garrett             | C  | C              | M              | M  | DC | September 29, 2020, to 2023 AGM     |
| Thomas Schmid            | DC   | DC             | DC             | M  | C  | May 14, 2019, to 2024 AGM           |
| Alyazia Ali Al Kuwaiti   | DC   | DC             | DC             | DC | DC | May 22, 2018, to 2024 AGM           |
| Mansour Mohamed Al Mulla | M  | M              | M              | –  | –  | May 22, 2018, to 2024 AGM           |
| Stefan Doboczky          | M  | –              | M <sup>2</sup> | –  | –  | May 14, 2019, to 2022 AGM           |
| Karl Rose                | M  | –              | C              | –  | –  | May 18, 2016, to 2024 AGM           |
| Elisabeth Stadler        | M  | –              | –              | DC | –  | May 14, 2019, to 2022 AGM           |
| Christoph Swarovski      | M  | –              | –              | –  | M  | May 14, 2019, to 2022 AGM           |
| Cathrine Trattner        | M  | –              | –              | M  | –  | May 14, 2019, to 2022 AGM           |
| Gertrude Tumpel-Gugerell | M  | –              | –              | C  | M  | May 19, 2015, to 2022 AGM           |
| Christine Asperger       | M  | M              | –              | –  | –  | January 1, 2013, to October 1, 2020 |
| Herbert Lindner          | M  | M <sup>3</sup> | M              | M  | –  | Since June 1, 2013                  |
| Alfred Redlich           | M  | M              | M              | –  | –  | June 1, 2013, to December 2, 2020   |
| Angela Schorna           | M  | M <sup>3</sup> | M <sup>3</sup> | M  | –  | Since March 23, 2018                |
| Gerhard Singer           | M  | –              | M              | M  | –  | Since September 26, 2016            |

<sup>1</sup> Abbreviations: SB = Supervisory Board, PNC = Presidential and Nomination, Committee, PPC = Portfolio and Project Committee, AC = Audit Committee, RC = Remuneration Committee, C = Chairman/Chairwoman, DC = Deputy Chairman/Chairwoman, M = Member, AGM = Annual General Meeting

<sup>2</sup> Since June 19, 2020

<sup>3</sup> Since December 3, 2020

### Working practices of the Supervisory Board

The Supervisory Board fulfills its duties – in particular supervising the Executive Board and advising it on strategy – by discussing the Company's situation and objectives during board meetings. Decisions are also taken at these meetings, except in urgent cases where resolutions can be taken by circular vote. Four committees ensure that the best possible use is made of the Supervisory Board members' expertise. Brief descriptions of these committees are given below (see also the Report of the Supervisory Board for an overview of the individual committees' main activities in 2020). In 2020, eight meetings of the Supervisory Board and 19 Committee meetings were held. In several of these meetings, the Executive Board and the Supervisory Board discussed OMV's strategy. No member of the Supervisory Board attended fewer than half of the meetings.

Attendance of Supervisory Board and Committee meetings in 2020 was as follows:

#### Attendance of Supervisory Board and Committee Meetings in 2020 <sup>1</sup>

| Name                            | SB  | PNC              | PPC              | AC  | RC  |
|---------------------------------|-----|------------------|------------------|-----|-----|
| Wolfgang C. Berndt <sup>2</sup> | 5/5 | 4/4              | 3/3              | 3/3 | 3/3 |
| Mark Garrett <sup>3</sup>       | 3/3 | 1/1              | 2/2              | 2/2 | 1/1 |
| Thomas Schmid                   | 8/8 | 5/5              | 4/5              | 4/5 | 4/4 |
| Alyazia Ali Al Kuwaiti          | 6/8 | 4/5              | 3/5              | 4/5 | 4/4 |
| Mansour Mohamed Al Mulla        | 7/8 | 5/5              | 3/5              |     |     |
| Stefan Doboczky                 | 6/8 |                  | 3/3 <sup>6</sup> |     |     |
| Karl Rose                       | 8/8 |                  | 4/5              |     |     |
| Elisabeth Stadler               | 7/8 |                  |                  | 4/5 |     |
| Christoph Swarovski             | 5/8 |                  |                  |     | 2/4 |
| Cathrine Trattner               | 8/8 |                  |                  | 5/5 |     |
| Gertrude Tumpel-Gugerell        | 8/8 |                  |                  | 5/5 | 4/4 |
| Christine Asperger <sup>4</sup> | 3/6 | 2/4              |                  |     |     |
| Herbert Lindner                 | 8/8 | 1/1 <sup>7</sup> | 5/5              | 5/5 |     |
| Alfred Redlich <sup>5</sup>     | 5/7 | 3/4              | 3/4              |     |     |
| Angela Schorna                  | 7/8 | 1/1 <sup>7</sup> | 1/1 <sup>7</sup> | 5/5 |     |
| Gerhard Singer                  | 7/8 |                  | 5/5              | 4/5 |     |

<sup>1</sup> Abbreviations: SB = Supervisory Board, PNC = Presidential and Nomination Committee, PPC = Portfolio and Project Committee, AC = Audit Committee, RC = Remuneration Committee

<sup>2</sup> Until September 29, 2020

<sup>3</sup> Since September 29, 2020

<sup>4</sup> Until October 1, 2020

<sup>5</sup> Until December 2, 2020

<sup>6</sup> Since June 19, 2020

<sup>7</sup> Since December 3, 2020

Pursuant to C-rule 36, the Supervisory Board is tasked with discussing the efficiency of its activities annually, in particular its organization and work procedures (self-evaluation).

### Presidential and Nomination Committee

This committee is empowered to take decisions on matters of urgency. The Supervisory Board may transfer other duties and powers of approval to the Presidential and Nomination Committee on an ad hoc or permanent basis. In its capacity as the Nomination Committee, this body makes proposals to the Supervisory Board for the appointment or replacement of Executive Board members and deals with succession planning. It also makes recommendations to the General Meeting for appointments to the Supervisory Board. There were five meetings of the Presidential and Nomination Committee in 2020, in which discussions focused on Executive and Supervisory Board matters.

### Audit Committee

This committee performs the duties established by section 92 (4a) Austrian Stock Corporation Act. The committee held five meetings during the year. It predominantly dealt with preparations for the audit of the annual financial statements, a review of the auditors' activities, internal audit, the internal control and risk management systems, as well as the presentation of the annual financial statements. Gertrude Tumpel-Gugerell is the financial expert on the Audit Committee within the meaning of section 92 (4a) (1) Austrian Stock Corporation Act.

### Auditors

The Supervisory Board monitors the auditors' independence and reviews a breakdown of the audit fees and fees for additional services besides auditing activities. In 2020, the auditors Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. (including their network within the meaning of section 271b Austrian Commercial Code) received EUR 3.57 mn for the annual audit, EUR 0.89 mn for other assurance services, EUR 0.10 mn for tax advisory services, and EUR 1.15 mn for other engagements.

### Portfolio and Project Committee

This committee supports the Executive Board in preparing complex decisions on key issues where necessary and reports on these decisions and any recommendations to the Supervisory Board. In 2020, five meetings of the Portfolio and Project Committee were held.

### Remuneration Committee

This committee deals with all aspects of the remuneration of Executive Board members and with their employment contracts. The committee's membership does not include employee representatives. The committee is empowered to

conclude, amend, and terminate Executive Board members' employment contracts and to make decisions on the awarding of bonuses (variable remuneration components) and other such benefits to them. The Remuneration Committee met four times during 2020. Executive Board members were invited to attend parts of some of the meetings of the Remuneration Committee.

hkp/// group was appointed by the Remuneration Committee and provided remuneration advice to the Committee, which included the elaboration of best practice comparisons with regard to Executive Board remuneration, advice on the appropriate structure and level of Executive Board compensation in line with regulatory requirements and market practice as well as support for the finalization of the remuneration policy.

In 2020 hkp/// group was also appointed by OMV and by OMV Petrom. They provided advice to OMV, in relation to governance processes between OMV and OMV Petrom, and to OMV Petrom on the development and drafting of the Remuneration Policy for of the Executive and Supervisory Board of OMV Petrom. hkp/// group provided advise on the development of OMV's Remuneration Report and supported the Remuneration Committee in discussion the Remuneration Policy. The consultant company did not advise the OMV Executive Board in matters relating to remuneration, ensuring independence with respect to the Austrian Code of Corporate Governance.

#### **Conflicts of interest and dealings by members of the Supervisory Board requiring approval**

There were no transactions requiring approval in accordance with section 95 (5) (12) Austrian Stock Corporation Act. Attention is drawn to the fact that the Supervisory Board Members Mark Garrett, Stefan Doboczky, and Elisabeth Stadler are chairpersons of the executive boards of companies with which supply contracts and insurance and related contracts, respectively, were concluded under normal market and industry terms and conditions (including consideration). Although these contracts do not raise concerns in relation to a potential conflict of interest, related Supervisory Board approvals have been obtained. The Internal Rules of the Supervisory Board contain detailed procedures for handling conflicts of interest on the part of Supervisory Board members.

#### **Employee participation<sup>1</sup>**

The Group works council holds regular meetings with the Executive Board in order to exchange information on developments affecting employees. Furthermore, the Group works council has made use of its right to delegate members to the Supervisory Board (one employee representative for every two members elected by the General Meeting). Therefore, out of the 15 Supervisory Board members, five members are employee representatives.

#### **Rights of minority shareholders**

- ▶ General Meeting: An Extraordinary General Meeting must be convened at the request of shareholders holding not less than 5% of the shares.
- ▶ Agenda items must be included at the request of shareholders holding not less than 5% of the shares.
- ▶ Shareholders holding not less than 1% of the shares may submit resolution proposals on all agenda items. Such resolution proposals must be posted on the website upon request of the respective shareholders.
- ▶ Shareholders holding not less than 10% of the shares may require an extraordinary audit in the event of grounds for suspicion of irregularities, or gross violations of the law or the Articles of Association.
- ▶ All shareholders having duly provided evidence of their shareholding are entitled to attend General Meetings, ask questions and vote.
- ▶ Election of the Supervisory Board: If elections for two or more positions to the Supervisory Board are held at the same General Meeting, separate votes must be held for each position. If elections for three or more seats on the Supervisory Board are held at the same General Meeting, and if prior to the vote on the last position to be assigned it is found that at least one-third of all the votes have been cast in favor of the same person but he or she has not been elected, then this person must be declared as Supervisory Board member.

<sup>1</sup> Due to the resignation of Christine Asperger (October 1, 2020) and Alfred Redlich (December 2, 2020) there were three members delegated by the Group works council part of the Supervisory Board at the end of 2020.

## Women's Advancement and Diversity Concept

Diversity is an enormous strength that OMV actively builds on now, and in the future. Consequently OMV strives to continuously develop new initiatives and measures that promote diversity and equal opportunities. OMV is committed to its Group diversity strategy focusing on gender and internationality. As a company active in an industry with a strong technical focus, it is particularly challenging for OMV to achieve a satisfactory gender balance in all fields of business activity. OMV is committed to supporting women's advancement to managerial positions. The strategic objective is to achieve the best diversity mix at the senior management level. The aim is to increase the proportion of women in Senior Leadership roles, from 20.7%<sup>1</sup> currently to 25% by 2025 through a number of initiatives such as mentoring, succession planning, specific trainings as well as initiatives to promote a healthy work/life balance.

The proportion of women in the Group as a whole has risen to 27%<sup>1</sup> (2019: 26%), 20.7%<sup>1</sup> of whom are in management and executive positions. In OMV's leadership development programs, the proportion of women was 42% in 2020 (2019: 26%). In OMV's Upstream integrated graduate development program for technical skill pools, the proportion of women was 31% in 2020 (2019: 27%). The topic of diversity has been incorporated into all Leadership Development programs and embedded into the OMV People Strategy.

In 2020, we launched a new women's leadership program, SHEnergy, focused on the personal advancement and leadership development of current and future female leaders. We also held Career Aspiration Talks to make our women more visible and in doing so to also strengthen our pipeline of future female leaders.

OMV promotes talents from different backgrounds, thus ensuring the best mix in diverse teams. OMV especially supports the recruitment and development of women in technical positions.

By using gender-neutral language in OMV's job advertisements and publishing all job advertisements internally, together with the constant monitoring of equality with regard to gender, age, employee background, seniority as well as salaries, OMV is

ensuring fair treatment and contributing to equal opportunities among men and women at all career stages.

Female employees initiated a Diversity Network to raise awareness of diversity topics and to boost the careers of women in technical fields through a collaboration site and joint activities.

OMV's Head Office in Vienna has two company kindergartens attended by children of OMV employees.

The Executive Board and Supervisory Board consider the described measures and programs to foster the diversity of the workforce as a key factor in strengthening the diversity of the internal pool of Executive Board succession candidates. The Presidential and Nomination Committee concerns itself at least once a year with the identification and development of high-potential employees. In addition to internal succession planning, the Supervisory Board also makes use of external recruitments in order to best fill open Executive Board positions. When selecting Executive Board members – be it internally or externally – special attention is given to balance gender, age, and international experience in addition to professional skills.

Since Elena Skvortsova joined on June 15, 2020, there is one woman on the Executive Board of OMV. The Executive Board members of OMV Aktiengesellschaft are between 49 and 60 years old, are from three different nationalities, and have acquired extensive international management experience.

Since 2019, ÖBAG has had a legal mandate to propose candidates for the Supervisory Boards of its shareholdings. The ÖBAG management proposal is subject to approval by the ÖBAG presidium, before – after submission of the proposal by the supervisory board of OMV Aktiengesellschaft - the election by the Annual General Meeting of OMV AG takes place. The selection of candidates is based on various criteria, particularly the candidates' professional skills, personal integrity, independence, and impartiality. In addition, diversity aspects such as the representation of both genders, a balanced age distribution, and internationality of members is taken into consideration.

At the end of 2020, the Supervisory Board of OMV includes five women, corresponding to a share of 38%. Particular focus will be given to a further strengthening

<sup>1</sup> Excluding Borealis

of industry-specific expertise and the internationality of Supervisory Board members in line with the company's strategic orientation. With members aged between 40 and 68 years, the Supervisory Board's age structure is balanced.

## External evaluation of Corporate Governance

An external evaluation of OMV's compliance with the provisions of the ACCG is performed biennially. For the 2020 financial year, OMV engaged Deloitte Legal (Jank Weiler Operenyi Rechtsanwälte GmbH, attorney Johannes Lutterotti). The official questionnaire of the Austrian Working Group for Corporate Governance was used for the evaluation, and the result was that OMV is in full compliance with the Austrian Code of Corporate Governance including all non-compulsory recommendations. The report on the evaluation is available for download on OMV's website ([www.omv.com](http://www.omv.com)).

Vienna, March 10, 2021

The Executive Board

Rainer Seele m.p.

Johann Pleininger m.p.

Reinhard Florey m.p.

Thomas Gangl m.p.

Elena Skvortsova m.p.

# 4

## CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

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# Auditor's Report<sup>1</sup>

## 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, 2020, 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, 2020 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 by this date.

### 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 for the acquisition of additional stake in Borealis AG
2. Recoverability of goodwill, property plant and equipment and equity-accounted investments
3. Recoverability of intangible exploration and evaluation (E&E) assets
4. Estimation of oil and gas reserves
5. Valuation of provision for decommissioning and restoration obligations

<sup>1</sup> 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 the acquisition of additional stake in Borealis AG

On October 29, 2020, OMV acquired an additional 39% stake in Borealis AG from Mubadala Investment Company and holds now a 75% interest in Borealis AG.

Based on the agreed purchase price of USD 4,68 bn the cash-out for OMV was EUR 3,87 bn considering adjustments (dividends, currency effects, acquired cash position of Borealis).

The previously held 36% stake was accounted at-equity. The acquisition of the additional stake is to be classified as business combination achieved in stages according to IFRS 3: the acquirer shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value as well as allocate the purchase price in recognizing the newly acquired assets acquired and liabilities assumed at fair values at the acquisition date. Together with the previously held stake the acquired assets will be fully consolidated in OMV's group financial statements.

The valuation of assets acquired and liabilities assumed is complex and requires significant judgement in applying forecasts and assumptions made by management. The principal risk relates to the estimates of the fair values of the identifiable assets and liabilities 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 determined the fair values of the assets acquired and liabilities assumed under IAS 28 and IFRS 3 with its own internal experts.

OMV Group's disclosures about the acquisition of the additional stake in Borealis AG are included in Note 3 (Changes in group structure) and Note 35 (Related parties).

## 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 arm's-length of the acquisition from a related party;
- ▶ Assess the competence of OMV's internal specialists and their objectivity and independence, 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 liabilities' fair value;
- ▶ Check the mathematical accuracy of the valuation model; and
- ▶ Assess the adequacy of the disclosures in the financial statements.

## Key Audit Matter

### Recoverability of goodwill, property plant and equipment and equity-accounted investments

As of December 31, 2020, the carrying value of goodwill amounted to EUR 531 mn, of property, plant and equipment to EUR 19.203 mn (after an impairment charge of EUR 683 mn mainly for oil and gas assets) and of equity-accounted investments to EUR 8.321 mn.

Under IFRS, an entity is required to assess, whether impairment indicators or indications for the reversal of impairment losses recognized in prior periods exist and if they exist, an impairment test is required. For goodwill an annual impairment test is required. The assessment of the recoverability of the carrying amount of goodwill, property, plant and equipment and equity-accounted investments requires judgement in assessing whether there is an indication that an asset should be impaired and in measuring any such impairment.

The principal risk relates to management's estimates of future cash flows and discount rates, which are used to project the recoverability. For the cash generating units to which goodwill has been allocated, management's annually performed impairment test did not require an impairment.

Management did not identify impairment indicators for property, plant and equipment in the Downstream segment. In the Upstream segment impairment tests for oil and gas assets were performed due to the decreased oil and gas prices. These future cash flows for oil and gas assets are mainly sensitive to assumptions in future oil and gas prices and production volumes. For one of the equity-accounted investments impairment indicators were identified. The impairment test performed by the management did not require an impairment.

OMV Group's disclosures about goodwill, property plant and equipment and equity-accounted investments and the impairment testing related hereto are included in Note 2 (Accounting policies, judgements and estimates), Note 7 (Depreciation, amortization, impairments and write ups), Note 14 (Intangible assets), Note 15 (Property, plant and equipment) and Note 16 (Equity-accounted investments).

## How our audit addressed the key audit matter

We assessed management's assessment of the recoverability of the carrying value of goodwill, property plant and equipment and equity-accounted investments by evaluating if and how management determines a need of impairment or reversal. Where an impairment test was required, we evaluated management's assumptions. Specifically, our work included, but was not limited to, the following procedures:

- ▶ Assess the design and implementation of the controls in the valuation process;
- ▶ Review and evaluation of management's assessment of the existence of impairment indicators;
- ▶ Assess the determination of cash generating units;
- ▶ Reconcile the assumptions used within the future cash flow models to approved budgets and business plans;
- ▶ Reconcile production profiles to oil and gas reserves and future short and long term oil and gas prices to consensus analysts' forecasts and those adopted by other international oil companies;
- ▶ Assess how the long-term oil and gas price assumptions consider the possible impact of climate change and energy transition;
- ▶ Assess the consideration of Covid-19-pandemic impact in the cash flow models;
- ▶ Check the mathematical accuracy of the cash flow models;
- ▶ Compare of cash flow projections with external market data and other available external sources
- ▶ Involve our valuation specialists for analyzing of the discount-, exchange- and growth rates and assessing the valuation models;
- ▶ Assess the historical accuracy of management's budgets and forecasts by comparing them to actual performance and to prior year;
- ▶ Review of management's sensitivity analysis over key assumptions and perform additional own sensitivity analysis in order to assess the impact of possible changes of assumptions on the recoverability; and
- ▶ Assess the adequacy of the Group's disclosures in the financial statements.

## Key Audit Matter

### Recoverability of intangible exploration and evaluation (E&E) assets

The carrying value of intangible E&E assets amounted to EUR 1,260 mn at December 31, 2020, after a write-off (impairment) of EUR 779 mn in 2020.

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 the assessment of management's intention to proceed with a future work program for a prospect or license, the likelihood of license 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, impairments and write-ups) and Note 14 (Intangible assets).

## How our audit addressed the key audit matter

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 license;
- ▶ Review of management's assumptions where an E&E asset has been impaired and review of the valuation; and
- ▶ Assess the adequacy of the disclosures in the financial statements.

## 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 at the amount of EUR 688 mn 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, impairments and write ups), Note 18 (Financial assets) and Note 23 (Provisions).

## How our audit addressed the key audit matter

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;
- ▶ Analyze the latest reports of DeGolyer and MacNaughton (D&M) on their reviews performed in 2020 of the group's estimated oil and gas reserves in Russia and Malaysia and analyze the report of the additional external specialist engaged by OMV for one case;
- ▶ 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 disclosures in the financial statements.

## Key Audit Matter

### Valuation of provision for decommissioning and restoration obligations

The total provision for decommissioning and restoration obligations amounted to EUR 3,999 mn at December 31, 2020.

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).

## How our audit addressed the key audit matter

We assessed management's 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 disclosures in the financial statements.

## 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. We received the "Consolidated Corporate Governance Report" and the "Consolidated Report on the Payments Made to Government" until the date of this audit opinion, the rest of the annual report and the annual financial report 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, and, in doing so, to consider whether 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, 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.

## 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.

Vienna, March 10, 2021

Ernst & Young  
Wirtschaftsprüfungsgesellschaft m.b.H.

Alexander Wlasto m.p.  
Wirtschaftsprüfer/Certified Public Accountant

### 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.

### Additional information in accordance with article 10 EU regulation

We were elected as auditor by the ordinary general meeting at September 29, 2020. We were appointed by the Supervisory Board on November 19, 2020. 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.

Gerhard Schwartz m.p.  
Wirtschaftsprüfer/Certified Public Accountant





## Consolidated Income Statement for 2020

### Consolidated Income Statement

In EUR mn

|   | Note   | 2020          | 2019          |
|---|--------|---------------|---------------|
| <b>Sales revenues</b>                                 | 4, 5   | <b>16,550</b> | <b>23,461</b> |
| Other operating income                                | 6      | 1,877         | 280           |
| Net income from equity-accounted investments          | 6, 16  | 38            | 386           |
| <b>Total revenues and other income</b>                |        | <b>18,465</b> | <b>24,127</b> |
| Purchases (net of inventory variation)                | 17     | (9,598)       | (13,608)      |
| Production and operating expenses                     |        | (1,892)       | (1,695)       |
| Production and similar taxes                          |        | (325)         | (496)         |
| Depreciation, amortization, impairments and write-ups | 7      | (2,418)       | (2,302)       |
| Selling, distribution and administrative expenses     |        | (1,896)       | (1,892)       |
| Exploration expenses                                  | 7, 8   | (896)         | (229)         |
| Other operating expenses                              | 9      | (389)         | (322)         |
| <b>Operating Result</b>                               |        | <b>1,050</b>  | <b>3,582</b>  |
| Dividend income                                       | 31     | 19            | 5             |
| Interest income                                       | 11, 31 | 177           | 169           |
| Interest expenses                                     | 11, 31 | (280)         | (304)         |
| Other financial income and expenses                   | 11, 31 | (91)          | 1             |
| <b>Net financial result</b>                           |        | <b>(175)</b>  | <b>(129)</b>  |
| <b>Profit before tax</b>                              |        | <b>875</b>    | <b>3,453</b>  |
| Taxes on income and profit                            | 12     | 603           | (1,306)       |
| <b>Net income for the year</b>                        |        | <b>1,478</b>  | <b>2,147</b>  |
| thereof attributable to stockholders of the parent    |        | 1,258         | 1,678         |
| thereof attributable to hybrid capital owners         |        | 84            | 75            |
| thereof attributable to non-controlling interests     |        | 136           | 393           |
| <b>Basic Earnings Per Share in EUR</b>                | 13     | <b>3.85</b>   | <b>5.14</b>   |
| <b>Diluted Earnings Per Share in EUR</b>              | 13     | <b>3.85</b>   | <b>5.13</b>   |

# Consolidated Statement of Comprehensive Income for 2020

## Consolidated Statement of Comprehensive Income

In EUR mn

|  | Note    | 2020           | 2019         |
|--|---------|----------------|--------------|
| <b>Net income for the year</b>   |         | <b>1,478</b>   | <b>2,147</b> |
| <b>Currency translation differences</b>  |         | <b>(1,234)</b> | <b>39</b>    |
| Gains/(losses) arising during the year, before income taxes  | 21      | (1,233)        | 39           |
| Reclassification of (gains)/losses to net income   | 3, 6, 9 | (1)            | —            |
| <b>Gains/(losses) on hedges</b>  | 28      | <b>38</b>      | <b>(45)</b>  |
| Gains/(losses) arising during the year, before income taxes  |         | 419            | (11)         |
| Reclassification of (gains)/losses to net income   |         | (380)          | (34)         |
| <b>Share of other comprehensive income of equity-accounted investments</b>                                     | 16      | <b>(102)</b>   | <b>(1)</b>   |
| <b>Total of items that may be reclassified (“recycled”) subsequently to the income statement</b>               |         | <b>(1,298)</b> | <b>(7)</b>   |
| <b>Remeasurement gains/(losses) on defined benefit plans</b>   | 23      | <b>4</b>       | <b>(90)</b>  |
| <b>Gains/(losses) on equity investments</b>  | 18      | <b>(2)</b>     | <b>1</b>     |
| <b>Gains/(losses) on hedges that are subsequently transferred to the carrying amount of the hedged item</b>    | 28      | <b>(113)</b>   | <b>95</b>    |
| <b>Share of other comprehensive income of equity-accounted investments</b>                                     | 16      | <b>(6)</b>     | <b>(6)</b>   |
| <b>Total of items that will not be reclassified (“recycled”) subsequently to the income statement</b>          |         | <b>(118)</b>   | <b>0</b>     |
| Income taxes relating to items that may be reclassified (“recycled”) subsequently to the income statement      |         | (10)           | 10           |
| Income taxes relating to items that will not be reclassified (“recycled”) subsequently to the income statement |         | 18             | (7)          |
| <b>Total income taxes relating to components of other comprehensive income</b>                                 | 21      | <b>8</b>       | <b>4</b>     |
| <b>Other comprehensive income for the year, net of tax</b>   | 21      | <b>(1,407)</b> | <b>(3)</b>   |
| <b>Total comprehensive income for the year</b>   |         | <b>70</b>      | <b>2,144</b> |
| thereof attributable to stockholders of the parent   |         | (4)            | 1,752        |
| thereof attributable to hybrid capital owners  |         | 84             | 75           |
| thereof attributable to non-controlling interests  |         | (9)            | 316          |

## Consolidated Statement of Financial Position as of December 31, 2020

### Assets

In EUR mn

|                               | Note | 2020          | 2019          |
|-------------------------------|------|---------------|---------------|
| Intangible assets             | 14   | 3,443         | 4,163         |
| Property, plant and equipment | 15   | 19,203        | 16,479        |
| Equity-accounted investments  | 16   | 8,321         | 5,151         |
| Other financial assets        | 18   | 3,447         | 2,414         |
| Other assets                  | 19   | 103           | 56            |
| Deferred taxes                | 25   | 1,179         | 686           |
| <b>Non-current assets</b>     |      | <b>35,695</b> | <b>28,950</b> |
| Inventories                   | 17   | 2,352         | 1,845         |
| Trade receivables             | 18   | 3,316         | 3,042         |
| Other financial assets        | 18   | 3,018         | 3,121         |
| Income tax receivables        |      | 36            | 11            |
| Other assets                  | 19   | 537           | 297           |
| Cash and cash equivalents     | 26   | 2,854         | 2,931         |
| <b>Current assets</b>         |      | <b>12,112</b> | <b>11,248</b> |
| Assets held for sale          | 20   | 1,464         | 177           |
| <b>Total assets</b>           |      | <b>49,271</b> | <b>40,375</b> |

## Equity and Liabilities

In EUR mn

|  | Note | 2020          | 2019          |
|--|------|---------------|---------------|
| Share capital  |      | 327           | 327           |
| Hybrid capital   |      | 3,228         | 1,987         |
| Reserves   |      | 10,184        | 10,698        |
| <b>OMV equity of the parent</b>                            |      | <b>13,739</b> | <b>13,012</b> |
| Non-controlling interests                                  | 22   | 6,159         | 3,851         |
| <b>Total equity</b>  | 21   | <b>19,899</b> | <b>16,863</b> |
| Provisions for pensions and similar obligations            | 23   | 1,458         | 1,111         |
| Bonds  | 24   | 8,019         | 5,262         |
| Lease liabilities  | 24   | 943           | 934           |
| Other interest-bearing debts                               | 24   | 1,280         | 620           |
| Provisions for decommissioning and restoration obligations | 23   | 3,926         | 3,872         |
| Other provisions   | 23   | 576           | 572           |
| Other financial liabilities                                | 24   | 454           | 301           |
| Other liabilities  | 24   | 135           | 157           |
| Deferred taxes   | 25   | 1,229         | 1,132         |
| <b>Non-current liabilities</b>                             |      | <b>18,020</b> | <b>13,961</b> |
| Trade payables   | 24   | 4,304         | 4,155         |
| Bonds  | 24   | 850           | 540           |
| Lease liabilities  | 24   | 141           | 120           |
| Other interest-bearing debts                               | 24   | 703           | 148           |
| Income tax liabilities                                     |      | 278           | 332           |
| Provisions for decommissioning and restoration obligations | 23   | 72            | 87            |
| Other provisions   | 23   | 304           | 293           |
| Other financial liabilities                                | 24   | 3,095         | 2,818         |
| Other liabilities  | 24   | 868           | 903           |
| <b>Current liabilities</b>                                 |      | <b>10,616</b> | <b>9,395</b>  |
| Liabilities associated with assets held for sale           | 20   | 736           | 156           |
| <b>Total equity and liabilities</b>                        |      | <b>49,271</b> | <b>40,375</b> |

## Consolidated Statement of Changes in Equity for 2020

### Consolidated Statement of Changes in Equity in 2020<sup>1</sup>

In EUR mn

|   | Share capital | Capital reserves | Hybrid capital | Revenue reserves | Currency translation differences |
|---|---------------|------------------|----------------|------------------|----------------------------------|
| <b>January 1, 2020</b>                                | <b>327</b>    | <b>1,506</b>     | <b>1,987</b>   | <b>9,832</b>     | <b>(694)</b>                     |
| Net income for the year                               | —             | —                | —              | 1,341            | —                                |
| Other comprehensive income for the year               | —             | —                | —              | (3)              | (1,091)                          |
| <b>Total comprehensive income for the year</b>        | <b>—</b>      | <b>—</b>         | <b>—</b>       | <b>1,338</b>     | <b>(1,091)</b>                   |
| Capital increase                                      | —             | —                | 1,241          | —                | —                                |
| Dividend distribution and hybrid coupon               | —             | —                | —              | (673)            | —                                |
| Disposal of treasury shares                           | —             | 3                | —              | —                | —                                |
| Share-based payments                                  | —             | (3)              | —              | —                | —                                |
| Increase/(decrease) in non-controlling interest       | —             | —                | —              | 5                | —                                |
| Reclassification of cash flow hedges to balance sheet | —             | —                | —              | —                | —                                |
| <b>December 31, 2020</b>                              | <b>327</b>    | <b>1,506</b>     | <b>3,228</b>   | <b>10,502</b>    | <b>(1,785)</b>                   |

### Consolidated Statement of Changes in Equity in 2019<sup>1</sup>

In EUR mn

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

<sup>1</sup> See Note 21 – OMV equity of the parent

| Hedges      | Share of other compr.<br>income of equity-ac-<br>counted investments | Treasury shares | OMV equity of the<br>parent | Non-controlling<br>interests | Total equity   |
|-------------|--|-----------------|-----------------------------|------------------------------|----------------|
| <b>41</b>   | <b>18</b>  | <b>(4)</b>      | <b>13,012</b>               | <b>3,851</b>                 | <b>16,863</b>  |
| —           | —  | —               | 1,341                       | 136                          | <b>1,478</b>   |
| (61)        | (107)  | —               | (1,262)                     | (146)                        | <b>(1,407)</b> |
| <b>(61)</b> | <b>(107)</b>   | <b>—</b>        | <b>80</b>                   | <b>(9)</b>                   | <b>70</b>      |
| —           | —  | —               | 1,241                       | —                            | <b>1,241</b>   |
| —           | —  | —               | (673)                       | (209)                        | <b>(882)</b>   |
| —           | —  | 1               | 4                           | —                            | <b>4</b>       |
| —           | —  | —               | (3)                         | —                            | <b>(3)</b>     |
| —           | —  | —               | 5                           | 2,519                        | <b>2,524</b>   |
| 71          | 3  | —               | 73                          | 8                            | <b>81</b>      |
| <b>51</b>   | <b>(86)</b>  | <b>(3)</b>      | <b>13,739</b>               | <b>6,159</b>                 | <b>19,899</b>  |

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

## Consolidated Statement of Cash Flows for 2020

### Consolidated Statement of Cash Flows

In EUR mn

|  | Note      | 2020           | 2019           |
|--|-----------|----------------|----------------|
| <b>Net income for the year</b>   |           | <b>1,478</b>   | <b>2,147</b>   |
| Depreciation, amortization, impairments and write ups  | 7         | 3,197          | 2,395          |
| Deferred taxes   | 12        | (846)          | 100            |
| Current taxes  | 12        | 244            | 1,207          |
| Income taxes paid  |           | (402)          | (1,263)        |
| Tax refunds  |           | 45             | 5              |
| Losses/(gains) from disposal of non-current assets and businesses                              | 6, 9      | (12)           | (7)            |
| Income from equity-accounted investments and other dividend income                             | 6, 18, 31 | (57)           | (391)          |
| Dividends received from equity-accounted investments and other companies                       |           | 228            | 354            |
| Interest expense   | 11, 31    | 168            | 170            |
| Interest paid  |           | (164)          | (160)          |
| Interest income  | 11, 31    | (160)          | (145)          |
| Interest received  |           | 53             | 63             |
| Increase/(decrease) in personnel provisions  | 23        | (60)           | (59)           |
| Increase/(decrease) in provisions  | 23        | 21             | 35             |
| Other changes  | 26        | (948)          | (187)          |
| <b>Sources of funds</b>  |           | <b>2,786</b>   | <b>4,264</b>   |
| Decrease/(increase) in inventories   | 17        | 288            | (260)          |
| Decrease/(increase) in receivables   | 18, 19    | 145            | 372            |
| Increase/(decrease) in liabilities   | 24        | (82)           | (320)          |
| <b>Changes in net working capital components</b>   |           | <b>351</b>     | <b>(208)</b>   |
| <b>Cash flow from operating activities</b>   |           | <b>3,137</b>   | <b>4,056</b>   |
| <b>Investments</b>   |           |                |                |
| Intangible assets and property, plant and equipment  | 3, 14, 15 | (1,960)        | (2,158)        |
| Investments, loans and other financial assets  | 18        | (194)          | (2,265)        |
| Acquisitions of subsidiaries and businesses net of cash acquired                               | 3         | (3,880)        | (460)          |
| <b>Disposals</b>   |           |                |                |
| Proceeds in relation to non-current assets   |           | 72             | 209            |
| Proceeds from the sale of subsidiaries and businesses, net of cash disposed                    |           | 15             | 36             |
| <b>Cash flow from investing activities</b>   |           | <b>(5,948)</b> | <b>(4,638)</b> |
| Increase in long-term borrowings   | 26        | 3,338          | 1,376          |
| Repayments of long-term borrowings   | 26        | (797)          | (980)          |
| Increase/(decrease) in short-term borrowings   | 26        | (96)           | (22)           |
| Dividends paid to OMV equity holders (incl. hybrid coupons)                                    | 21        | (673)          | (673)          |
| Dividends paid to non-controlling interests  | 22        | (206)          | (186)          |
| Increase hybrid bond   | 21        | 1,241          | —              |
| <b>Cash flow from financing activities</b>   |           | <b>2,808</b>   | <b>(484)</b>   |
| Effect of foreign exchange rate changes on cash and cash equivalents                           |           | (66)           | (22)           |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                                    |           | <b>(69)</b>    | <b>(1,088)</b> |
| Cash and cash equivalents at beginning of year   | 26        | 2,938          | 4,026          |
| Cash and cash equivalents at end of year   | 26        | 2,869          | 2,938          |
| Thereof cash disclosed within Assets held for sale   |           | 15             | 7              |
| <b>Cash and cash equivalents presented in the consolidated statement of financial position</b> | 26        | <b>2,854</b>   | <b>2,931</b>   |



# 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, gas and chemical 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 2020 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, 2020. 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 2020 were approved and released for publication by the Supervisory Board on March 10, 2021.

### 2 Accounting policies, judgements and estimates

#### 1) Changes in accounting policies

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

#### First-time adoption of amended standards

The Group has adopted the following amended standards with a date of initial application of January 1, 2020:

- ▶ Amendments to IFRS 3 Business Combinations: Definition of a Business
- ▶ Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform
- ▶ Amendments to IAS 1 and IAS 8: Definition of Material
- ▶ Amendments to References to the Conceptual Framework in IFRS Standards

The amendments did not have any material impact on OMV's group financial statements.

#### Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform

The Group has adopted the amendments to IFRS 9 and IFRS 7 retrospectively to hedging relationships that

existed at the start of the reporting period or were designated thereafter, and that are directly affected by the interest rate benchmark reform. These amendments also apply to the gain or loss accumulated in the cash flow hedge reserve that existed at 1 January, 2020.

The amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by interbank offered rate (IBOR) reform. For the purpose of evaluating whether there is an economic relationship between the hedged items and the hedging instruments, the Group assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform. Any hedge ineffectiveness continues to be recorded in the income statement. The Group will cease to apply this relief when the uncertainty arising from interest rate benchmark reform is no longer present.

Note 28 – Risk Management – provides information about the uncertainty arising from IBOR reform for hedging relationships for which the Group has applied the reliefs. No changes were required to any of the

amounts recognized in the current or prior period as a result of these amendments.

### Change in income statement presentation

Starting with 2020, reversals of impairments on tangible and intangible assets are reported within the line

“Depreciation, amortization, impairments and write-ups” in order to improve the international comparability of the income statement presentation. The prior year figures have been adjusted accordingly. The change in presentation has no effect on the operating result.

### Adjustments to income statement items

In EUR mn

|   | 2019 (old) | Reclassification | 2019 (new) |
|---|------------|------------------|------------|
| Other operating income                                | 315        | (35)             | 280        |
| Total revenues and other income                       | 24,162     | (35)             | 24,127     |
| Depreciation, amortization, impairments and write-ups | (2,337)    | 35               | (2,302)    |

### 2) 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 16 Leases: Covid-19-Related Rent Concessions                                     | June 1, 2020    |
| Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform - Phase 2 | January 1, 2021 |
| Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework                  | January 1, 2022 |
| Amendments to IAS 16 Property, Plant and Equipment: Proceeds before intended use                   | January 1, 2022 |
| Amendments to IAS 37: Onerous Contracts - Cost of Fulfilling a Contract                            | January 1, 2022 |
| Annual Improvements to IFRS Standards 2018-2020  | January 1, 2022 |
| IFRS 17 Insurance Contracts and Amendments to IFRS 17  | January 1, 2023 |
| Amendments to IAS 1: Classification of Liabilities as Current and Non-Current                      | January 1, 2023 |

### 3) 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 (see 2.3h),
- provisions for decommissioning and restoration obligations (see 2.3s and 23),
- provisions for onerous contracts (see 2.3s and 23),
- the valuation of assets acquired and liabilities assumed in a business combination (see 2.3a and 3),
- the recoverability of intangible assets, property, plant and equipment and equity-accounted investments (see 2.3j and 7) as well as
- the recoverability of 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 (see 2.3m and 18).

### Effect of climate-related matters and energy transition

The short and long-term effects of climate-related matters and energy transition impact the significant accounting estimates performed by management and included in the group financial statements in estimates such as recoverable amounts and expected useful lives of the Company's assets.

These estimates incorporate the future effects of OMV's own strategic decisions and commitments on having its portfolio adhered to the energy transition targets, short and long-term impacts of climate-related matters and energy transition to a lower-carbon energy sources together with management's best estimate on global supply and demand, including forecasted commodities prices. OMV's view on such future market trends is aligned with the International Energy Agency (IEA) Stated Policies (SP) Scenario, and in accordance with such scenario incorporates current and announced (not yet fully realized) policies, targets, and plans.

OMV is aware of its responsibility and will live up to its commitment to the Paris Agreement and the EU climate targets. OMV is committed to reach net-zero GHG emissions of operations (scope 1 and 2) by 2050 or sooner. Nevertheless, there is significant uncertainty around the changes in the mix of energy sources over the next 30 years and the extent to which such changes will meet the ambitions of the Paris Agreement. While companies can commit to such ambitions, financial reporting under IFRS requires the use of assumptions that represent management's current best estimate of the range of expected future economic conditions, which may differ from such ambitions.

Consequently, in order to reflect a faster paced energy transition, OMV revised its Brent oil price planning assumptions in 2020 which have an impact on the recoverability of its fixed assets. It is OMV's view that the long long-term assumptions and the inverse price curve applied for Brent oil take into consideration the impacts of climate-related matters and energy transition to lower-carbon energy sources. The updated long term Brent oil price assumption is USD 60/bbl vs USD 75/bbl in 2019, in real terms. More details on the oil and gas assumptions can be found in Note 2.3j.

### 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.

#### Significant estimates: Business combinations

The measurement of identifiable assets acquired and the liabilities assumed at their acquisition date fair values requires significant estimates by management. Such measurements are also required for acquisitions of investments accounted for at equity. OMV adopts the valuation techniques generally used by market participants taking into account the available information. Whereas property, plant and equipment are valued using a cost approach, intangible assets are valued on the basis of the relief-from-royalty approach or an income approach. The fair value of inventories is determined on the basis of available market prices.

### 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 and petrochemical 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 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 transaction 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

Other revenues include revenues from commodity contracts which are in the scope of IFRS 9. 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.

In addition, other revenues 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 2.3f), 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, impairment charges and write-ups.

**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 2.3s). 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 2.3h) are amortized or depreciated on a straight-line basis over the useful economic life.

| Useful life  |  | Years                     |
|--|--|---------------------------|
| <b>Intangible assets</b>                                       |  |                           |
| Goodwill   |  | Indefinite                |
| Software   |  | 3–7                       |
| Concessions, licenses, contract-related intangible assets etc. | 3–20, contract duration or unit-of production method |                           |
| <b>Business-specific property, plant and equipment</b>         |  |                           |
| Upstream   | Oil and gas wells                                    | Unit-of-production method |
| Downstream   | Pipelines  | 20–30                     |
|  | Gas power plant                                      | 8–30                      |
|  | Storage tanks  | 40                        |
|  | Refinery facilities                                  | 25                        |
|  | Petrochemical production facilities                  | 15–20                     |
|  | Filling stations                                     | 5–20                      |
| <b>Other property, plant and equipment</b>                     |  |                           |
|  | Production and office buildings                      | 20–50                     |
|  | Other technical plant and equipment                  | 10–20                     |
|  | Fixtures and fittings                                | 3–15                      |

**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.

**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.

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 and reassessed at least once per year. In addition, external reviews are performed

regularly. In 2020, DeGolyer and MacNaughton (D&M) reviewed the reserves of the oil and gas assets in Russia and Malaysia. For the other oil and gas assets the last review was performed in 2018 for the reserves as of December 31, 2017. The results of the external reviews 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.

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.

In addition, changes to the estimates of oil and gas reserves impact prospectively the amount of amortization and depreciation as well as the valuation of the financial asset related to the reserves redetermination right out of the acquisition of an interest in the Yuzhno Russkoye field.

**i) 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.

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 2.3a).

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.

#### j) Impairment of assets

Intangible assets, property, plant and equipment (including oil and gas assets) and investments in associated companies and joint ventures 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 the asset or the smallest group of assets that generates cash inflows that are largely independent of those from other assets or groups of assets, called cash-generating units (CGUs).

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 assets

Evaluating whether assets or CGUs are impaired or whether past impairments should be reversed, require the use of different estimates and assumptions such as price developments, production volumes and discount rates.

The key estimates and assumptions used bear the risk of change due to the inherent volatile nature of the various macro-economic 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.

In 2020, OMV revised its long-term oil and gas price assumptions in order to take into account the uncertainty over the pace of the energy transition to a lower-carbon energy sources. In addition, the short-term oil and gas price assumption were updated in order to reflect the significant decrease in oil and gas prices due to the impact of the COVID-19 pandemic.

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

**2020**

|                              | 2021 | 2022 | 2023 | 2024 | 2025 |
|------------------------------|------|------|------|------|------|
| Brent oil price (USD/bbl)    | 50   | 60   | 60   | 65   | 65   |
| EUR-USD exchange rate        | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 |
| Brent oil price (EUR/bbl)    | 43   | 52   | 52   | 57   | 57   |
| Realized gas price (EUR/MWh) | 10   | 12   | 13   | 14   | 13   |

**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   |

For the years 2026 until 2029, OMV assumed a Brent oil price of USD 65/bbl which is expected to gradually decline to USD 60/bbl until 2035. From 2035 onwards, OMV applied a Brent oil price of USD 60/bbl. All before mentioned assumptions for the years after 2025 are based on 2025 real terms. Gas prices are assumed to remain stable in real terms after 2025.

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 particular, OMV's long term assumptions and the inverse price curve applied for Brent oil, take into consideration the impacts of climate-related matters and energy transition to lower-carbon energy sources.

In the Downstream business, the main assumptions for the calculation of the recoverable amounts are the relevant margins, volumes as well as discount, inflation and growth rates.

**k) 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.

**l) 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 and presented within property, plant and equipment.

OMV as a lessor entered into 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.

**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.

#### 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** are either measured **at fair value through profit or loss (FVPL)** or **at fair value through OCI (FVOCI)**. OMV elected irrevocably to classify as investments at FVOCI the majority of its non-listed equity investments which are held for strategic purposes and not trading. 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.

As part of the acquisition of the interest in Yuzhno Russkoye gas field in 2017, 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, commodity

prices and interest rates. 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

- ▶ a fair value hedge when hedging exposure to changes in the fair value of a recognized asset or liability,
- ▶ 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, or
- ▶ a net investment hedge when hedging the foreign exchange risk in a net investment in a foreign operation.

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.

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in OCI and accumulated in the reserve for currency translation differences. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is disposed of or sold.

The Group applies hedge accounting to hedges which are affected by the interest rate benchmark reform. For the purpose of evaluating whether there is an economic relationship between the hedged items and the hedging instruments, the Group assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform (see Note 2.1a).

Contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument 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 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. Costs incurred are generally determined based on the individual costs for not interchangeable goods, the average price method for oil and gas inventories or the FIFO method for petrochemical products. 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.

#### **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 or income (in case of a negative discount rate) and accordingly to increased or decreased 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. The real discount rates applied for calculating the provision for decommissioning and restoration costs were between -2.0% and 3.10% (2019: 0.0% and 3.25%).

**Pensions and similar obligations:** OMV has both defined contribution and defined benefit pension plans. 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.

**Provision for onerous contracts** are recognized for contracts in which the unavoidable costs of meeting a contractual obligation exceed the economic benefits expected to be received under the contract. These provisions are measured 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 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<sub>2</sub> 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 and 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 2.3f) 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 planning

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 observable 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).

#### 4) 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

|                                  | 2020                                 |         | 2019                                 |         |
|----------------------------------|--------------------------------------|---------|--------------------------------------|---------|
|                                  | 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)                | 26.242                               | 26.455  | 25.408                               | 25.671  |
| Hungarian forint (HUF)           | 363.890                              | 351.250 | 330.530                              | 325.300 |
| New Zealand dollar (NZD)         | 1.698                                | 1.756   | 1.665                                | 1.700   |
| Norwegian krone (NOK)            | 10.470                               | 10.723  | 9.864                                | 9.851   |
| Romanian leu (RON)               | 4.868                                | 4.838   | 4.783                                | 4.745   |
| Russian ruble (RUB)              | 91.467                               | 82.725  | 69.956                               | 72.455  |
| Swedish krona (SEK) <sup>1</sup> | 10.034                               | n.a.    | —                                    | —       |
| US dollar (USD)                  | 1.227                                | 1.142   | 1.123                                | 1.120   |

<sup>1</sup> Only applicable for Borealis Group (see below)

The items in the income statement related to Borealis Group were converted by using the monthly average rates instead of the annual average rate for the period after the acquisition on October 29, 2020.

### 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 – Downstream

On October 29, 2020, OMV acquired an additional 39% share in Borealis AG from Mubadala Investment Company (Abu Dhabi) via the acquisition of 100% shares in Susana Beteiligungsverwaltungs GmbH, increasing its stake in Borealis Group from 36% to 75%. The purchase price of the transaction amounted to USD 4,551 mn after customary closing adjustments were taken into account.

The acquisition is a strategic extension of OMV's value chain into high value chemicals. This contributes to a partial natural hedge against the cyclicity of each value chain step with respect to both volumes and market spreads, de-risking OMV's exposure to volatile markets.

Following the step acquisition, OMV obtained the right to nominate the majority of the executive board

members and the most important activities in respect of impacting the variable returns of Borealis Group are decided by OMV. Hence, OMV has obtained control over Borealis Group in line with IFRS 10.

Obtaining control over Borealis Group has led to the discontinuation of the use of the equity method according to IAS 28 and application of the rules for business combination according to IFRS 3. OMV's previous 36% interest in Borealis was re-measured at the acquisition date fair value resulting in EUR 1,256 mn gain recognized in other operating income. Additionally, this led to a reclassification of net gains from other comprehensive income to other operating income in amount of EUR 28 mn, which were mainly related to currency translation differences.

#### Acquired net assets and goodwill calculation

The non-controlling interest in Borealis Group was measured at its proportionate share of the acquiree's identifiable net assets. The transaction did not result in a goodwill. The fair value of the receivables substantially matched their carrying amount, and all contractual cash flows less credit loss effects are expected to be collected. The fair value of the net assets acquired are detailed in the following tables.

**Fair values of net assets acquired**

| In EUR mn                                       | <b>Borealis Group</b> |
|---|-----------------------|
| Intangible assets                               | 887                   |
| Property, plant and equipment                   | 4,129                 |
| Equity-accounted investments                    | 6,134                 |
| Other financial assets                          | 743                   |
| Other assets                                    | 45                    |
| Deferred taxes                                  | 39                    |
| <b>Non-current assets</b>                       | <b>11,977</b>         |
| Inventories                                     | 1,123                 |
| Trade receivables                               | 684                   |
| Other financial assets                          | 132                   |
| Income tax receivable                           | 13                    |
| Other assets                                    | 310                   |
| Cash and cash equivalents                       | 80                    |
| <b>Current assets</b>                           | <b>2,341</b>          |
| <b>Total assets</b>                             | <b>14,318</b>         |
| Provisions for pensions and similar obligations | 457                   |
| Bonds   | 324                   |
| Lease liabilities                               | 139                   |
| Other interest-bearing debts                    | 1,131                 |
| Decommissioning and restoration obligations     | 38                    |
| Other provisions                                | 12                    |
| Other financial liabilities                     | 32                    |
| Other liabilities                               | 2                     |
| Deferred taxes                                  | 549                   |
| <b>Non-current liabilities</b>                  | <b>2,683</b>          |
| Trade payables                                  | 719                   |
| Bonds   | 5                     |
| Lease liabilities                               | 34                    |
| Other interest-bearing debts                    | 407                   |
| Income tax liabilities                          | 62                    |
| Other provisions                                | 27                    |
| Other financial liabilities                     | 154                   |
| Other liabilities                               | 163                   |
| <b>Current liabilities</b>                      | <b>1,571</b>          |
| <b>Total liabilities</b>                        | <b>4,254</b>          |
| <b>Net assets</b>                               | <b>10,064</b>         |
| Non-Controlling interests                       | (2,524)               |
| <b>Net assets acquired</b>                      | <b>7,540</b>          |

**Previously held at-equity share 36% – impact on consolidated income statement**

| In EUR mn   | <b>Borealis Group</b> |
|---|-----------------------|
| Fair value  | 3,590                 |
| Carrying amount   | 2,333                 |
| <b>Revaluation result</b>   | <b>1,256</b>          |
| Amount reclassified from OCI to the income statement ("recycled") | 28                    |
| <b>Total impact – other operating income</b>                      | <b>1,284</b>          |



**Measurement of goodwill**

In EUR mn

|   | <b>Borealis Group</b> |
|---|-----------------------|
| Consideration                                 | 3,889                 |
| FX hedge effect                               | 61                    |
| Fair value of previously held at-equity share | 3,590                 |
| Net assets acquired                           | 7,540                 |
| <b>Goodwill</b>                               | <b>0</b>              |

In 2020, Borealis Group contributed EUR 1,099 mn to consolidated sales and EUR (79) mn to consolidated net income of OMV Group since its inclusion. In 2020 Borealis net income was mainly impacted by reversal effects from fair value adjustments for inventories from the purchase price allocation. If the acquisition had already taken place at the beginning of the year, the calculated impact of Borealis Group to the OMV Group would have been EUR 5,866 mn on consolidated sales revenues, EUR 6,801 mn on unconsolidated sales

revenues and EUR 302 mn on net income, respectively.

**Cash flow impact of major acquisitions**

The cash flow from investing activities contained EUR 3,870 mn cash outflow related to the acquisition of Borealis Group, 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**

In EUR mn

|   | <b>Borealis Group</b> |
|---|-----------------------|
| Consideration paid                        | 3,950                 |
| less cash acquired                        | (80)                  |
| <b>Net cash outflows from acquisition</b> | <b>3,870</b>          |

**Income tax impact of major acquisitions**

Due to tax synergies from the acquisition of additional shares in Borealis AG, deferred tax assets of the

Austrian tax group increased by approximately EUR 500 mn, taking into consideration the 5 year positive taxable result of Borealis tax group members.

## 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** (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. Furthermore, it operates across the gas value chain with a successful gas sales and logistics business in Europe. OMV has operating storage capacities in Austria and Germany. The business segments' 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.

OMV has 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.

Since October 29, 2020 Borealis Group is fully-consolidated, following the increase of the stake from 36% to 75%. Borealis is a leading provider of base chemicals, polyolefins, and fertilizers and is the second-largest polyolefin producer in Europe and among the top-ten producers globally. Borealis base chemical production capacity amounts to 3.6 mn t (including Borouge at-equity participation)

and has a polyolefin production capacity of 5.7 mn t. The majority of Borealis' production is located in Europe, with three overseas manufacturing facilities in the United States, one in Brazil and one in South Korea.

OMV holds minority stakes in various equity-accounted investments, the most significant ones being the 15% participation in ADNOC Refining (United Arab Emirates) with annual capacity of 7.1 mn t OMV share, Borouge (United Arab Emirates) Borealis' joint venture with ADNOC that operates the largest petrochemical complex in the world and the Baystar joint venture (United States) which serves the customer base in the North American markets with Borstar polyethylene.

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 risk is transferred to the customers. 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

|  | 2020           |                |             |               | Consoli-<br>dation | OMV<br>Group  |
|--|----------------|----------------|-------------|---------------|--------------------|---------------|
|  | U/S            | D/S            | Co&O        | Total         |                    |               |
| Sales revenues <sup>1</sup>                              | 3,705          | 15,082         | 352         | 19,139        | (2,589)            | 16,550        |
| Intrasegmental sales                                     | (2,178)        | (63)           | (348)       | (2,589)       | 2,589              | —             |
| <b>Sales to third parties</b>                            | <b>1,527</b>   | <b>15,019</b>  | <b>4</b>    | <b>16,550</b> | <b>—</b>           | <b>16,550</b> |
| Other operating income                                   | 180            | 1,656          | 56          | 1,892         | (15)               | 1,877         |
| Net income from equity-accounted investments             | 31             | 7              | —           | 38            | —                  | 38            |
| Depreciation and amortization                            | 1,335          | 591            | 39          | 1,965         | —                  | 1,965         |
| Impairment losses (incl. exploration & appraisal)        | 1,452          | 10             | 0           | 1,462         | —                  | 1,462         |
| Write-ups  | 120            | 111            | —           | 230           | —                  | 230           |
| <b>Operating Result</b>                                  | <b>(1,137)</b> | <b>2,160</b>   | <b>(56)</b> | <b>967</b>    | <b>83</b>          | <b>1,050</b>  |
| Special items for personnel restructuring                | 31             | 4              | 5           | 39            | —                  | 39            |
| Special items for unscheduled depreciation and write-ups | 1,185          | (101)          | —           | 1,084         | —                  | 1,084         |
| Special items for asset disposal                         | (9)            | (9)            | (1)         | (19)          | —                  | (19)          |
| Other special items                                      | 75             | (965)          | 5           | (885)         | —                  | (885)         |
| <b>Special items</b>                                     | <b>1,282</b>   | <b>(1,071)</b> | <b>9</b>    | <b>220</b>    | <b>—</b>           | <b>220</b>    |
| CCS effect   | —              | 425            | —           | 425           | (10)               | 416           |
| <b>Clean CCS Operating Result</b>                        | <b>145</b>     | <b>1,514</b>   | <b>(47)</b> | <b>1,612</b>  | <b>74</b>          | <b>1,686</b>  |
| Segment assets <sup>2</sup>                              | 12,662         | 9,721          | 262         | 22,646        | —                  | 22,646        |
| Additions in PPE/IA <sup>3</sup>                         | 1,150          | 760            | 28          | 1,938         | —                  | 1,938         |
| Equity-accounted investments <sup>4</sup>                | 389            | 7,932          | —           | 8,321         | —                  | 8,321         |

<sup>1</sup> Including intra-group sales

<sup>2</sup> Property, plant and equipment (PPE), intangible assets (IA), not including assets reclassified to assets held for sale

<sup>3</sup> Excluding additions in assets reclassified to held for sale and additions to decommissioning assets

<sup>4</sup> Not including assets held for sale

## Segment reporting

In EUR mn

|  | 2019         |               |             |                | Consoli-<br>dation | OMV<br>Group  |
|--|--------------|---------------|-------------|----------------|--------------------|---------------|
|  | U/S          | D/S           | Co&O        | Total          |                    |               |
| Sales revenues <sup>1</sup>                              | 6,239        | 20,958        | 345         | <b>27,542</b>  | (4,081)            | <b>23,461</b> |
| Intrasegmental sales                                     | (3,656)      | (84)          | (341)       | <b>(4,081)</b> | 4,081              | —             |
| <b>Sales to third parties</b>                            | <b>2,583</b> | <b>20,874</b> | <b>4</b>    | <b>23,461</b>  | —                  | <b>23,461</b> |
| Other operating income                                   | 122          | 98            | 60          | <b>280</b>     | —                  | <b>280</b>    |
| Net income from equity-accounted investments             | 45           | 341           | —           | <b>386</b>     | —                  | <b>386</b>    |
| Depreciation and amortization                            | 1,604        | 544           | 37          | <b>2,186</b>   | —                  | <b>2,186</b>  |
| Impairment losses (incl. exploration & appraisal)        | 211          | 32            | 0           | <b>243</b>     | —                  | <b>243</b>    |
| Write-ups  | 35           | 0             | 0           | <b>35</b>      | —                  | <b>35</b>     |
| <b>Operating Result</b>                                  | <b>1,879</b> | <b>1,847</b>  | <b>(91)</b> | <b>3,636</b>   | <b>(54)</b>        | <b>3,582</b>  |
| Special items for personnel restructuring                | 17           | 5             | 11          | <b>34</b>      | —                  | <b>34</b>     |
| Special items for unscheduled depreciation and write-ups | 9            | 30            | —           | <b>39</b>      | —                  | <b>39</b>     |
| Special items for asset disposal                         | (3)          | (1)           | —           | <b>(5)</b>     | —                  | <b>(5)</b>    |
| Other special items                                      | 48           | (65)          | 13          | <b>(4)</b>     | —                  | <b>(4)</b>    |
| <b>Special items</b>                                     | <b>71</b>    | <b>(31)</b>   | <b>24</b>   | <b>64</b>      | —                  | <b>64</b>     |
| CCS effect   | —            | (139)         | —           | <b>(139)</b>   | 29                 | <b>(110)</b>  |
| <b>Clean CCS Operating Result</b>                        | <b>1,951</b> | <b>1,677</b>  | <b>(67)</b> | <b>3,561</b>   | <b>(25)</b>        | <b>3,536</b>  |
| Segment assets <sup>2</sup>                              | 15,049       | 5,315         | 277         | <b>20,642</b>  | —                  | <b>20,642</b> |
| Additions in PPE/IA <sup>3</sup>                         | 1,648        | 630           | 72          | <b>2,351</b>   | —                  | <b>2,351</b>  |
| Equity-accounted investments                             | 457          | 4,695         | —           | <b>5,151</b>   | —                  | <b>5,151</b>  |

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

For further details on impairments see Note 7 –  
Depreciation, amortization, impairments and write-ups.

**Other special items** in Upstream mainly consisted of the reassessment of reserves redetermination rights related to the field Yuzhno Russkoye and temporary hedging effects. Downstream other special items were mainly related to the acquisition of 39% additional shares in Borealis AG (for further details refer to Note 3 – Changes in group structure) partly offset by temporary hedging effects.

In 2019 other special items in Upstream 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 partly offset by environmental provisions in Romania.

### Information on geographical areas

In EUR mn

|                                | 2020           |                               |   | 2019           |                               |   |
|--------------------------------|----------------|-------------------------------|---|----------------|-------------------------------|---|
|                                | External sales | Allocated assets <sup>1</sup> | Equity-accounted investments <sup>2</sup> | External sales | Allocated assets <sup>1</sup> | Equity-accounted investments <sup>2</sup> |
| Austria                        | 3,466          | 4,388                         | 78  | 6,599          | 3,452                         | 2,465                                     |
| Germany                        | 3,268          | 1,105                         | 33  | 4,962          | 1,098                         | 29  |
| Romania                        | 3,456          | 6,106                         | —   | 4,389          | 6,265                         | —   |
| Russia                         | 448            | 619                           | 102                                       | 633            | 896                           | 134                                       |
| New Zealand                    | 402            | 607                           | —   | 528            | 1,199                         | —   |
| United Arab Emirates           | 325            | 1,479                         | 6,874                                     | 488            | 1,780                         | 2,190                                     |
| Malaysia                       | 210            | 1,037                         | —   | 122            | 1,333                         | —   |
| Rest of CEE <sup>3</sup>       | 2,878          | 639                           | 6   | 3,564          | 659                           | —   |
| Rest of Europe                 | 1,709          | 4,862                         | 21  | 1,379          | 1,954                         | 10  |
| Rest of the world <sup>4</sup> | 388            | 1,306                         | 1,207                                     | 799            | 1,456                         | 323                                       |
| <b>Total</b>                   | <b>16,550</b>  | <b>22,148</b>                 | <b>8,321</b>                              | <b>23,461</b>  | <b>20,092</b>                 | <b>5,151</b>                              |
| Not allocated assets           | —              | 498                           | —   | —              | 550                           | —   |
| <b>Segment assets</b>          | <b>—</b>       | <b>22,646</b>                 | <b>8,321</b>                              | <b>—</b>       | <b>20,642</b>                 | <b>5,151</b>                              |

<sup>1</sup> Property, plant and equipment (PPE), intangible assets (IA), not including assets reclassified to assets held for sale

<sup>2</sup> Equity-accounted investments are allocated based on the seat of the registered office of the parent company, not including assets held for sale

<sup>3</sup> Including Turkey

<sup>4</sup> Rest of world: Principally China, Libya, Nigeria, South Korea, Singapore, Tunisia, United States of America and Yemen

Not allocated assets contained goodwill in amount of EUR 297 mn (2019: EUR 325 mn) related to the cash-generating unit 'Middle East and Africa', EUR 183 mn (2019: EUR 199 mn) related to the cash generating unit

'SapuraOMV' and EUR 18 mn (2019: EUR 26 mn) related to the cash-generating unit 'Refining West' as these CGUs are operating in more than one geographical area.

## Notes to the Income Statement

### 5 Sales revenues

#### Sales revenues

in EUR mn

|  | 2020          | 2019          |
|--|---------------|---------------|
| Revenues from contracts with customers | 16,076        | 22,616        |
| Revenues from fixed lease payments     | 11            | 17            |
| Revenues from variable lease payments  | 58            | 63            |
| Revenues from other sources            | 406           | 765           |
| <b>Sales revenues</b>                  | <b>16,550</b> | <b>23,461</b> |

#### Revenues from contracts with customers

In EUR mn

|  | Upstream     | Downstream    | Corporate & Other | OMV Group     |
|--|--------------|---------------|-------------------|---------------|
|  | <b>2020</b>  |               |                   |               |
| Crude Oil, NGL, condensates                                | 769          | 615           | —                 | <b>1,384</b>  |
| Natural gas and LNG  | 715          | 3,280         | —                 | <b>3,995</b>  |
| Fuel, heating oil and other refining products              | —            | 6,932         | —                 | <b>6,932</b>  |
| Petrochemicals   | —            | 2,329         | —                 | <b>2,329</b>  |
| Gas storage, transmission, distribution and transportation | 11           | 231           | —                 | <b>242</b>    |
| Other goods and services <sup>1</sup>                      | 27           | 1,164         | 3                 | <b>1,194</b>  |
| <b>Revenues from contracts with customers</b>              | <b>1,521</b> | <b>14,551</b> | <b>3</b>          | <b>16,076</b> |
|  | 2019         |               |                   |               |
| Crude Oil, NGL, condensates                                | 1,228        | 1,073         | —                 | <b>2,302</b>  |
| Natural gas and LNG  | 876          | 4,973         | —                 | <b>5,849</b>  |
| Fuel, heating oil and other refining products              | —            | 11,161        | —                 | <b>11,161</b> |
| Petrochemicals   | —            | 1,768         | —                 | <b>1,768</b>  |
| Gas storage, transmission, distribution and transportation | 20           | 232           | —                 | <b>252</b>    |
| Other goods and services <sup>1</sup>                      | 24           | 1,259         | 2                 | <b>1,285</b>  |
| <b>Revenues from contracts with customers</b>              | <b>2,148</b> | <b>20,466</b> | <b>2</b>          | <b>22,616</b> |

<sup>1</sup> Mainly retail non-oil business and power sales in Downstream

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

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

In EUR mn

|   | 2020         | 2019       |
|---|--------------|------------|
| Foreign exchange gains from operating activities                                  | 159          | 80         |
| Gains from fair value changes of financial assets                                 | 28           | —          |
| Gains from fair value changes of trading inventories                              | 90           | —          |
| Gains from fair value changes of other derivatives                                | 68           | —          |
| Gains on the disposal of businesses, subsidiaries, tangible and intangible assets | 22           | 21         |
| Residual other operating income   | 1,510        | 179        |
| <b>Other operating income</b>   | <b>1,877</b> | <b>280</b> |
| Income from equity-accounted investments  | 250          | 392        |
| Expenses from equity-accounted investments  | (212)        | (6)        |
| <b>Net income from equity-accounted investments</b>                               | <b>38</b>    | <b>386</b> |

**Foreign exchange gains from operating activities** were mainly impacted in 2020 and 2019 by USD development.

**Gains from fair value changes of financial assets** included positive discounting effects of the asset from reserves redetermination rights related to the acquisition of interests in the Yuzhno Russkoye field. For further details see Note 18 – Financial assets.

**Gains from fair value changes of trading inventories** refer to emissions certificates held for trading in Downstream (Austria, Germany and Romania). For further details on Emissions certificates see Note 23 – Provisions.

**Gains from fair value changes of other derivatives** were related to forward contracts of emissions certificates in Downstream (Austria and Germany).

**Residual other operating income** contained gains from revaluation and recycling effects related to the

previously held 36% interest in Borealis AG (see Note 3 – Changes in group structure) as well as storage income related to Erdöl-Lagergesellschaft m.b.H. in amount of EUR 50 mn (2019: EUR 49 mn).

Furthermore, the position included an insurance compensation related to a process safety incident in Borealis cracker in Sweden in amount of EUR 41 mn.

2019 contained income related to clarification of a tax related topic in Romania in amount of EUR 14 mn.

**Income from equity-accounted investments** primarily contained income from the previously held 36% interest in Borealis AG amounting to EUR 172 mn (2019: EUR 314 mn).

**Expenses from equity-accounted investments** were mainly impacted by Abu Dhabi Oil Refining Company. For further details see Note 16 – Equity-accounted investments.

## 7 Depreciation, amortization, impairments and write-ups

Impairment losses are part of the income statement line “Depreciation, amortization, impairments and write-ups”, 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, impairments (excluding exploration & appraisal) and write-ups

In EUR mn

|  | 2020         | 2019         |
|--|--------------|--------------|
| Depreciation and amortization  | 1,965        | 2,186        |
| Write-ups  | (230)        | (35)         |
| Impairment losses (excl. exploration & appraisal)  | 683          | 151          |
| <b>Depreciation, amortization, impairment losses (excluding exploration &amp; appraisal) and write-ups</b> | <b>2,418</b> | <b>2,302</b> |

### Impairment losses (including exploration & appraisal)

In EUR mn

|  | 2020         | 2019       |
|--|--------------|------------|
| Impairment losses (excl. exploration & appraisal)                | 683          | 151        |
| Impairment losses (exploration & appraisal)                      | 779          | 92         |
| <b>Impairment losses (including exploration &amp; appraisal)</b> | <b>1,462</b> | <b>243</b> |

**Depreciation, amortization, impairments and write-ups – split per function**

In EUR mn

|   | 2020         | 2019         |
|---|--------------|--------------|
| <b>Depreciation and amortization</b>                              | <b>1,965</b> | <b>2,186</b> |
| attributable to exploration expenses                              | —            | —            |
| attributable to production and operating expenses                 | 1,717        | 1,926        |
| attributable to selling, distribution and administrative expenses | 248          | 259          |
| <b>Write-ups</b>  | <b>(230)</b> | <b>(35)</b>  |
| attributable to exploration expenses                              | —            | —            |
| attributable to production and operating expenses                 | (227)        | (35)         |
| attributable to selling, distribution and administrative expenses | (3)          | —            |
| <b>Impairment losses (incl. exploration &amp; appraisal)</b>      | <b>1,462</b> | <b>243</b>   |
| attributable to exploration expenses                              | 779          | 92           |
| attributable to production and operating expenses                 | 673          | 125          |
| attributable to selling, distribution and administrative expenses | 10           | 26           |

**Impairments and write-ups in Upstream**

The significant drop in the oil and gas prices led to the change in OMV's price assumptions and have triggered impairment testing throughout the Upstream portfolio. For further information regarding change in price assumptions see Note 2 – Accounting policies, judgments and estimates.

This led to pre-tax impairments of EUR 1,222 mn (intangible assets EUR 614 mn and tangible assets EUR 608 mn) and pre-tax write-ups of EUR 91 mn in 2020 for exploration and appraisal, development and production oil and gas assets. The impairments have

been recorded in different countries across the portfolio, mainly related to assets in New Zealand, Romania, Austria and United Arab Emirates.

An increase of 1 percentage point in the post-tax discount rates would lead to an additional post-tax impairment of approximately EUR 250 mn for producing assets and assets currently in the development phase as well as exploration and appraisal assets. Furthermore, a Brent oil price decrease of USD 10/bbl and gas price decrease of EUR 3/MwH per year would lead to an additional post-tax impairment of approximately EUR 1.7 bn.

**Material upstream impairments and write-ups in 2020**

In EUR mn

| Country              | Impairments net of write-ups pre-tax | Value in use of assets <sup>1</sup> | After-tax discount rate <sup>1</sup> |
|----------------------|--------------------------------------|-------------------------------------|--------------------------------------|
| New Zealand          | 447                                  | 403                                 | 8.5%                                 |
| United Arab Emirates | 291                                  | 1,236                               | 7.5%                                 |
| Romania              | 196                                  | 564                                 | 9.7%                                 |
| Austria              | 156                                  | 824                                 | 8.7%                                 |
| Yemen                | 59                                   | 52                                  | 10.8%                                |
| Tunisia              | 19                                   | 29                                  | 8.4%                                 |
| Malaysia             | 7                                    | 34                                  | 7.1%                                 |
| Norway               | (43)                                 | 782                                 | 7.6%                                 |

<sup>1</sup> based on performed impairment tests in Q3/20

Moreover, impairments in 2020 included mainly unsuccessful workovers and obsolete or replaced assets in Romania (EUR 58 mn). Furthermore, impairment losses in 2020 included impairments of EUR 149 mn related to unsuccessful exploration wells and exploration licenses in Malaysia, Austria, Norway and New Zealand.

The planned sale of assets in Kazakhstan by OMV Petrom (51% subsidiary of OMV) in 2020 led to the reclassification to "held for sale", which triggered a pre-tax write-up of EUR 28 mn. For more details please see Note 20 – Assets and liabilities held for sale.



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. Other impairments in 2019 were mainly related to the unsuccessful workovers and obsolete or replaced assets in Romania (EUR 76 mn) as well as unsuccessful exploration wells in Romania, Austria, New Zealand and Norway (EUR 92 mn). Additionally, in 2019 the reclassification to "held for sale" triggered a pre-tax write-up of EUR 34 mn of the Maari field in New Zealand.

#### Impairments and write-ups in Downstream

In 2020 there were no significant impairments in the segment.

During Q3/20, the long-term power and CO<sub>2</sub> price assumptions were revised, taking into account the improved power generation market in Romania. This led to the full reversal of impairments for the Brazi gas-fired power plant in Romania amounting to EUR 107 mn pre-tax based on an after-tax discount rate of 4.26%.

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 the oil business.

## 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

|  | 2020       | 2019       |
|--|------------|------------|
| Impairment losses (exploration & appraisal)  | 779        | 92         |
| Other exploration expenses   | 117        | 136        |
| <b>Exploration expenses</b>  | <b>896</b> | <b>229</b> |
| Total intangible assets – exploration and appraisal expenditure incl. acquisition of unproved reserves | 1,260      | 2,500      |
| Net cash used in operating activities  | 106        | 138        |
| Net cash used in investing activities <sup>1</sup>   | 122        | 261        |

<sup>1</sup> 2019 figures do not include the acquisition of SapuraOMV Upstream assets in Malaysia.

## 9 Other operating expenses

#### Other operating expenses

In EUR mn

|   | 2020       | 2019       |
|---|------------|------------|
| Foreign exchange losses from operating activities                               | 135        | 67         |
| Losses on disposals of businesses, subsidiaries, tangible and intangible assets | 8          | 14         |
| Losses from fair value changes of financial assets                              | (0)        | 5          |
| Net impairment losses on financial assets measured at amortized cost            | 12         | 33         |
| Personnel reduction schemes   | 39         | 26         |
| Research and development expenses   | 61         | 49         |
| Residual other operating expenses   | 134        | 128        |
| <b>Other operating expenses</b>   | <b>389</b> | <b>322</b> |

**Foreign exchange losses from operating activities** in 2020 and 2019 were mainly impacted by USD development.

**Net impairment losses on financial assets measured at amortized cost** were mainly related to impairments for receivables in Tunisia amounting to EUR 9 mn (2019: EUR 18 mn). The 2019 impairments were triggered by a reassessment of future production.

The increase in **Research and development expenses** was largely owing to Borealis group. For further details on the acquisition of additional shares in Borealis AG see Note 3 – Changes in group structure.

**Residual other operating expenses** contained expenses relating to various digitalization initiatives amounting to EUR 36 mn (2019: EUR 44 mn) as well as storage expenses related to Erdöl-Lagergesellschaft m.b.H. in amount of EUR 56 mn (2019: EUR 53 mn).

## 10 Personnel expenses

### Personnel expenses

In EUR mn

|  | 2020         | 2019         |
|--|--------------|--------------|
| Wages and salaries                           | 944          | 869          |
| Costs of defined benefit plans               | 9            | 18           |
| Costs of defined contribution plans          | 33           | 28           |
| Net expenses for personnel reduction schemes | 39           | 26           |
| Other employee benefits                      | 128          | 157          |
| Taxes and social contribution                | 155          | 130          |
| <b>Personnel expenses</b>                    | <b>1,308</b> | <b>1,228</b> |

Increase of net expenses for personnel reduction schemes was mainly related to restructuring expenses from outsourcing activities in Romania.

Additional details on defined benefit plans are included in Note 23 – Provisions.

## 11 Net financial result

### Interest income

In EUR mn

|  | 2020       | 2019       |
|--|------------|------------|
| Cash & cash equivalents                  | 38         | 52         |
| Discounted receivables                   | 17         | 24         |
| Other financial and non-financial assets | 30         | 23         |
| Loans                                    | 88         | 70         |
| Other                                    | 3          | —          |
| <b>Interest income</b>                   | <b>177</b> | <b>169</b> |

**Other financial and non-financial assets** mainly included late payment interest income in relation to successful arbitration in Romania in 2020, while 2019 primarily contained late payment interest income in relation to clarification of a tax related topic in Romania.

**Interest income from loans** included EUR 84 mn (2019: EUR 70 mn) related to the Nord Stream 2 financing agreement. For further details see Note 18 – Financial assets.

**Interest expenses**

In EUR mn

|  | 2020       | 2019       |
|--|------------|------------|
| Bonds  | 136        | 129        |
| Lease liabilities  | 24         | 23         |
| Other financial and non-financial liabilities  | 20         | 27         |
| Provisions for decommissioning and restoration obligations                             | 74         | 91         |
| Provisions for jubilee payments, personnel reduction plans and other employee benefits | 2          | 2          |
| Provisions for pensions and severance payments   | 11         | 19         |
| Provisions for onerous contracts   | 15         | 17         |
| Other  | 5          | 2          |
| <b>Interest expenses, gross</b>  | <b>287</b> | <b>309</b> |
| Capitalized borrowing costs  | (7)        | (6)        |
| <b>Interest expenses</b>   | <b>280</b> | <b>304</b> |

For further details on **bonds** see Note 24 – Liabilities.

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 which amounted to EUR 5 mn (2019: EUR 8 mn).

**Provisions for onerous contracts** included of unwinding expenses for the Gate LNG obligation and associated transportation commitments of OMV Gas Marketing & Trading GmbH. For further details see Note 23 – Provisions.

**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.

**Other financial income and expense**

In EUR mn

|   | 2020        | 2019        |
|---|-------------|-------------|
| Carrying amount of sold trade receivables                 | (5,212)     | (5,771)     |
| Proceeds on sold trade receivables                        | 5,189       | 5,740       |
| <b>Financing charges for factoring and securitization</b> | <b>(24)</b> | <b>(31)</b> |
| Net foreign exchange gains/(losses)                       | (53)        | 40          |
| Other   | (14)        | (8)         |
| <b>Other financial income and expense</b>                 | <b>(91)</b> | <b>1</b>    |

In 2020 **Net foreign exchange gains/ (losses)** were predominately impacted by RUB and USD. 2019 was additionally predominately impacted by NOK.

The position **Other** was mainly related to bank charges.

## 12 Taxes on income and profit

### Taxes on income and profit

In EUR mn

|                                   | 2020         | 2019         |
|-----------------------------------|--------------|--------------|
| <b>Profit before tax</b>          | <b>875</b>   | <b>3,453</b> |
| Current taxes                     | 244          | 1,207        |
| thereof related to previous years | 2            | 13           |
| Deferred taxes                    | (846)        | 100          |
| <b>Taxes on income and profit</b> | <b>(603)</b> | <b>1,306</b> |

### Changes in deferred taxes

In EUR mn

|   | 2020       | 2019         |
|---|------------|--------------|
| Deferred taxes January 1  | (445)      | 28           |
| Deferred taxes December 31  | (57)       | (445)        |
| <b>Changes in deferred taxes</b>  | <b>388</b> | <b>(473)</b> |
| Deferred taxes accounted for in equity  | 17         | (4)          |
| Changes in consolidated Group, exchange differences and other changes <sup>1</sup>                                      | 441        | 377          |
| <b>Deferred taxes per income statement</b>  | <b>846</b> | <b>(100)</b> |
| The deferred taxes per income statement comprise the following elements:  |            |              |
| Change in tax rate  | 12         | 5            |
| Release of and allocation to valuation allowance for deferred taxes   | 320        | 5            |
| Adjustments within loss carryforwards (not recognized in prior years, expired loss carryforwards and other adjustments) | 59         | 16           |
| Reversal of temporary differences, including additions to and use of loss carryforwards                                 | 456        | (125)        |

<sup>1</sup> 2020 included the acquisition of additional shares in Borealis AG in amount of EUR 510 mn. 2019 included the acquisition of SapuraOMV in amount of EUR 336 mn.

### Taxes on income and profit accounted for in other comprehensive income

In EUR mn

|   | 2020       | 2019       |
|---|------------|------------|
| Deferred taxes  | (8)        | (4)        |
| Current taxes   | (0)        | 0          |
| <b>Taxes on income and profit accounted for in other comprehensive income</b> | <b>(8)</b> | <b>(4)</b> |

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.

Changes in valuation allowance for the Austrian tax group 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 %

|  | 2020          | 2019        |
|--|---------------|-------------|
| <b>Austrian corporate income tax rate</b>                            | <b>25.0</b>   | <b>25.0</b> |
| <b>Tax effect of:</b>  |               |             |
| Differing foreign tax rates  | (8.3)         | 14.7        |
| Non-deductible expenses  | 22.6          | 5.0         |
| Non-taxable income   | (55.7)        | (5.3)       |
| Change in tax rate   | (1.3)         | (0.2)       |
| Permanent effects within tax loss carryforwards                      | 0.1           | (0.0)       |
| Tax write-downs and write-ups on investments at parent company level | (14.1)        | (0.6)       |
| Change in valuation allowance for deferred taxes                     | (36.5)        | (0.1)       |
| Taxes related to previous years                                      | (6.2)         | (0.6)       |
| Other  | 5.5           | (0.1)       |
| <b>Effective Group income tax rate</b>                               | <b>(68.8)</b> | <b>37.8</b> |

**Tax rate reconciliation**

In EUR mn

|  | 2020         | 2019         |
|--|--------------|--------------|
| <b>Theoretical taxes on income based on Austrian income tax rate</b> | <b>219</b>   | <b>863</b>   |
| <b>Tax effect of:</b>  |              |              |
| Differing foreign tax rates  | (73)         | 508          |
| Non-deductible expenses  | 198          | 172          |
| Non-taxable income   | (487)        | (182)        |
| Change in tax rate   | (12)         | (5)          |
| Permanent effects within tax loss carryforwards                      | 1            | (2)          |
| Tax write-downs and write-ups on investments at parent company level | (123)        | (20)         |
| Change in valuation allowance for deferred taxes                     | (320)        | (5)          |
| Taxes related to previous years                                      | (55)         | (19)         |
| Other  | 49           | (4)          |
| <b>Total taxes on income and profit</b>                              | <b>(603)</b> | <b>1,306</b> |

**Non-deductible expenses** contained mainly negative result contribution from at-equity accounted investments as well as permanent effects from depreciation, depletion and amortization.

**Non-taxable income** in 2020 was predominantly impacted by revaluation and recycling effects related to the previously held 36% interest in Borealis AG (see Note 3 – Changes in group structure). Furthermore the

position included mainly positive result contribution from equity-accounted investments as well as tax incentives in Norway.

**Change in valuation allowance for deferred taxes** was predominately impacted by release of valuation allowances on tax loss carryforwards in Austria. For further details see Note 25 – Deferred Taxes.

## 13 Earnings Per Share

### Earnings Per Share (EPS)

In EUR mn

|         | 2020  |   |            | 2019  |   |            |
|---------|---|---|------------|---|---|------------|
|         | Earnings attributable to stockholders of the parent in EUR mn | Weighted average number of shares outstanding | EPS in EUR | Earnings attributable to stockholders of the parent in EUR mn | Weighted average number of shares outstanding | EPS in EUR |
| Basic   | 1,258   | 326,830,270                                   | 3.85       | 1,678   | 326,610,239                                   | 5.14       |
| Diluted | 1,258   | 326,989,851                                   | 3.85       | 1,678   | 326,863,180                                   | 5.13       |

The calculation of diluted Earnings per Share took into account the weighted average number of ordinary shares in issue following the conversion of all potentially diluting ordinary shares. This included

159,581 (2019: 252,941) contingently issuable bonus shares related to Long Term Incentive Plans and the Equity Deferral.

## Notes to the Statement of Financial Position

### 14 Intangible assets

#### Intangible assets

In EUR mn

|                                    | Concessions,<br>software, licenses,<br>rights | Oil and gas assets<br>with unproved<br>reserves | Goodwill   | Total        |
|------------------------------------|---|---|------------|--------------|
| <b>2020</b>                        |   |   |            |              |
| <b>Development of costs</b>        |   |   |            |              |
| <b>January 1</b>                   | <b>1,936</b>                                  | <b>2,860</b>                                    | <b>622</b> | <b>5,418</b> |
| Currency translation differences   | (266)   | (106)   | (53)       | (425)        |
| Changes in consolidated Group      | 887   | —   | —          | 887          |
| Additions                          | 68  | 117   | —          | 185          |
| Transfers                          | 3   | (514)   | —          | (511)        |
| Assets held for sale               | (91)  | —   | (38)       | (129)        |
| Disposals                          | (29)  | (162)   | —          | (191)        |
| <b>December 31</b>                 | <b>2,509</b>                                  | <b>2,195</b>                                    | <b>531</b> | <b>5,235</b> |
| <b>Development of amortization</b> |   |   |            |              |
| <b>January 1</b>                   | <b>895</b>                                    | <b>360</b>                                      | <b>—</b>   | <b>1,255</b> |
| Currency translation differences   | (61)  | (29)  | —          | (90)         |
| Amortization                       | 113   | —   | —          | 113          |
| Impairments                        | 1   | 768   | —          | 769          |
| Transfers                          | (0)   | (5)   | —          | (5)          |
| Assets held for sale               | (54)  | —   | —          | (54)         |
| Disposals                          | (29)  | (160)   | —          | (189)        |
| Write-ups                          | (9)   | (0)   | —          | (9)          |
| <b>December 31</b>                 | <b>857</b>                                    | <b>934</b>                                      | <b>—</b>   | <b>1,792</b> |
| Carrying amount January 1          | 1,041   | 2,500   | 622        | 4,163        |
| <b>Carrying amount December 31</b> | <b>1,652</b>                                  | <b>1,260</b>                                    | <b>531</b> | <b>3,443</b> |

2019

|                                    |              |              |            |              |
|------------------------------------|--------------|--------------|------------|--------------|
| <b>Development of costs</b>        |              |              |            |              |
| <b>January 1</b>                   | <b>1,769</b> | <b>2,252</b> | <b>420</b> | <b>4,441</b> |
| Currency translation 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)        |
| <b>December 31</b>                 | <b>1,936</b> | <b>2,860</b> | <b>622</b> | <b>5,418</b> |
| <b>Development of amortization</b> |              |              |            |              |
| <b>January 1</b>                   | <b>779</b>   | <b>346</b>   | <b>—</b>   | <b>1,125</b> |
| Currency translation 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)         |
| <b>December 31</b>                 | <b>895</b>   | <b>360</b>   | <b>—</b>   | <b>1,255</b> |
| Carrying amount January 1          | 991          | 1,906        | 420        | 3,317        |
| <b>Carrying amount December 31</b> | <b>1,041</b> | <b>2,500</b> | <b>622</b> | <b>4,163</b> |

Changes in consolidated group in 2020 of EUR 887 mn were mainly related to capitalized development costs, patents and licenses due to the acquisition of an additional 39% share in Borealis AG. See Note 3 – Changes in group structure – for additional details.

The transfers were mainly related to the shift of the licence SK408 Jerun in Malaysia from intangible assets to development assets following the final investment decision.

Intangible assets with a total carrying amount of EUR 75 mn (2019: EUR 26 mn) were transferred to

assets held for sale, mainly related to the planned sale of OMV's share in Gas Connect Austria GmbH and the retail network in Germany. For details see Note 20 – Assets and liabilities held for sale.

Further details on impairments and write-ups can be found in Note 7 – Depreciation, amortization, impairments and write-ups.

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

#### Goodwill allocation

In EUR mn

|   | 2020       | 2019       |
|---|------------|------------|
| Middle East and Africa                  | 297        | 325        |
| SapuraOMV                               | 183        | 199        |
| <b>Goodwill allocated to Upstream</b>   | <b>480</b> | <b>524</b> |
| Downstream Gas Austria                  | —          | 38         |
| Refining West                           | 18         | 26         |
| Retail Slovakia                         | 7          | 7          |
| Refining Austria                        | 26         | 27         |
| <b>Goodwill allocated to Downstream</b> | <b>52</b>  | <b>98</b>  |
| <b>Goodwill</b>                         | <b>531</b> | <b>622</b> |

In 2020, the goodwill allocated to Upstream decreased due to unfavorable currency translation differences.

In the Downstream Segment, goodwill decreased due to the planned sale of OMV's 51% share in Gas Connect Austria GmbH. As the Downstream Gas Austria Goodwill was part of the disposal group the goodwill was consequently reclassified to assets held for sale. For details see Note 20 – Assets and liabilities held for sale. Furthermore, the goodwill allocated to Refining West and Refining Austria decreased due to unfavorable currency translation 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 9.23% (2019: 8.66%) and for goodwill allocated to SapuraOMV an after-tax discount rate of 7.88% was used.

There is no reasonable change in the discount rate that would lead to an impairment of goodwill allocated to Upstream. Furthermore, a Brent oil price decrease of USD 10/bbl and gas price decrease of EUR 3/MWh per year would also not lead to an impairment of the goodwill allocated to Middle East and Africa. The change in price assumptions would lead to a post-tax impairment of approximately EUR 50 mn of the goodwill allocated to SapuraOMV.

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<br>buildings | Oil and<br>gas assets | Plant and<br>machinery | Other<br>fixtures,<br>fittings<br>and<br>equipment | Assets<br>under<br>construction | Total         |
|---|-----------------------|-----------------------|------------------------|--|---------------------------------|---------------|
|   | <b>2020</b>           |                       |                        |  |                                 |               |
| <b>Development of costs</b>                                 |                       |                       |                        |  |                                 |               |
| <b>January 1</b>  | <b>3,520</b>          | <b>23,974</b>         | <b>8,987</b>           | <b>2,120</b>                                       | <b>415</b>                      | <b>39,017</b> |
| Currency translation differences                            | (33)                  | (1,032)               | (21)                   | (15)   | (3)                             | (1,104)       |
| Changes in consolidated Group                               | 396                   | —                     | 3,025                  | 85   | 624                             | 4,129         |
| Additions   | 96                    | 965                   | 263                    | 108  | 320                             | 1,753         |
| New obligations and change in estimates for decommissioning | 11                    | 101                   | 29                     | —  | —                               | 141           |
| Transfers   | 40                    | 512                   | 175                    | 27   | (242)                           | 511           |
| Assets held for sale  | (430)                 | (901)                 | (920)                  | (300)  | (33)                            | (2,584)       |
| Disposals   | (15)                  | (175)                 | (55)                   | (58)   | (0)                             | (303)         |
| <b>December 31</b>  | <b>3,584</b>          | <b>23,445</b>         | <b>11,483</b>          | <b>1,967</b>                                       | <b>1,081</b>                    | <b>41,560</b> |
| <b>Development of depreciation</b>                          |                       |                       |                        |  |                                 |               |
| <b>January 1</b>  | <b>1,714</b>          | <b>13,433</b>         | <b>5,875</b>           | <b>1,504</b>                                       | <b>11</b>                       | <b>22,538</b> |
| Currency translation differences                            | (17)                  | (525)                 | (28)                   | (10)   | (0)                             | (581)         |
| Depreciation  | 142                   | 1,182                 | 406                    | 129  | —                               | 1,858         |
| Impairments   | 4                     | 658                   | 17                     | 1  | 0                               | 679           |
| Transfers   | (0)                   | 8                     | (0)                    | 0  | (3)                             | 5             |
| Assets held for sale  | (163)                 | (768)                 | (480)                  | (221)  | (1)                             | (1,633)       |
| Disposals   | (9)                   | (173)                 | (51)                   | (56)   | 0                               | (289)         |
| Write-ups   | (1)                   | (119)                 | (98)                   | (0)  | —                               | (219)         |
| <b>December 31</b>  | <b>1,669</b>          | <b>13,695</b>         | <b>5,640</b>           | <b>1,346</b>                                       | <b>7</b>                        | <b>22,358</b> |
| Carrying amount January 1                                   | 1,806                 | 10,541                | 3,111                  | 616  | 404                             | 16,479        |
| <b>Carrying amount December 31</b>                          | <b>1,915</b>          | <b>9,750</b>          | <b>5,843</b>           | <b>622</b>   | <b>1,073</b>                    | <b>19,203</b> |

## 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         |
|---|--------------------|--------------------|---------------------|--|---------------------------|---------------|
| 2019  |                    |                    |                     |  |                           |               |
| <b>Development of costs</b>                                 |                    |                    |                     |  |                           |               |
| <b>January 1</b>  | <b>3,394</b>       | <b>23,033</b>      | <b>8,694</b>        | <b>2,018</b>                           | <b>411</b>                | <b>37,550</b> |
| Currency translation differences                            | (21)               | (6)                | (54)                | (7)                                    | (4)                       | (92)          |
| Changes in consolidated Group                               | 5                  | 588                | 0                   | 0                                      | 10                        | 604           |
| Additions   | 162                | 1,271              | 237                 | 162                                    | 218                       | 2,051         |
| New obligations and change in estimates for decommissioning | 2                  | 212                | 2                   | —                                      | —                         | 216           |
| Transfers   | 8                  | 147                | 177                 | 2                                      | (212)                     | 123           |
| Assets held for sale  | 2                  | (1,151)            | (4)                 | (1)                                    | (3)                       | (1,157)       |
| Disposals   | (33)               | (119)              | (65)                | (54)                                   | (6)                       | (278)         |
| <b>December 31</b>  | <b>3,520</b>       | <b>23,974</b>      | <b>8,987</b>        | <b>2,120</b>                           | <b>415</b>                | <b>39,017</b> |
| <b>Development of depreciation</b>                          |                    |                    |                     |  |                           |               |
| <b>January 1</b>  | <b>1,607</b>       | <b>13,060</b>      | <b>5,608</b>        | <b>1,459</b>                           | <b>12</b>                 | <b>21,747</b> |
| Currency translation 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)          |
| <b>December 31</b>  | <b>1,714</b>       | <b>13,433</b>      | <b>5,875</b>        | <b>1,504</b>                           | <b>11</b>                 | <b>22,538</b> |
| Carrying amount January 1                                   | 1,787              | 9,972              | 3,086               | 559                                    | 399                       | 15,803        |
| <b>Carrying amount December 31</b>                          | <b>1,806</b>       | <b>10,541</b>      | <b>3,111</b>        | <b>616</b>                             | <b>404</b>                | <b>16,479</b> |

The changes in the consolidated group in 2020 of EUR 4,129 mn were related to the acquisition of an additional 39% share in Borealis AG. For more details please see Note 3 – Changes in group structure.

The transfers were mainly related to the shift of the licence SK408 Jerun in Malaysia from intangible to development assets following the final investment decision.

Property, plant and equipment with a total carrying amount of EUR 950 mn (2019: EUR 116 mn) were transferred to assets held for sale, related to the sale of

OMV's share in Gas Connect Austria GmbH, the retail network in Germany as well as assets in Malaysia and Kazakhstan. For more details please see Note 20 – Assets and liabilities held for sale.

Further details on impairments and write-ups can be found in Note 7 – Depreciation, amortization, impairments and write-ups.

**Contractual obligations for acquisitions**

In EUR mn

|                                | 2020         | 2019         |
|--------------------------------|--------------|--------------|
| Intangible assets              | 395          | 491          |
| Property, plant and equipment  | 1,134        | 852          |
| <b>Contractual obligations</b> | <b>1,529</b> | <b>1,343</b> |

In 2020 and in 2019 the contractual commitments were mainly related to exploration and production activities in Upstream. The increase of contractual obligations in 2020 is mainly related to additional commitments of Borealis group.

**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.

The changes in the consolidated group in 2020 were related to the acquisition of an additional 39% share in Borealis AG and included mainly land leases and vessel lease.

Right-of-use assets with a total carrying amount of EUR 136 mn were transferred to assets held for sale, mainly related to planned sale of the retail network in Germany and are represented in the line other movements.

**Right-of-use assets recognized under IFRS 16**

In EUR mn

|                               | Land and buildings | Plant and machinery | Other fixtures, fittings and equipment | Total      |
|-------------------------------|--------------------|---------------------|--|------------|
|                               | <b>2020</b>        |                     |  |            |
| <b>January 1</b>              | <b>667</b>         | <b>37</b>           | <b>111</b>                             | <b>815</b> |
| Changes in consolidated Group | 75                 | 19                  | 76                                     | 170        |
| Additions                     | 62                 | 12                  | 57                                     | 131        |
| Depreciation                  | (66)               | (14)                | (46)                                   | (126)      |
| Other movements               | (145)              | (6)                 | (3)                                    | (155)      |
| <b>December 31</b>            | <b>593</b>         | <b>48</b>           | <b>194</b>                             | <b>836</b> |
|                               | 2019               |                     |  |            |
| <b>January 1</b>              | <b>670</b>         | <b>33</b>           | <b>66</b>                              | <b>768</b> |
| Changes in consolidated Group | 5                  | —                   | —                                      | 5          |
| Additions                     | 81                 | 18                  | 79                                     | 178        |
| Depreciation                  | (66)               | (10)                | (32)                                   | (108)      |
| Other movements               | (23)               | (4)                 | (2)                                    | (28)       |
| <b>December 31</b>            | <b>667</b>         | <b>37</b>           | <b>111</b>                             | <b>815</b> |

**Amounts recognized in the consolidated income statement**

In EUR mn

|  | 2020 | 2019 |
|--|------|------|
| <b>Operating result</b>                        |      |      |
| Short-term lease expenses                      | 30   | 107  |
| thereof capitalized short-term lease expenses  | 16   | 73   |
| Low-value lease expenses                       | 2    | 2    |
| Expenses relating to variable lease payments   | 7    | 9    |
| <b>Net financial result</b>                    |      |      |
| Interest expense from lease liabilities        | 24   | 23   |
| Net foreign exchange loss on lease liabilities | 3    | 2    |

The decrease in short term lease expenses was mainly related to the first time adoption of IFRS 16 in 2019, where OMV did not recognize any right-of-use assets for contracts that expired in 2019 as they were treated as short-term leases as well as reduced drilling activities in 2020 compared to 2019.

Expenses relating to variable lease payments mainly included 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 and joint ventures

Following the acquisition of an additional 39% share in Borealis group (previous share: 36%) OMV has gained control over Borealis group and discontinued the use of the equity accounting in line with IAS 28. See Note 3 – Changes in group structure – for further details. As a result of the full consolidation of Borealis group, OMV holds a 40% interest in Abu Dhabi Polymers Company Limited (Borouge) and a 50% interest in Bayport Polymers LLC.

**Abu Dhabi Polymers Company Limited (Borouge)**, registered in Abu Dhabi, is a leading provider of innovative, value-creating plastic solutions for energy, infrastructure, automotive, healthcare and agriculture industries as well as advanced packaging applications. As OMV, with its 40% interest does not have joint control over Abu Dhabi Polymers Company Limited (Borouge), the company is accounted for as an associated company.

**Bayport Polymers LLC**, registered in Pasadena (incorporated in Wilmington), is currently building a polyethylene facility as well as an ethane steam cracker with the objective of supplying the abundantly

available and competitively priced ethane in the United States to its polyethylene units. As OMV has joint control over Bayport Polymers LLC (50/50 share split), it accounts the company as joint venture.

OMV also holds a 15% interest in **Abu Dhabi Oil Refining Company** (2019: 15%), 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.

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 and joint ventures. Income statement and other comprehensive income for Abu Dhabi Polymers Company Limited (Borouge) and Bayport Polymers LLC represent amounts since inclusion in OMV group on October 29, 2020. Income statement and other comprehensive income for Abu Dhabi Oil Refining Company in 2019 represent amounts since acquisition on July 31, 2019.

**Statement of comprehensive income**

In EUR mn

|                                       | 2020                           |  |                                    | 2019                           |                     |
|---------------------------------------|--------------------------------|--|------------------------------------|--------------------------------|---------------------|
|                                       | Abu Dhabi Oil Refining Company | Abu Dhabi Polymers Company Limited (Borouge) | Joint Venture Bayport Polymers LLC | Abu Dhabi Oil Refining Company | Associates Borealis |
| Sales revenue                         | 11,361                         | 715  | 75                                 | 8,381                          | 8,111               |
| Net income for the year               | (1,296)                        | 64   | 14                                 | 67                             | 873                 |
| Other comprehensive income            | —                              | (9)  | —                                  | (13)                           | (23)                |
| Total comprehensive income            | (1,296)                        | 55   | 14                                 | 53                             | 851                 |
| Group's share of comprehensive income | (194)                          | 22   | 7                                  | 8                              | 306                 |
| Dividends distributed                 | —                              | —  | 21                                 | 34                             | 297                 |

**Statement of financial position**

In EUR mn

|  | 2020                           |  |                                    | 2019                           |                     |
|--|--------------------------------|--|------------------------------------|--------------------------------|---------------------|
|  | Abu Dhabi Oil Refining Company | Abu Dhabi Polymers Company Limited (Borouge) | Joint Venture Bayport Polymers LLC | Abu Dhabi Oil Refining Company | Associates Borealis |
| Non-current assets                           | 17,207                         | 6,422  | 2,543                              | 18,464                         | 7,691               |
| Current assets                               | 4,137                          | 1,515  | 332                                | 4,184                          | 2,428               |
| Non-current liabilities                      | 4,943                          | 335  | 1,515                              | 3,683                          | 2,182               |
| Current liabilities                          | 3,311                          | 461  | 76                                 | 3,389                          | 1,491               |
| Equity                                       | 13,089                         | 7,142  | 1,284                              | 15,577                         | 6,445               |
| Group's share                                | 1,963                          | 2,857  | 642                                | 2,337                          | 2,320               |
| Goodwill                                     | 64                             | 1,770  | —                                  | 70                             | 30                  |
| OMV Group adjustments                        | (280)                          | 436  | (22)                               | (297)                          | (12)                |
| <b>Group's carrying amount of investment</b> | <b>1,747</b>                   | <b>5,062</b>                                 | <b>620</b>                         | <b>2,109</b>                   | <b>2,339</b>        |

**Carrying amount reconciliation**

In EUR mn

|   | 2020                           |  |                                     | 2019                           |                     |
|---|--------------------------------|--|-------------------------------------|--------------------------------|---------------------|
|   | Abu Dhabi Oil Refining Company | Abu Dhabi Polymers Company Limited (Borouge) | Joint Ventures Bayport Polymers LLC | Abu Dhabi Oil Refining Company | Associates Borealis |
| <b>January 1</b>                                      | <b>2,109</b>                   | <b>—</b>                                     | <b>—</b>                            | <b>—</b>                       | <b>2,319</b>        |
| Changes in the consolidated group                     | —                              | 5,290  | 515                                 | 2,150                          | —                   |
| Additions and other changes                           | —                              | —  | 143                                 | —                              | —                   |
| Currency translation differences                      | (168)                          | (250)  | (24)                                | (15)                           | —                   |
| Net income  | (194)                          | 26   | 7                                   | 10                             | 314                 |
| Other comprehensive income                            | —                              | (3)  | —                                   | (2)                            | (8)                 |
| Reclassification of cash flow hedges to balance sheet | —                              | —  | —                                   | —                              | (1)                 |
| Dividends and elimination of intercompany profits     | —                              | —  | (21)                                | (34)                           | (286)               |
| <b>December 31</b>                                    | <b>1,747</b>                   | <b>5,062</b>                                 | <b>620</b>                          | <b>2,109</b>                   | <b>2,339</b>        |

**Individually immaterial associates and joint ventures**

OMV holds 55.6% (2019: 55.6%) of **Erdöl-Lagergesellschaft m.b.H** (ELG), registered in Lannach, 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% (2019: 15.53%) in **Trans Austria Gasleitung GmbH**, registered in Vienna. 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. In 2020 Trans Austria Gasleitung GmbH has been reclassified to held for sale following the planned sale of OMV's 51% share in Gas Connect Austria GmbH (for more details see Note 20 – Assets and liabilities held for sale).

OMV exercises joint control over **Abu Dhabi Petroleum Investments LLC** (ADPI, OMV's interest 25%, 2019: 25%), registered in Abu Dhabi, and **Pak-Arab Refinery Limited** (PARCO; indirect interest of

OMV amounts to 10%, 2019: 10%), registered in Karachi, 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.

Furthermore, OMV has a 10% interest (2019: 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%.

Following the full consolidation of Borealis AG, OMV now also holds 50% share in **Borouge Pte.Ltd.**, based in Singapore, which is responsible for marketing and sales of the products produced by Abu Dhabi Polymers Company Limited (Borouge). Even though OMV holds a 50% interest in Borouge Pte. Ltd., OMV has no joint control and thus accounts for it as an associated company.

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

In EUR mn

|                            | 2020       |                | 2019       |                |
|----------------------------|------------|----------------|------------|----------------|
|                            | Associates | Joint ventures | Associates | Joint ventures |
| Sales revenue              | 1,177      | 136            | 441        | 224            |
| Net income for the year    | 28         | 0              | 44         | 17             |
| Other comprehensive income | (2)        | —              | 1          | —              |
| Total comprehensive income | 25         | 0              | 44         | 17             |

**Carrying amount reconciliation for individually immaterial associates and joint ventures**

In EUR mn

|  | 2020       |                | 2019       |                |
|--|------------|----------------|------------|----------------|
|  | Associates | Joint ventures | Associates | Joint ventures |
| <b>January 1</b>                           | <b>553</b> | <b>150</b>     | <b>537</b> | <b>154</b>     |
| Currency translation differences           | (69)       | (9)            | 19         | (8)            |
| Changes in consolidated Group <sup>1</sup> | 322        | 7              | —          | —              |
| Additions and other changes                | 13         | —              | 4          | 1              |
| Net income                                 | 28         | 0              | 44         | 17             |
| Other comprehensive income                 | (2)        | —              | 1          | —              |
| Disposals and other changes                | (1)        | (54)           | (1)        | —              |
| Impairment                                 | —          | —              | (12)       | —              |
| Dividends distributed                      | (42)       | (5)            | (39)       | (14)           |
| <b>December 31<sup>1</sup></b>             | <b>802</b> | <b>91</b>      | <b>553</b> | <b>150</b>     |

<sup>1</sup> Includes associated companies accounted at-cost

## 17 Inventories

### Inventories

In EUR mn

|                             | 2020         | 2019         |
|-----------------------------|--------------|--------------|
| Crude oil                   | 427          | 676          |
| Natural gas                 | 122          | 180          |
| Other raw materials         | 466          | 219          |
| Work in progress            | 74           | 100          |
| Finished petroleum products | 540          | 624          |
| Other finished products     | 723          | 47           |
| <b>Inventories</b>          | <b>2,352</b> | <b>1,845</b> |

### Purchases (net of inventory variation)

In EUR mn

|   | 2020         | 2019          |
|---|--------------|---------------|
| Costs of goods and materials                                      | 8,992        | 13,629        |
| Inventory changes   | 540          | (88)          |
| Write-downs to net realizable value and write-offs of inventories | 134          | 74            |
| Reversal of inventories write-downs                               | (68)         | (6)           |
| <b>Purchases (net of inventory variation)</b>                     | <b>9,598</b> | <b>13,608</b> |

The reversal of inventories write-downs in 2020 were related to the gas business resulting from increased prices.



## 18 Financial assets

### Financial assets<sup>1</sup>

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 |
|---|---|---|--------------------------|-----------------------|--------------------|-------------------|
|   | <b>2020</b>                                 |   |                          |                       |                    |                   |
| Trade receivables from contracts with customers             | 71  | —   | 1,806                    | <b>1,876</b>          | 1,876              | —                 |
| Other trade receivables                                     | —   | —   | 1,440                    | <b>1,440</b>          | 1,440              | —                 |
| <b>Total trade receivables</b>                              | <b>71</b>                                   | <b>—</b>  | <b>3,245</b>             | <b>3,316</b>          | <b>3,316</b>       | <b>—</b>          |
| Investments in other companies                              | 1   | 14  | —                        | <b>15</b>             | —                  | 15                |
| Investment funds  | 35  | —   | —                        | <b>35</b>             | —                  | 35                |
| Bonds   | —   | —   | 64                       | <b>64</b>             | 0                  | 63                |
| Derivatives designated and effective as hedging instruments | —   | 71  | —                        | <b>71</b>             | 63                 | 8                 |
| Other derivatives   | 2,502                                       | —   | —                        | <b>2,502</b>          | 2,105              | 397               |
| Loans   | —   | —   | 1,720                    | <b>1,720</b>          | 85                 | 1,636             |
| Other sundry financial assets                               | 744   | —   | 1,313                    | <b>2,058</b>          | 765                | 1,293             |
| <b>Total other financial assets</b>                         | <b>3,283</b>                                | <b>84</b>   | <b>3,097</b>             | <b>6,464</b>          | <b>3,018</b>       | <b>3,447</b>      |
| <b>Financial assets</b>                                     | <b>3,353</b>                                | <b>84</b>   | <b>6,343</b>             | <b>9,780</b>          | <b>6,334</b>       | <b>3,447</b>      |
|   | <b>2019</b>                                 |   |                          |                       |                    |                   |
| Trade receivables from contracts with customers             | 131   | —   | 1,423                    | <b>1,553</b>          | 1,553              | —                 |
| Other trade receivables                                     | —   | —   | 1,489                    | <b>1,489</b>          | 1,489              | —                 |
| <b>Total trade receivables</b>                              | <b>131</b>                                  | <b>—</b>  | <b>2,911</b>             | <b>3,042</b>          | <b>3,042</b>       | <b>—</b>          |
| Investments in other companies                              | —   | 24  | —                        | <b>24</b>             | —                  | 24                |
| Bonds   | —   | —   | 78                       | <b>78</b>             | 18                 | 60                |
| Derivatives designated and effective as hedging instruments | —   | 284   | —                        | <b>284</b>            | 255                | 30                |
| Other derivatives   | 2,391                                       | —   | —                        | <b>2,391</b>          | 2,237              | 154               |
| Loans   | —   | —   | 855                      | <b>855</b>            | 2                  | 854               |
| Other sundry financial assets                               | 721   | —   | 1,182                    | <b>1,903</b>          | 611                | 1,292             |
| <b>Total other financial assets</b>                         | <b>3,112</b>                                | <b>308</b>  | <b>2,115</b>             | <b>5,535</b>          | <b>3,121</b>       | <b>2,414</b>      |
| <b>Financial assets</b>                                     | <b>3,243</b>                                | <b>308</b>  | <b>5,026</b>             | <b>8,577</b>          | <b>6,163</b>       | <b>2,414</b>      |

<sup>1</sup> Excluding financial assets that were reclassified to assets held for sale, which are described in Note 20 – Assets and Liabilities held for sale.

The carrying amount of **financial assets at fair value through profit or loss** as at December 31, 2020 was EUR 3,353 mn (2019: EUR 3,243 mn). These mainly consisted 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 688 mn (2019: EUR 662 mn) in connection with the acquisition of interests in the Yuzhno Russkoye field. For further details see Note 6 – Other operating income and net income from equity – accounted investments.

Moreover, this position included financial assets amounting to EUR 57 mn (2019: EUR 59 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 2020, 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 953 mn (2019: EUR 852 mn). The drawdowns made during 2020 amounted to

EUR 18 mn (2019: EUR 113 mn). For further details see Note 11 – Net financial result. Following the Borealis acquisition the position also included drawdowns and the related accrued interests under a member loan agreement towards Bayport Polymers LLC. For further details see Note 35 – Related Parties.

**Other sundry financial assets** included expenditure recoverable from Romanian State amounting to EUR 493 mn (2019: EUR 410 mn) related to obligations for decommissioning, restoration and environmental costs in OMV Petrom SA. The receivables consisted of EUR 442 mn (2019: EUR 375 mn) for costs relating to decommissioning and EUR 51 mn (2019: EUR 35 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 amounting to EUR 60 mn. On July 9, 2020, the Arbitral Tribunal issued the Final Award on the arbitration and requested the Romanian Ministry of Environment to reimburse to OMV Petrom the amount of EUR 59 mn and related interest. As of December 31, 2020, the procedure for recognition and enforcement in Romania of the Award is ongoing. On October 2, 2020, OMV AG, as party in the 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 the Romanian Ministry of Environment in relation to well decommissioning and environmental restoration obligations amounting to EUR 32 mn. As of December 31, 2020, the arbitration procedure is ongoing.

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

#### Equity investments measured at FVOCI

In EUR mn

| Investment   | 2020       |                                   |                               | 2019       |                                   |                               |
|--|------------|-----------------------------------|-------------------------------|------------|-----------------------------------|-------------------------------|
|  | Fair value | Fair value adjustment through OCI | Dividend recognized as income | Fair value | Fair value adjustment through OCI | Dividend recognized as income |
| APK-Pensionskasse Aktiengesellschaft                                       | 3          | 0                                 | —                             | 3          | 0                                 | 0                             |
| BSP Bratislava-Schwechat Pipeline GmbH                                     | —          | (3)                               | —                             | 3          | —                                 | —                             |
| CEESEG Aktiengesellschaft  | 5          | 0                                 | 0                             | 5          | (1)                               | 0                             |
| CISMO Clearing Integrated Services and Market Operations GmbH <sup>1</sup> | —          | 0                                 | 0                             | 4          | 1                                 | 0                             |
| FSH Flughafen-Schwechat-Hydranten-Gesellschaft GmbH & Co OG                | 2          | —                                 | 0                             | 2          | 1                                 | 0                             |
| H2 Mobility Deutschland GmbH & Co KG <sup>1</sup>                          | —          | —                                 | —                             | 3          | —                                 | —                             |
| WAV Wärme Austria VertriebsgmbH  | 2          | —                                 | 0                             | 2          | 1                                 | 0                             |
| Other  | 2          | 0                                 | 2                             | 2          | (0)                               | 4                             |
| <b>Equity investments measured at FVOCI</b>                                | <b>14</b>  | <b>(2)</b>                        | <b>3</b>                      | <b>24</b>  | <b>1</b>                          | <b>5</b>                      |

<sup>1</sup> CISMO Clearing Integrated Services and Market Operations GmbH and H2 Mobility Deutschland GmbH & Co KG were reclassified to assets held for sale in 2020.

**Probability of default**

|              | Equivalent to external credit rating | Probability of default |         |
|--------------|--------------------------------------|------------------------|---------|
|              |                                      | 2020                   | 2019    |
| Risk Class 1 | AAA, AA+, AA                         | 0.07%                  | 0.07%   |
| Risk Class 2 | AA-, A+, A, A-                       | 0.25%                  | 0.24%   |
| Risk Class 3 | BBB+, BBB, BBB                       | 1.19%                  | 1.22%   |
| Risk Class 4 | BB+, BB, BB-                         | 10.26%                 | 10.27%  |
| Risk Class 5 | B+, B, B-, CCC/C                     | 100.00%                | 100.00% |
|              | SD/D                                 |                        |         |

For further details on the credit risk management see Note 28 – Risk Management.

**Impairment of trade receivables**

In EUR mn

|   | 2020      | 2019      |
|---|-----------|-----------|
| <b>January 1</b>                            | <b>62</b> | <b>79</b> |
| Amounts written off                         | (2)       | (13)      |
| Net remeasurement of expected credit losses | 4         | (3)       |
| Currency translation differences            | (2)       | (1)       |
| Reclassification to "assets held for sale"  | (1)       | —         |
| <b>December 31</b>                          | <b>61</b> | <b>62</b> |

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

**Credit Quality of trade receivables**

In EUR mn

|                                    | 2020         | 2019         |
|------------------------------------|--------------|--------------|
| Risk Class 1                       | 999          | 1,228        |
| Risk Class 2                       | 981          | 821          |
| Risk Class 3                       | 1,031        | 825          |
| Risk Class 4                       | 238          | 38           |
| Risk Class 5                       | 57           | 60           |
| <b>Total gross carrying amount</b> | <b>3,306</b> | <b>2,973</b> |
| Expected credit loss               | (61)         | (62)         |
| <b>Total</b>                       | <b>3,245</b> | <b>2,911</b> |

**Impairment of other financial assets at amortized cost**

In EUR mn

|   | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total      |
|---|--------------|----------------------------------|------------------------------|------------|
|   | <b>2020</b>  |                                  |                              |            |
| <b>January 1</b>                            | <b>5</b>     | <b>80</b>                        | <b>154</b>                   | <b>238</b> |
| Amounts written off                         | 0            | —                                | (4)                          | (4)        |
| Net remeasurement of expected credit losses | 2            | (0)                              | 11                           | 13         |
| Currency translation differences            | (0)          | (7)                              | (3)                          | (10)       |
| Reclassification to "assets held for sale"  | —            | —                                | (3)                          | (3)        |
| <b>December 31<sup>1</sup></b>              | <b>7</b>     | <b>73</b>                        | <b>155</b>                   | <b>235</b> |
|   | <b>2019</b>  |                                  |                              |            |
| <b>January 1</b>                            | <b>4</b>     | <b>59</b>                        | <b>158</b>                   | <b>221</b> |
| Net remeasurement of expected credit losses | 1            | 20                               | (1)                          | 20         |
| Currency translation differences            | 0            | 1                                | (3)                          | (2)        |
| <b>December 31<sup>1</sup></b>              | <b>5</b>     | <b>80</b>                        | <b>154</b>                   | <b>238</b> |

<sup>1</sup> "12-month ECL" included an amount of EUR 1 mn (2019: EUR 1 mn) and "Lifetime ECL credit impaired" an amount of EUR 9 mn (2019: EUR 14 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

|                                    | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total        | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total        |
|------------------------------------|--------------|----------------------------------|------------------------------|--------------|--------------|----------------------------------|------------------------------|--------------|
|                                    | <b>2020</b>  |                                  |                              |              | <b>2019</b>  |                                  |                              |              |
| Risk Class 1                       | 1,252        | 154                              | 9                            | <b>1,415</b> | 471          | 174                              | 4                            | <b>649</b>   |
| Risk Class 2 <sup>1</sup>          | 1,554        | —                                | 9                            | <b>1,563</b> | 1,398        | —                                | 14                           | <b>1,412</b> |
| Risk Class 3                       | 217          | —                                | 4                            | <b>221</b>   | 154          | —                                | 2                            | <b>156</b>   |
| Risk Class 4                       | 0            | —                                | 22                           | <b>22</b>    | 1            | —                                | 22                           | <b>22</b>    |
| Risk Class 5                       | 0            | —                                | 111                          | <b>111</b>   | 0            | —                                | 113                          | <b>114</b>   |
| <b>Total gross carrying amount</b> | <b>3,022</b> | <b>154</b>                       | <b>155</b>                   | <b>3,332</b> | <b>2,024</b> | <b>174</b>                       | <b>155</b>                   | <b>2,353</b> |
| Expected credit loss <sup>2</sup>  | (7)          | (73)                             | (155)                        | <b>(235)</b> | (5)          | (80)                             | (154)                        | <b>(238)</b> |
| <b>Total</b>                       | <b>3,016</b> | <b>81</b>                        | <b>(0)</b>                   | <b>3,097</b> | <b>2,020</b> | <b>94</b>                        | <b>1</b>                     | <b>2,115</b> |

<sup>1</sup> "12-month ECL" included an amount of EUR 494 mn (2019: EUR 411 mn) and "Lifetime ECL credit impaired" an amount of EUR 9 mn (2019: EUR 14 mn) related to expenditure recoverable from Romanian State, which are outside the scope of IFRS 9.

<sup>2</sup> "12-month ECL" included an amount of EUR 1 mn (2019: EUR 1 mn) and "Lifetime ECL credit impaired" an amount of EUR 9 mn (2019: EUR 14 mn) related to expenditure recoverable from Romanian State, which are outside the scope of IFRS 9.

## 19 Other assets

### Other assets

In EUR mn

|  | 2020       |            | 2019       |           |
|--|------------|------------|------------|-----------|
|  | Short-term | Long-term  | Short-term | Long-term |
| Prepaid expenses                                 | 57         | 12         | 45         | 12        |
| Advance payments on fixed assets                 | 38         | —          | 19         | —         |
| Other payments on account                        | 91         | 13         | 98         | —         |
| Receivables from other taxes and social security | 227        | 39         | 64         | 39        |
| Contract assets                                  | —          | 7          | 1          | —         |
| Emission rights <sup>1</sup>                     | 37         | —          | 41         | —         |
| Other non-financial assets                       | 87         | 30         | 29         | 5         |
| <b>Other assets</b>                              | <b>537</b> | <b>103</b> | <b>297</b> | <b>56</b> |

<sup>1</sup> For further details refer to Note 23 – Provisions.

## 20 Assets and liabilities held for sale

### Assets and liabilities held for sale

In EUR mn

|  | Gas Connect Group |            |            |           | OMV retail network Germany | Other        | Total      |            |            |  |
|--|-------------------|------------|------------|-----------|----------------------------|--------------|------------|------------|------------|--|
|  | Upstream          | Downstream |            |           |                            | OMV Group    | Upstream   | Downstream | OMV Group  |  |
|  | 2020              |            |            |           |                            |              | 2019       |            |            |  |
| Intangible assets  | 26                | 68         | 10         | —         | 77                         | 104          | 27         | —          | 27         |  |
| Property, plant and equipment                              | 255               | 629        | 231        | 10        | 870                        | 1,124        | 120        | 13         | 133        |  |
| At-equity accounted investments                            | —                 | 54         | —          | —         | 54                         | 54           | —          | —          | —          |  |
| Other assets incl. deferred taxes                          | 13                | 13         | 4          | —         | 17                         | 30           | —          | —          | —          |  |
| <b>Non-current assets</b>                                  | <b>293</b>        | <b>763</b> | <b>245</b> | <b>10</b> | <b>1,018</b>               | <b>1,312</b> | <b>146</b> | <b>13</b>  | <b>160</b> |  |
| Inventories  | 14                | 6          | 19         | —         | 25                         | 39           | 5          | —          | 5          |  |
| Trade receivables  | 9                 | 17         | 36         | —         | 53                         | 62           | —          | —          | —          |  |
| Other assets   | 27                | 9          | 0          | —         | 9                          | 36           | 5          | —          | 5          |  |
| Cash in hand and at bank                                   | 15                | 0          | —          | —         | 0                          | 15           | 7          | —          | 7          |  |
| <b>Current assets</b>                                      | <b>64</b>         | <b>32</b>  | <b>56</b>  | <b>—</b>  | <b>88</b>                  | <b>152</b>   | <b>18</b>  | <b>—</b>   | <b>18</b>  |  |
| <b>Total assets</b>  | <b>358</b>        | <b>795</b> | <b>301</b> | <b>10</b> | <b>1,106</b>               | <b>1,464</b> | <b>164</b> | <b>13</b>  | <b>177</b> |  |
| Provision for pensions and similar obligations             | —                 | 58         | 0          | —         | 59                         | 59           | —          | —          | —          |  |
| Lease liabilities  | 3                 | 4          | 125        | —         | 129                        | 131          | —          | —          | —          |  |
| Other interest bearing debts                               | —                 | 147        | —          | —         | 147                        | 147          | —          | —          | —          |  |
| Provisions for decommissioning and restoration obligations | 186               | 5          | 23         | —         | 27                         | 214          | 138        | —          | 138        |  |
| Other liabilities incl. provisions and deferred taxes      | 7                 | 13         | —          | —         | 13                         | 20           | —          | —          | —          |  |
| <b>Non-current liabilities</b>                             | <b>197</b>        | <b>226</b> | <b>148</b> | <b>—</b>  | <b>374</b>                 | <b>571</b>   | <b>138</b> | <b>—</b>   | <b>138</b> |  |
| Trade payables   | 21                | 24         | 52         | —         | 76                         | 97           | 17         | —          | 17         |  |
| Provisions for decommissioning and restoration obligations | 11                | —          | —          | —         | —                          | 11           | —          | —          | —          |  |
| Other liabilities incl. provisions                         | 15                | 19         | 22         | —         | 42                         | 56           | 1          | —          | 1          |  |
| <b>Current liabilities</b>                                 | <b>47</b>         | <b>43</b>  | <b>75</b>  | <b>—</b>  | <b>118</b>                 | <b>165</b>   | <b>18</b>  | <b>—</b>   | <b>18</b>  |  |
| <b>Total liabilities</b>                                   | <b>243</b>        | <b>269</b> | <b>223</b> | <b>—</b>  | <b>492</b>                 | <b>736</b>   | <b>156</b> | <b>—</b>   | <b>156</b> |  |

### Upstream

During 2020 OMV decided to divest its oil assets in Malaysia, which led to the reclassification of assets and liabilities to held for sale. The reclassification did not lead to any impairment loss.

In December 2020, OMV Petrom (51% subsidiary of OMV) signed a transaction for the sale of its assets in Kazakhstan to Magnetic Oil Limited, which led to the reclassification of assets and liabilities to held for sale. The divestment plan triggered a write-up.

Details on impairments and write-ups can be found in Note 7 – Depreciation, amortization, impairments and write-ups.

In Upstream no disposal group has been sold in 2020.

As of December 31, 2020, assets held for sale and liabilities associated with assets held for sale in Upstream consisted of oil offshore assets in Malaysia, onshore assets in Kazakhstan, a 69% interest in Maari field, located in New Zealand's offshore Taranaki Basin and 40 marginal oil and gas fields in Romania.

### Downstream

The planned sale of OMV's 51% stake in Gas Connect Austria GmbH has led to the reclassification of the Gas Connect Group and associated goodwill to assets and liabilities held for sale without an impact on the Income Statement at that time. As per September 23, 2020, OMV signed the transaction contract with VERBUND. Closing is subject to regulatory approval and is expected in the first half of 2021.

On December 14, 2020, OMV and EG group reached an agreement for EG Group to acquire the OMV retail network (285 filling stations) in Germany. The transaction is subject to required regulatory approvals

and closing is expected in 2021. The plan to divest the German filling station business has led to the reclassification of the assets and liabilities to held for sale. The reclassification did not lead to any impairment loss.

In Downstream no disposal group has been sold in 2020.

As of December 31, 2020, assets held for sale and liabilities associated with assets held for sale in Downstream consisted of the Gas Connect Group, the OMV retail network and other non-core assets.

## 21 OMV equity of the parent

### Capital stock

The **capital stock** of OMV Aktiengesellschaft consists of 327,272,727 (2019: 327,272,727) fully paid no par value shares with a total nominal value of EUR 327,272,727 (2019: 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 2020, with the exception of treasury shares held by OMV Aktiengesellschaft.

As the authorized capital granted by the Annual General Meeting on May 14, 2014 expired on May 14, 2019, the Annual General Meeting decided upon a new authorized capital on September 29, 2020. Specifically, it authorized the Executive Board until September 29, 2025 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 Austrian 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 transfer programs, in particular long term incentive plans, equity deferrals or other participation programs 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 3,228 mn consists of perpetual, subordinated hybrid notes. 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. In 2020, costs of issuance amounting to EUR 9 mn have been accounted as deduction from equity.

On December 7, 2015, OMV issued hybrid notes with an aggregate principal amount 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% per annum until, but excluding, December 9, 2021, which is the first call date of tranche 1. From December 9, 2021 (including), until, but excluding, December 9, 2025, the hybrid notes of tranche 1 will bear interest per annum according to a reset interest rate to be determined according to the relevant five-year swap rate plus a specified margin. From December 9, 2025 (including), the notes will bear an interest rate per annum at the relevant five-year swap rate for the relevant interest period plus a specified margin and a step-up of 100 basis points.
- ▶ The hybrid notes of tranche 2 bear a fixed interest rate of 6.250% per annum until, but excluding, December 9, 2025, which is the first call date of tranche 2. From December 9, 2025 (including), tranche 2 will bear an interest rate per annum at the relevant five-year swap rate for the relevant interest period plus a specified margin and a step-up of 100 basis points.

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 Annual General Meeting of OMV resolves upon a dividend payment on OMV shares.

On June 19, 2018 OMV issued a hybrid bond with a principal amount of EUR 500 mn. The hybrid bond bears a fixed interest rate of 2.875% per annum until, but excluding, June 19, 2024. From June 19, 2024 (including), until, but excluding, June 19, 2028, the hybrid notes will bear interest at a rate corresponding to the relevant five-year swap rate plus a specified



margin. From June 19, 2028 (including), the notes will bear an interest rate per annum at the relevant five-year swap rate for the relevant interest period plus a specified margin and a step-up of 100 basis points. 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 Annual General Meeting of OMV resolves upon a dividend payment on OMV shares.

On September 1, 2020, OMV issued hybrid notes with an aggregate principal amount of EUR 1,250 mn, in two tranches (Tranche 1: EUR 750 mn; Tranche 2: EUR 500 mn) with the following interest payable:

- ▶ The hybrid notes of tranche 1 bear a fixed interest rate of 2.500% per annum until, but excluding September 1, 2026, which is the first reset date of tranche 1. From the first reset date (including), until, but excluding, September 1, 2030, the hybrid notes of tranche 1 will bear interest per annum at a reset interest rate which is determined according to the relevant five-year swap rate plus a specified margin. From September 1, 2030 (including), the notes will bear an interest rate per annum at the relevant five-year swap rate for each interest period thereafter plus a specified margin and a step-up of 100 basis points.
- ▶ The hybrid notes of tranche 2 bear a fixed interest rate of 2.875% per annum until, but excluding September 1, 2029, which is the first reset date of tranche 2. From the first reset date (including), until, but excluding, September 1, 2030, the hybrid notes of tranche 2 will bear interest per annum at a reset interest rate which is determined according to the relevant five-year swap rate plus a specified margin. From September 1, 2030 (including), the notes will bear an interest rate per annum at the relevant five-year swap rate for each interest period thereafter plus a specified margin and a step-up of 100 basis points.

Interest is due and payable annually in arrears on September 1 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 Annual General Meeting of OMV resolves upon a dividend payment on OMV shares.

The hybrid notes outstanding as of December 31, 2020 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 notes are redeemed. In the case of a change of control, for example, 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 Annual 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

|  | 2020                              |  |                                   | 2019                              |  |                                   |
|--|-----------------------------------|--|-----------------------------------|-----------------------------------|--|-----------------------------------|
|  | Before-tax<br>(expense)<br>income | Tax<br>(expense)<br>benefit <sup>1</sup> | Net-of-tax<br>(expense)<br>income | Before-tax<br>(expense)<br>income | Tax<br>(expense)<br>benefit <sup>1</sup> | Net-of-tax<br>(expense)<br>income |
| Currency translation differences   | (1,234)                           | (2)                                      | (1,236)                           | 39                                | (0)                                      | 39                                |
| Gains/(losses) on hedges   | 38                                | (8)                                      | 31                                | (45)                              | 11                                       | (35)                              |
| Remeasurement gains/(losses) on defined benefit plans  | 4                                 | (8)                                      | (4)                               | (90)                              | 6  | (84)                              |
| Gains/(losses) on equity investments   | (2)                               | (0)                                      | (2)                               | 1                                 | (0)                                      | 1                                 |
| Gains/(losses) on hedges that are subsequently transferred to the carrying amount of the hedged item | (113)                             | 26                                       | (88)                              | 95                                | (12)                                     | 83                                |
| Share of other comprehensive income of equity-accounted investments                                  | (108) <sup>2</sup>                | n.a.                                     | (108)                             | (8) <sup>2</sup>                  | n.a.                                     | (8)                               |
| <b>Other comprehensive income for the year</b>   | <b>(1,415)</b>                    | <b>8</b>                                 | <b>(1,407)</b>                    | <b>(7)</b>                        | <b>4</b>                                 | <b>(3)</b>                        |

<sup>1</sup> 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.

<sup>2</sup> Represent net-of-tax amounts

For 2020, the Executive Board of OMV Aktiengesellschaft proposed a dividend of EUR 1.85 per eligible share, which is subject to confirmation by the Annual General Meeting in 2021. The dividend for 2019 was paid in October 2020 and amounted to

EUR 572 mn (EUR 1.75 per share). In 2019, the payment amounted to EUR 572 mn (EUR 1.75 per share). The interest paid for hybrid bonds in 2020 amounted to EUR 101 mn (2019: EUR 101 mn).

### Treasury shares

|                          | Number of shares | Cost<br>EUR mn |
|--------------------------|------------------|----------------|
| <b>January 1, 2019</b>   | <b>542,151</b>   | <b>6.0</b>     |
| Disposals                | (169,538)        | (1.9)          |
| <b>December 31, 2019</b> | <b>372,613</b>   | <b>4.1</b>     |
| Disposals                | (74,767)         | (0.8)          |
| <b>December 31, 2020</b> | <b>297,846</b>   | <b>3.3</b>     |

### Number of shares in issue

|                                    | Number of shares   | Treasury shares | Shares in issue    |
|------------------------------------|--------------------|-----------------|--------------------|
| <b>January 1, 2019</b>             | <b>327,272,727</b> | <b>542,151</b>  | <b>326,730,576</b> |
| Used for share-based compensations | —                  | (169,538)       | 169,538            |
| <b>December 31, 2019</b>           | <b>327,272,727</b> | <b>372,613</b>  | <b>326,900,114</b> |
| Used for share-based compensations | —                  | (74,767)        | 74,767             |
| <b>December 31, 2020</b>           | <b>327,272,727</b> | <b>297,846</b>  | <b>326,974,881</b> |

## 22 Non-controlling interests

### Subgroups with material NCI

In EUR mn

| Subgroups          | 2020        |                             |                 | 2019        |                             |                 |
|--------------------|-------------|-----------------------------|-----------------|-------------|-----------------------------|-----------------|
|                    | % NCI       | Net income allocated to NCI | Accumulated NCI | % NCI       | Net income allocated to NCI | Accumulated NCI |
| OMV Petrom Group   | 49%         | 131                         | 3,302           | 49%         | 372                         | 3,411           |
| Borealis Group     | 25%         | (21)                        | 2,442           | —           | —                           | —               |
| SapuraOMV Group    | 50%         | (27)                        | 229             | 50%         | (18)                        | 276             |
| Gas Connect Group  | 49%         | 51                          | 155             | 49%         | 35                          | 133             |
| Other subsidiaries | n.a.        | 3                           | 32              | n.a.        | 4                           | 31              |
| <b>OMV Group</b>   | <b>n.a.</b> | <b>136</b>                  | <b>6,159</b>    | <b>n.a.</b> | <b>393</b>                  | <b>3,851</b>    |

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).

Since October 29, 2020 Borealis Group is fully-consolidated, following the acquisition of an additional 39% stake in Borealis AG (see Note 3 – Changes in

group structure). **Borealis Group** is a leading provider of base chemicals, polyolefins, and fertilizers and is the second-largest polyolefin producer in Europe and among the top-ten producers globally. The majority of Borealis' production is located in Europe, with three overseas manufacturing facilities in the United States, one in Brazil and one in South Korea.

**SapuraOMV group** is an 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. In 2020, the Gas Connect Group has been

reclassified to assets and liabilities held for sale (see Note 20 - Assets and liabilities held for sale).

The following tables summarize the financial information of the subgroups with material non-controlling interests:

#### Statement of comprehensive income<sup>1</sup>

In EUR mn

|                            | 2020             |                             | 2019             |
|----------------------------|------------------|-----------------------------|------------------|
|                            | OMV Petrom Group | Borealis Group <sup>2</sup> | OMV Petrom Group |
| Sales revenue              | 4,075            | 1,106                       | 5,371            |
| Net income for the year    | 267              | (79)                        | 766              |
| Total comprehensive income | 258              | (320)                       | 772              |
| Attributable to NCI        | 126              | (81)                        | 378              |
| Dividends paid to NCI      | 175              | 0                           | 155              |

<sup>1</sup> Figures refer to subgroup level, i. e. including at-equity consolidation and after elimination of intercompany transactions and balances within the subgroup.

<sup>2</sup> Figures reflect amounts from acquisition date on October 29, 2020 until reporting date.

#### Statement of financial position as of December 31<sup>1</sup>

In EUR mn

|  | 2020             |                | 2019             |
|--|------------------|----------------|------------------|
|  | OMV Petrom Group | Borealis Group | OMV Petrom Group |
| Non-current assets                               | 7,088            | 11,829         | 7,303            |
| Current assets                                   | 2,517            | 2,159          | 2,581            |
| Assets held for sale                             | 177              | —              | 45               |
| Non-current liabilities                          | 1,817            | 2,527          | 1,714            |
| Current liabilities                              | 1,087            | 1,719          | 1,165            |
| Liabilities associated with assets held for sale | 85               | —              | 47               |

<sup>1</sup> Figures refer to subgroup level, i. e. including at-equity consolidation and after elimination of intercompany transactions and balances within the subgroup.

#### Statement of cash flows<sup>1</sup>

In EUR mn

|   | 2020             |                             | 2019             |
|---|------------------|-----------------------------|------------------|
|   | OMV Petrom Group | Borealis Group <sup>2</sup> | OMV Petrom Group |
| Operating cash flow                                   | 1,148            | 280                         | 1,434            |
| Investing cash flow                                   | (654)            | (269)                       | (749)            |
| Financing cash flow                                   | (397)            | (8)                         | (388)            |
| Net increase /(decrease) in cash and cash equivalents | 97               | 3                           | 296              |

<sup>1</sup> Figures refer to subgroup level, i. e. including at-equity consolidation and after elimination of intercompany transactions and balances within the subgroup.

<sup>2</sup> Figures reflect amounts from acquisition date on October 29, 2020 until reporting date.

## 23 Provisions

### Provisions

In EUR mn

|  | Pensions and similar obligations | Decommissioning and restoration obligations | Other provisions | Total        |
|--|----------------------------------|---|------------------|--------------|
| <b>January 1, 2020</b>   | <b>1,111</b>                     | <b>3,959</b>                                | <b>865</b>       | <b>5,935</b> |
| Currency translation differences                                 | 4                                | (138)                                       | (15)             | (149)        |
| Changes in consolidated Group                                    | 457                              | 38  | 39               | 533          |
| Usage and releases   | (104)                            | (350)                                       | (183)            | (637)        |
| Payments to funds  | (10)                             | —   | —                | (10)         |
| Allocations  | 73                               | 567   | 184              | 825          |
| Transfers  | (13)                             | —   | 13               | 0            |
| Reclassified to liabilities associated with assets held for sale | (59)                             | (78)  | (22)             | (159)        |
| <b>December 31, 2020</b>   | <b>1,458</b>                     | <b>3,999</b>                                | <b>881</b>       | <b>6,337</b> |
| thereof short-term as of December 31, 2020                       | —                                | 72  | 304              | 377          |
| thereof short-term as of January 1, 2020                         | —                                | 87  | 293              | 379          |

**Pensions and similar obligations** include mainly provisions for pensions, severances and anniversary bonuses. More information on material IAS 19 employee benefits is included in chapter Provisions for pensions and similar obligations.

**Decommissioning and restoration** details are included in chapter Provisions for decommissioning and restoration obligations.

**Other provisions** include mainly other personnel provisions and provisions for shortfall of emission certificates. More information is provided in chapter Other provisions.

### Provisions for pensions and similar obligations accounted for according to IAS 19

Following tables include details on funded and unfunded pension plans (mainly Austria, Germany and Belgium) as well as severance plans (mainly in Austria) and medical plans (in Belgium).

The majority of pension commitments of several OMV companies were transferred to a country-specific external pension funds. Pension commitments were calculated based on country- and plan-specific assumptions. Refer to Note 2 – Accounting policies, judgments and estimates – for more details.

### Defined benefit pension plans, obligations for severance and other plans

In EUR mn

|  | 2020         | 2019         | 2018       | 2017       | 2016       |
|--|--------------|--------------|------------|------------|------------|
| Present value of funded obligations                              | 1,102        | 840          | 776        | 729        | 764        |
| Market value of plan assets                                      | (589)        | (473)        | (413)      | (436)      | (453)      |
| <b>Provision for funded obligations</b>                          | <b>513</b>   | <b>366</b>   | <b>363</b> | <b>293</b> | <b>311</b> |
| Present value of unfunded obligations                            | 619          | 499          | 490        | 463        | 479        |
| <b>Provision for unfunded obligations</b>                        | <b>619</b>   | <b>499</b>   | <b>490</b> | <b>463</b> | <b>479</b> |
| <b>Present value of obligations of severance and other plans</b> | <b>197</b>   | <b>141</b>   | <b>129</b> | <b>135</b> | <b>144</b> |
| Effect of asset ceiling  | 3            |              |            |            |            |
| <b>Total</b>   | <b>1,332</b> | <b>1,007</b> | <b>982</b> | <b>891</b> | <b>935</b> |

**Present value of obligations**

In EUR mn

|  | 2020         |                         | 2019         |                         |
|--|--------------|-------------------------|--------------|-------------------------|
|  | Pensions     | Severance & other plans | Pensions     | Severance & other plans |
| <b>Present value of obligation as of January 1</b>                   | <b>1,339</b> | <b>141</b>              | <b>1,266</b> | <b>129</b>              |
| Changes in the consolidated group                                    | 519          | 78                      | —            | —                       |
| Currency translation differences                                     | 4            | (1)                     | 1            | (1)                     |
| Reclassification to liabilities associated with assets held for sale | (79)         | (11)                    | —            | —                       |
| Current service cost   | 8            | 5                       | 7            | 4                       |
| Past service cost <sup>1</sup>                                       | —            | (5)                     | —            | 0                       |
| Interest cost  | 13           | 2                       | 23           | 3                       |
| Benefits paid  | (72)         | (18)                    | (75)         | (11)                    |
| <b>Expected defined benefit obligations as per December 31</b>       | <b>1,733</b> | <b>192</b>              | <b>1,221</b> | <b>126</b>              |
| <b>Actual defined benefit obligations as per December 31</b>         | <b>1,722</b> | <b>197</b>              | <b>1,339</b> | <b>141</b>              |
| <b>Remeasurements of the period (OCI)</b>                            | <b>(11)</b>  | <b>5</b>                | <b>118</b>   | <b>15</b>               |
| thereof changes in demographic assumptions                           | —            | —                       | (25)         | —                       |
| thereof changes in financial assumptions                             | (2)          | 2                       | 133          | 14                      |
| thereof experience adjustments                                       | (9)          | 3                       | 9            | 1                       |

<sup>1</sup> mainly related to outsourcing activities in Romania

**Market value of plan assets**

In EUR mn

|  | 2020       | 2019       |
|--|------------|------------|
| <b>Market value of plan assets as of January 1</b>   | <b>473</b> | <b>413</b> |
| Changes in the consolidated group                    | 177        | —          |
| Reclassification to held for sale                    | (33)       | —          |
| Interest income                                      | 5          | 8          |
| Allocation to funds                                  | 10         | 51         |
| Benefits paid  | (41)       | (41)       |
| Remeasurements of the period (OCI)                   | (1)        | 43         |
| <b>Market value of plan assets as of December 31</b> | <b>589</b> | <b>473</b> |

The majority of pension commitments are attributable to plans in Austria and Belgium and were transferred to external pension funds managed by APK Pensionskasse AG in Austria as well as Vivium and KBC Asset Management in Belgium. 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. The investment plans in Belgium follow the investment strategy of the

respective insurance company as well as local legal regulations.

The allocation of plan assets was mainly in debt securities and insurance contracts. Except for the insurance contracts, which are not quoted, the majority of plan assets are invested in liquid active markets for which quoted prices are available.

In 2021, defined benefit related contributions for 2020 to external pension funds of EUR 2 mn are planned.

## Provisions and expenses

In EUR mn

|  | 2020         |                         | 2019       |                         |
|--|--------------|-------------------------|------------|-------------------------|
|  | Pensions     | Severance & other plans | Pensions   | Severance & other plans |
| <b>Provision as of January 1</b>                                     | <b>866</b>   | <b>141</b>              | <b>853</b> | <b>129</b>              |
| Changes in the consolidated group                                    | 345          | 78                      | —          | —                       |
| thereof effect of asset ceiling                                      | 3            | —                       | —          | —                       |
| Currency translation differences                                     | 5            | (1)                     | 0          | (1)                     |
| Reclassification to liabilities associated with assets held for sale | (45)         | (11)                    | —          | —                       |
| Expense for the year   | 16           | 2                       | 23         | 8                       |
| Benefits paid  | (32)         | (18)                    | (34)       | (11)                    |
| Payments to funds  | (10)         | —                       | (51)       | —                       |
| Remeasurements for the year  | (10)         | 5                       | 75         | 15                      |
| thereof changes in demographic assumptions                           | —            | —                       | (25)       | —                       |
| thereof changes in financial assumptions                             | (1)          | 2                       | 91         | 14                      |
| thereof experience adjustments                                       | (10)         | 3                       | 9          | 1                       |
| <b>Provision as of December 31</b>                                   | <b>1,135</b> | <b>197</b>              | <b>866</b> | <b>141</b>              |
| thereof effect of asset ceiling                                      | 3            | —                       | —          | —                       |
| Current service cost   | 8            | 5                       | 7          | 4                       |
| Past service cost <sup>1</sup>                                       | —            | (5)                     | —          | 0                       |
| Net interest cost  | 9            | 2                       | 16         | 3                       |
| <b>Expenses of defined benefit plans for the year</b>                | <b>16</b>    | <b>2</b>                | <b>23</b>  | <b>8</b>                |

<sup>1</sup> mainly related to outsourcing activities in Romania

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

|                              | 2020       |                         | 2019     |                         |
|------------------------------|------------|-------------------------|----------|-------------------------|
|                              | Pensions   | Severance & other plans | Pensions | Severance & other plans |
| Capital market interest rate | 0.79-2.60% | 0.64-3.35%              | 1.00%    | 0.70-4.41%              |
| Future increases in salaries | 2.00-5.00% | 2.00-3.50%              | 3.00%    | 3.00-4.19%              |
| Future increase in pensions  | 1.25-2.00% | —                       | 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

|                         | 2020                         |         |                              |         |                              |         |
|-------------------------|------------------------------|---------|------------------------------|---------|------------------------------|---------|
|                         | Capital market interest rate |         | Future increases in salaries |         | Future increases in pensions |         |
|                         | 0.50%                        | (0.50)% | 0.25%                        | (0.25)% | 0.25%                        | (0.25)% |
| Pensions                | (6.08)%                      | 6.76%   | 0.96%                        | (0.90)% | 2.56%                        | (2.42)% |
| Severance & other plans | (5.48)%                      | 6.13%   | 2.36%                        | (2.25)% | —                            | —       |

**Sensitivities - absolute change**

In EUR mn

|                         | 2020                         |         |                              |         |                              |         |
|-------------------------|------------------------------|---------|------------------------------|---------|------------------------------|---------|
|                         | Capital market interest rate |         | Future increases in salaries |         | Future increases in pensions |         |
|                         | 0.50%                        | (0.50)% | 0.25%                        | (0.25)% | 0.25%                        | (0.25)% |
| Pensions                | (106)                        | 117     | 16                           | (15)    | 44                           | (41)    |
| Severance & other plans | (10)                         | 11      | 4                            | (4)     | —                            | —       |

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

In EUR mn

|                         | 2020              |            |           |                      |
|-------------------------|-------------------|------------|-----------|----------------------|
|                         | Duration profiles |            |           | Duration<br>in years |
|                         | 1–5 years         | 6–10 years | >10 years |                      |
| Pensions                | 392               | 391        | 939       | 12                   |
| Severance & other plans | 53                | 55         | 88        | 10                   |

**Allocation of plan assets as of December 31**

|                                   | 2020        | 2019        |
|-----------------------------------|-------------|-------------|
| Asset category                    |             |             |
| Equity securities                 | 18%         | 27%         |
| Debt securities                   | 37%         | 58%         |
| Cash and money market investments | 7%          | 8%          |
| Insurance contracts               | 28%         | —           |
| Other                             | 10%         | 7%          |
| <b>Total</b>                      | <b>100%</b> | <b>100%</b> |



## Provisions for decommissioning and restoration obligations

### Provisions for decommissioning and restoration obligations

In EUR mn

|  | <b>Carrying amount</b> |
|--|------------------------|
| <b>January 1, 2020</b>   | <b>3,959</b>           |
| Currency translation differences                                     | (138)                  |
| Changes in consolidated Group  | 38                     |
| New obligations  | 51                     |
| Increase arising from revisions in estimates                         | 432                    |
| Reduction arising from revisions in estimates                        | (299)                  |
| Unwinding of discounting   | 84                     |
| Reclassification to liabilities associated with assets held for sale | (78)                   |
| Usage, disposals and other changes                                   | (51)                   |
| <b>December 31, 2020</b>   | <b>3,999</b>           |
| thereof short-term as of December 31, 2020                           | 72                     |
| thereof short-term as of January 1, 2020                             | 87                     |

The **increase arising from revisions in estimates** was mainly driven by decreased real interest rates for RON, USD and EUR compared to 2019.

**Reclassifications to liabilities associated with assets held for sale** were mainly related to disposal groups in Germany, Malaysia and Kazakhstan. For details see Note 20 – Assets and liabilities held for sale.

### Estimation of maturities of decommissioning and restoration obligations

In EUR mn

|               | <b>2020</b>  |
|---------------|--------------|
| ≤1 year       | 72           |
| 1 – 5 years   | 368          |
| 5 – 10 years  | 956          |
| 10 – 20 years | 1,686        |
| 20 – 30 years | 654          |
| 30 – 40 years | 261          |
| >40 years     | 1            |
| <b>Total</b>  | <b>3,999</b> |

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 545 mn.

The provision for decommissioning and restoration costs included obligations in respect of OMV Petrom SA amounting to EUR 1,542 mn (2019: EUR 1,401 mn). Part of the obligations is to be

recovered from the Romanian State in accordance with the privatization agreement. As of December 31, 2020, OMV Petrom SA held receivables from the Romanian state related to decommissioning and restoration costs amounting to EUR 442 mn (2019: EUR 375 mn).

## Other provisions

In EUR mn

|                            | 2020       |            | 2019       |            |
|----------------------------|------------|------------|------------|------------|
|                            | Short-term | Long-term  | Short-term | Long-term  |
| Environmental costs        | 13         | 90         | 12         | 81         |
| Onerous contracts          | 31         | 364        | 29         | 383        |
| Other personnel provisions | 134        | 6          | 119        | 14         |
| Emissions Certificates     | 75         | —          | 61         | —          |
| Other                      | 51         | 116        | 71         | 95         |
| <b>Other provisions</b>    | <b>304</b> | <b>576</b> | <b>293</b> | <b>572</b> |

As at December 31, 2020 the **provision for environmental costs** included EUR 65 mn referring to the 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 is related to 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, 2020 was EUR 327 mn (2019: EUR 327 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 3.96 % (2019: 3.88 %). A 50% decrease in either LNG volumes or margin would lead to an additional provision of EUR 173 mn. Furthermore, a 1 percentage point decrease in the discount rate would lead to an additional provision of EUR 23 mn.

As per end of 2020, the provision for the related non-cancellable transportation commitments of OMV Gas Marketing & Trading GmbH amounted to EUR 68 mn (2019: EUR 78 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 3.96 % (2019: 3.88 %). 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 provisions related to personnel reduction schemes of EUR 29 mn (2019: EUR 28 mn).

### 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 3,038,336 free emissions certificates in 2020 (2019: 3,181,456).

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, 2020, the total market value of emissions certificates amounted to EUR 400 mn (December 31, 2019: EUR 232 mn).

OMV expects to surrender 14,325,729 emissions certificates in 2021 for (not yet externally verified) emissions, out of which 3,510,052 emissions certificates are expected to be transferred to OMV from customers in New Zealand.

## Emissions certificates

|   | 2020              | 2019             |
|---|-------------------|------------------|
| <b>Certificates held as of January 1</b>                                    | <b>9,437,367</b>  | <b>9,077,418</b> |
| Free allocation for the year  | 3,038,336         | 3,181,456        |
| Certificates surrendered according to verified emissions for the prior year | (12,238,002)      | (9,685,184)      |
| Changes in consolidated Group   | 5,310,058         | —                |
| Net purchases and sales during the year                                     | 1,577,313         | 4,005,464        |
| Certificates received from customers  | 5,196,819         | 2,858,213        |
| <b>Certificates held as of December 31</b>                                  | <b>12,321,891</b> | <b>9,437,367</b> |

## 24 Liabilities

Liabilities<sup>1</sup>

In EUR mn

|                              | 2020         |               |               | 2019         |              |               |
|------------------------------|--------------|---------------|---------------|--------------|--------------|---------------|
|                              | Short-term   | Long-term     | Total         | Short-term   | Long-term    | Total         |
| Bonds                        | 850          | 8,019         | <b>8,869</b>  | 540          | 5,262        | <b>5,802</b>  |
| Other interest-bearing debts | 703          | 1,280         | <b>1,983</b>  | 148          | 620          | <b>769</b>    |
| Lease liabilities            | 141          | 943           | <b>1,084</b>  | 120          | 934          | <b>1,053</b>  |
| Trade payables               | 4,304        | —             | <b>4,304</b>  | 4,155        | —            | <b>4,155</b>  |
| Other financial liabilities  | 3,095        | 454           | <b>3,549</b>  | 2,818        | 301          | <b>3,120</b>  |
| Other liabilities            | 868          | 135           | <b>1,003</b>  | 903          | 157          | <b>1,060</b>  |
| <b>Liabilities</b>           | <b>9,961</b> | <b>10,830</b> | <b>20,791</b> | <b>8,684</b> | <b>7,274</b> | <b>15,958</b> |

<sup>1</sup> 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

|                                       | 2020       |              |              | 2019       |            |            |
|---------------------------------------|------------|--------------|--------------|------------|------------|------------|
|                                       | Short-term | Long-term    | Total        | Short-term | Long-term  | Total      |
| Other interest-bearing debts to banks | 703        | 1,280        | <b>1,983</b> | 148        | 473        | <b>622</b> |
| Other sundry interest-bearing debts   | —          | —            | <b>—</b>     | —          | 147        | <b>147</b> |
| <b>Other interest-bearing debts</b>   | <b>703</b> | <b>1,280</b> | <b>1,983</b> | <b>148</b> | <b>620</b> | <b>769</b> |

OMV participates in several supplier finance programs under which its suppliers may elect to receive early payment of their invoice from a bank by factoring their receivable from the Group to the bank. Under the arrangement, the bank agrees to pay amounts to a supplier participating in the program in respect of invoices owed by the Group and receives settlement from OMV later. The principal purpose of those programs is to facilitate efficient payment processing and enable the consenting suppliers to sell their receivables due from OMV to a bank before their

maturity. The Group has not derecognized the majority of original liabilities to which the arrangement applies because neither legal release was obtained nor the original liability was substantially modified while entering into the arrangement. Most liabilities remain within trade payables until payment. From OMV's perspective, these arrangements do not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating in the programs.

## Bonds

### Bonds issued

In EUR mn

|                               |                   |                              |            | 2020                           | 2019                           |
|-------------------------------|-------------------|------------------------------|------------|--------------------------------|--------------------------------|
|                               | Nominal           | Coupon                       | Repayment  | Carrying amount<br>December 31 | Carrying amount<br>December 31 |
| Private Placement             | EUR 300,000,000   | 0.106% floating <sup>1</sup> | 06/11/2021 | 300                            | 301                            |
| International corporate bonds | EUR 500,000,000   | 4.375% fixed                 | 02/10/2020 | —                              | 519                            |
|                               | EUR 500,000,000   | 4.25% fixed                  | 10/12/2021 | 504                            | 503                            |
|                               | EUR 750,000,000   | 2.625% fixed                 | 09/27/2022 | 753                            | 752                            |
|                               | EUR 750,000,000   | 0.00% fixed                  | 06/16/2023 | 746                            | —                              |
|                               | EUR 500,000,000   | 0.75% fixed                  | 12/04/2023 | 498                            | 498                            |
|                               | EUR 500,000,000   | 1.50% fixed                  | 04/09/2024 | 501                            | —                              |
|                               | EUR 500,000,000   | 0.00% fixed                  | 07/03/2025 | 496                            | 495                            |
|                               | EUR 300,000,000   | 1.75% fixed                  | 12/10/2025 | 324                            | —                              |
|                               | EUR 1,000,000,000 | 1.00% fixed                  | 12/14/2026 | 993                            | 992                            |
|                               | EUR 750,000,000   | 3.50% fixed                  | 09/27/2027 | 750                            | 749                            |
|                               | EUR 500,000,000   | 2.00% fixed                  | 04/09/2028 | 505                            | —                              |
|                               | EUR 500,000,000   | 1.875% fixed                 | 12/04/2028 | 499                            | 499                            |
|                               | EUR 750,000,000   | 0.75% fixed                  | 06/16/2030 | 747                            | —                              |
|                               | EUR 750,000,000   | 2.375% fixed                 | 04/09/2032 | 757                            | —                              |
|                               | EUR 500,000,000   | 1.00% fixed                  | 07/03/2034 | 495                            | 495                            |
| <b>Bonds issued</b>           |                   |                              |            | <b>8,869</b>                   | <b>5,802</b>                   |

<sup>1</sup> Rate as of 31.12.2020

### Bonds and other interest-bearing debts

As at December 31, 2020, OMV Group was in compliance with all financial covenants stipulated by the loan agreements.

### Bonds and other interest-bearing debts

In EUR mn

|   | 2020          | 2019         |
|---|---------------|--------------|
| Short-term loan financing                               | 143           | 88           |
| Short-term component of long-term financing             | 1,410         | 600          |
| <b>Total short-term</b>                                 | <b>1,553</b>  | <b>688</b>   |
| <b>Maturities of long-term financing</b>                |               |              |
| 2021/2020 (short-term component of long-term financing) | 1,410         | 600          |
| 2022/2021   | 937           | 1,158        |
| 2023/2022   | 1,295         | 769          |
| 2024/2023   | 850           | 501          |
| 2025/2024   | 1,112         | 236          |
| 2026/2025 and subsequent years                          | 5,105         | 3,218        |
| <b>Total for 2021/2020 onwards</b>                      | <b>10,709</b> | <b>6,482</b> |

### Breakdown of bonds and other interest-bearing debts

In EUR mn

|   |                  | 2020         |                                | 2019         |                                |
|---|------------------|--------------|--------------------------------|--------------|--------------------------------|
|   |                  |              | Weighted average interest rate |              | Weighted average interest rate |
| <b>Bonds and other long-term interest-bearing debts<sup>1</sup></b> |                  |              |                                |              |                                |
| Fixed rates   | EUR              | 9,363        | 1.63%                          | 5,559        | 2.12%                          |
|   | USD              | 288          | 4.27%                          | 14           | 2.28%                          |
|   | Other currencies | 33           | 9.40%                          | —            | —                              |
| <b>Total</b>  |                  | <b>9,685</b> | <b>1.74%</b>                   | <b>5,573</b> | <b>2.12%</b>                   |
| Variable rates <sup>2</sup>   | EUR              | 718          | 0.25%                          | 753          | 0.30%                          |
|   | USD              | 264          | 1.62%                          | 157          | 3.66%                          |
|   | Other currencies | 42           | 0.67%                          | —            | —                              |
| <b>Total</b>  |                  | <b>1,024</b> | <b>0.62%</b>                   | <b>910</b>   | <b>0.88%</b>                   |
| <b>Other short-term interest-bearing debts</b>                      |                  |              |                                |              |                                |
|   | EUR              | 125          | 0.17%                          | 4            | 0.50%                          |
|   | USD              | 17           | 0.68%                          | 6            | 0.50%                          |
|   | NZD              | —            | —                              | 42           | 1.76%                          |
|   | Other currencies | 1            | 0.65%                          | 36           | 0.67%                          |
| <b>Total</b>  |                  | <b>143</b>   | <b>0.24%</b>                   | <b>88</b>    | <b>1.17%</b>                   |

<sup>1</sup> Including short-term components of long-term debts<sup>2</sup> Rates as of year-end

## Other financial liabilities

### Other financial liabilities

In EUR mn

|  | Short-term   | Long-term  | Total        |
|--|--------------|------------|--------------|
|  | <b>2020</b>  |            |              |
| Derivative financial liabilities   | 2,169        | 347        | <b>2,516</b> |
| Liabilities on derivatives designated and effective as hedging instruments | 86           | 12         | <b>98</b>    |
| Liabilities on other derivatives   | 2,083        | 335        | <b>2,418</b> |
| Other sundry financial liabilities   | 926          | 106        | <b>1,033</b> |
| <b>Other financial liabilities</b>   | <b>3,095</b> | <b>454</b> | <b>3,549</b> |
|  | 2019         |            |              |
| Derivative financial liabilities   | 2,299        | 179        | <b>2,478</b> |
| Liabilities on derivatives designated and effective as hedging instruments | 209          | 28         | <b>237</b>   |
| Liabilities on other derivatives   | 2,090        | 151        | <b>2,241</b> |
| Other sundry financial liabilities   | 519          | 122        | <b>642</b>   |
| <b>Other financial liabilities</b>   | <b>2,818</b> | <b>301</b> | <b>3,120</b> |

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         |
|--|--------------|--------------|--------------|---------------|
|  | <b>2020</b>  |              |              |               |
| Bonds  | 942          | 3,707        | 5,068        | <b>9,717</b>  |
| Other interest-bearing debt                            | 723          | 881          | 437          | <b>2,041</b>  |
| Lease liabilities                                      | 169          | 430          | 777          | <b>1,377</b>  |
| Trade payables   | 4,304        | —            | —            | <b>4,304</b>  |
| Derivative financial liabilities                       | 2,169        | 347          | —            | <b>2,516</b>  |
| Other sundry financial liabilities                     | 926          | 22           | 113          | <b>1,062</b>  |
| <b>Financial liabilities (undiscounted cash flows)</b> | <b>9,233</b> | <b>5,387</b> | <b>6,395</b> | <b>21,016</b> |
|  | 2019         |              |              |               |
| Bonds  | 617          | 2,324        | 3,436        | <b>6,378</b>  |
| Other interest bearing debts                           | 154          | 623          | —            | <b>777</b>    |
| Lease liabilities                                      | 142          | 419          | 787          | <b>1,348</b>  |
| Trade payables   | 4,155        | —            | —            | <b>4,155</b>  |
| Derivative financial liabilities                       | 2,299        | 179          | —            | <b>2,478</b>  |
| Other sundry financial liabilities                     | 519          | 90           | 92           | <b>701</b>    |
| <b>Financial liabilities (undiscounted cash flows)</b> | <b>7,886</b> | <b>3,635</b> | <b>4,316</b> | <b>15,836</b> |

**Other liabilities**

In EUR mn

|   | Short-term  | Long-term  | Total        |
|---|-------------|------------|--------------|
|   | <b>2020</b> |            |              |
| Other taxes and social security liabilities | 607         | —          | <b>607</b>   |
| Payments received in advance                | 34          | 15         | <b>49</b>    |
| Contract liabilities                        | 96          | 117        | <b>214</b>   |
| Other sundry liabilities                    | 131         | 3          | <b>134</b>   |
| <b>Other liabilities</b>                    | <b>868</b>  | <b>135</b> | <b>1,003</b> |
|   | <b>2019</b> |            |              |
| Other taxes and social security liabilities | 699         | —          | <b>699</b>   |
| Payments received in advance                | 19          | 11         | <b>30</b>    |
| Contract liabilities                        | 80          | 142        | <b>222</b>   |
| Other sundry liabilities                    | 104         | 5          | <b>109</b>   |
| <b>Other liabilities</b>                    | <b>903</b>  | <b>157</b> | <b>1,060</b> |

**Contract liabilities**

In EUR mn

|   | 2020       | 2019       |
|---|------------|------------|
| <b>January 1</b>  | <b>222</b> | <b>192</b> |
| Currency translation differences  | (3)        | (1)        |
| Revenue recognized that was included in the contract liability balance at the beginning of the period | (71)       | (78)       |
| Increases due to cash received, excluding amounts recognized as revenue during the period             | 69         | 109        |
| Other changes   | (3)        | —          |
| <b>December 31</b>  | <b>214</b> | <b>222</b> |

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

## 25 Deferred tax

### Deferred taxes

In EUR mn

|  | Deferred tax<br>assets total | Deferred tax<br>assets not<br>recognized | Deferred tax<br>assets<br>recognized | Deferred tax<br>liabilities |
|--|------------------------------|--|--------------------------------------|-----------------------------|
|  | <b>2020</b>                  |  |                                      |                             |
| Intangible assets  | 209                          | 20                                       | 188                                  | 606                         |
| Property, plant and equipment  | 137                          | 89                                       | 48                                   | 2,322                       |
| Inventories  | 37                           | —  | 37                                   | 27                          |
| Derivatives  | 539                          | —  | 539                                  | 597                         |
| Receivables and other assets   | 55                           | 17                                       | 38                                   | 53                          |
| Deferred taxes reclassified to assets and liabilities associated with assets held for sale | 27                           | 22                                       | 5                                    | 12                          |
| Provisions for pensions and similar obligations  | 291                          | 151                                      | 140                                  | 111                         |
| Provisions for decommissioning, restoration obligations and environmental costs            | 1,318                        | 14                                       | 1,305                                | —                           |
| Other provisions   | 121                          | —  | 121                                  | 34                          |
| Liabilities  | 305                          | 60                                       | 245                                  | 23                          |
| Tax impairments according section 12 (3)/2 of the Austrian Corporate Income Tax Act (KStG) | 226                          | —  | 226                                  | —                           |
| Tax loss carryforwards   | 1,654                        | 780                                      | 875                                  | —                           |
| Outside basis differences  | —                            | —  | —                                    | 40                          |
| <b>Total</b>   | <b>4,919</b>                 | <b>1,153</b>                             | <b>3,765</b>                         | <b>3,823</b>                |
| Netting (same tax jurisdictions)   |                              |  | (2,581)                              | (2,581)                     |
| Deferred taxes reclassified to assets and liabilities associated with assets held for sale |                              |  | (5)                                  | (12)                        |
| <b>Deferred taxes as per statement of financial position</b>                               |                              |  | <b>1,179</b>                         | <b>1,229</b>                |
|  | <b>2019</b>                  |  |                                      |                             |
| 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                           |
| <b>Total</b>   | <b>4,153</b>                 | <b>1,361</b>                             | <b>2,791</b>                         | <b>3,236</b>                |
| Netting (same tax jurisdictions)   |                              |  | (2,105)                              | (2,105)                     |
| <b>Deferred taxes as per statement of financial position</b>                               |                              |  | <b>686</b>                           | <b>1,132</b>                |

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

Overall deferred taxes in 2020 were significantly impacted by the acquisition of additional shares in Borealis AG (see Note 3 – Changes in group structure).



Deferred taxes of Borealis Group were mainly related to intangible assets and property, plant and equipment.

The overall net deferred tax asset position of tax jurisdictions which suffered a tax loss either in current or preceding year amounted to EUR 720 mn, thereof EUR 640 mn is attributable to the Austrian tax group (2019: EUR 268 mn, thereof Austrian tax group EUR 260 mn).

In 2020 as well as in the previous year, a valuation allowance for deferred tax assets for the Austrian tax group was recognized.

As of December 31, 2020, OMV recognized **tax losses carryforward** of EUR 6,302 mn before allowances (2019: EUR 4,179 mn), thereof EUR 3,331 mn (2019: EUR 351 mn) are considered recoverable for calculation of deferred taxes.

Due to tax synergies from the acquisition of additional shares in Borealis AG, deferred tax assets of the Austrian tax group increased in 2020 by approximately EUR 500 mn, taking into consideration the expected five-year positive taxable result of Borealis tax group members.

Eligibility of losses for carryforward expires as follows:

**Tax losses carryforward**

In EUR mn

|                                | 2020                            |                        | 2019                            |                        |
|--------------------------------|---------------------------------|------------------------|---------------------------------|------------------------|
|                                | Base amount (before allowances) | thereof not recognized | Base amount (before allowances) | thereof not recognized |
| 2020                           | —                               | —                      | 5                               | 5                      |
| 2021                           | 5                               | 5                      | 0                               | 0                      |
| 2022                           | 0                               | 0                      | 1                               | 1                      |
| 2023                           | 2                               | 2                      | 1                               | 1                      |
| 2024                           | 4                               | 4                      | 112                             | 111                    |
| 2025                           | 48                              | 17                     |                                 |                        |
| After 2025/2024                | 47                              | 24                     | 61                              | 14                     |
| Unlimited                      | 6,196                           | 2,919                  | 3,998                           | 3,694                  |
| <b>Tax losses carryforward</b> | <b>6,302</b>                    | <b>2,971</b>           | <b>4,179</b>                    | <b>3,827</b>           |

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

As of December 31, 2020, 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 4,657 mn (2019: EUR 4,485 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

|                                  | 2020         | 2019         |
|----------------------------------|--------------|--------------|
| Cash at banks and on hand        | 741          | 710          |
| Short-term deposits              | 2,128        | 2,228        |
| <b>Cash and cash equivalents</b> | <b>2,869</b> | <b>2,938</b> |

#### Significant non-cash items

The remeasurement of the previously held 36% at-equity share in Borealis was included in the line "Other changes" in the statement of cash flows. For further details please see Note 3 – Changes in group structure.

In 2020 as well as in 2019, 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 April 9, 2020, OMV issued senior bonds with a total volume of EUR 1.75 bn and on June 16, 2020, senior bonds with a total volume of EUR 1.5 bn. These transactions were reflected in the line "Increase in long-term borrowings", while the line "Repayments of long-term borrowings" included the repayment of a EUR 500 mn bond.

The issuance of two hybrid bonds with a total size of EUR 1.25 bn on September 1, 2020, was reflected in the line "Increase hybrid bond".

#### Changes in liabilities arising from financing activities (incl. liabilities associated with assets held for sale)

In EUR mn

|   | 2020         |                              |                   | Total         |
|---|--------------|------------------------------|-------------------|---------------|
|   | Bonds        | Other interest-bearing debts | Lease liabilities |               |
| <b>January 1</b>  | <b>5,802</b> | <b>769</b>                   | <b>1,053</b>      | <b>7,624</b>  |
| Increase in long-term borrowings                        | 3,225        | 114                          | —                 | <b>3,338</b>  |
| Repayments of long-term borrowings                      | (500)        | (164)                        | (133)             | <b>(797)</b>  |
| Increase/(decrease) in short-term borrowings            | —            | (96)                         | —                 | <b>(96)</b>   |
| <b>Total cash flows related to financing activities</b> | <b>2,725</b> | <b>(146)</b>                 | <b>(133)</b>      | <b>2,446</b>  |
| Currency translation differences                        | —            | (33)                         | (7)               | <b>(41)</b>   |
| Changes in consolidated group                           | 329          | 1,538                        | 174               | <b>2,041</b>  |
| Difference interest expenses and interest paid          | 13           | (2)                          | 0                 | <b>12</b>     |
| Other changes   | —            | 4                            | 130 <sup>1</sup>  | <b>134</b>    |
| <b>Total non-cash changes</b>                           | <b>342</b>   | <b>1,508</b>                 | <b>297</b>        | <b>2,147</b>  |
| <b>December 31</b>                                      | <b>8,869</b> | <b>2,130</b>                 | <b>1,217</b>      | <b>12,216</b> |

<sup>1</sup> Mainly related to new lease agreements

**Changes in liabilities arising from financing activities (incl. liabilities associated with assets held for sale)**

In EUR mn

|   | 2019         |                              |                   | <b>Total</b> |
|---|--------------|------------------------------|-------------------|--------------|
|   | Bonds        | Other interest-bearing debts | Lease liabilities |              |
| <b>January 1</b>  | <b>5,007</b> | <b>745</b>                   | <b>994</b>        | <b>6,746</b> |
| Increase in long-term borrowings                        | 1,287        | 89                           | —                 | <b>1,376</b> |
| Repayments of long-term borrowings                      | (500)        | (371)                        | (109)             | <b>(980)</b> |
| Increase/(decrease) in short-term borrowings            | —            | (22)                         | —                 | <b>(22)</b>  |
| <b>Total cash flows related to financing activities</b> | <b>787</b>   | <b>(303)</b>                 | <b>(109)</b>      | <b>374</b>   |
| Currency translation differences                        | —            | 7                            | (2)               | <b>5</b>     |
| Changes in consolidated group                           | —            | 314                          | 5                 | <b>319</b>   |
| Difference interest expenses and interest paid          | 8            | 5                            | 2                 | <b>15</b>    |
| Other changes   | —            | —                            | 164 <sup>1</sup>  | <b>164</b>   |
| <b>Total non-cash changes</b>                           | <b>8</b>     | <b>326</b>                   | <b>169</b>        | <b>503</b>   |
| <b>December 31</b>                                      | <b>5,802</b> | <b>769</b>                   | <b>1,053</b>      | <b>7,624</b> |

<sup>1</sup> Mainly related to new lease agreements

The total cash outflow related to lease liabilities amounted to EUR 157 mn (2019: EUR 131 mn).

As of December 31, 2020, the Group had available EUR 4,332 mn of undrawn committed borrowing facilities that can be used for future activities without any restrictions (December 31, 2019: EUR 3,250 mn).

As of December 31, 2020, there were no financing commitments provided to Nord Stream 2 AG for the funding of Nord Stream 2 project (December 31, 2019: EUR 238 mn). Financing commitments provided to related parties are detailed in Note 35 – Related parties.

**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 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 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. OMV rejected the invoice due to 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 Chemchemical 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. In September 2019, the independent expert determination before the ICC in respect of one of the revisions of the Chemchemical FDP was decided in favor of OMV and the arbitration tribunal deemed the expert determination as final and binding. In June 2020, a second independent expert determination before the ICC in respect of another revision of the Chemchemical FDP was also decided in favor of OMV. Depending on further progress of the arbitration proceedings and not yet commenced reserve determinations under the Share Sale Agreement arbitration, 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.

On April 16, 2020, the Bulgarian Commission for Protection of Competition announced the initiation of an investigation regarding the determination of the prices on fuel market. OMV Bulgaria EOOD is subject to this investigation, among other major manufacturers and retailers on Bulgarian market. During 2020 two requests of providing information were received from authorities and the responses were submitted in due time. The sanctions for antitrust infringements are up to 10% of the total company's turnover of the respective undertaking for the financial year prior to the sanctioning decision. At the date of these financial statements, OMV is not able to evaluate the outcome of the investigation and no provision was recorded in this respect.

## 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, excluding leases, of below 30%.

### Capital Management – key performance measures

In EUR mn (unless otherwise stated)

|  | 2020          | 2019          |
|--|---------------|---------------|
| Bonds                                      | 8,869         | 5,802         |
| Other interest-bearing debts <sup>1</sup>  | 2,130         | 769           |
| <b>Debt excluding leases</b>               | <b>10,999</b> | <b>6,570</b>  |
| Cash and cash equivalents <sup>2</sup>     | 2,869         | 2,938         |
| <b>Net Debt excluding leases</b>           | <b>8,130</b>  | <b>3,632</b>  |
| <b>Equity</b>                              | <b>19,899</b> | <b>16,863</b> |
| <b>Gearing Ratio excluding leases in %</b> | <b>41</b>     | <b>22</b>     |

<sup>1</sup> Including other interest-bearing debts that were reclassified to liabilities associated with assets held for sale

<sup>2</sup> 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, 2020, the average weighted maturity of the Group's debt portfolio (excluding lease liabilities) has been 5.3 years (as of December 31, 2019: 5.2 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, Brazil 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 dealing with 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.

OMV evaluates the risk of potential US or EU sanctions and their impact on planned or existing operations. The aim is to stay in full compliance with all applicable sanctions. In particular risks due to political and regulatory developments both inside and outside of Europe having the potential of unfavorable effects on the Nord Stream 2 project and on OMV's activities in Russia are regularly assessed and monitored.

#### Climate change risks

OMV consistently evaluates the Group's exposure to risks related to climate change in addition to the market

price risk from European Emission Allowances. Such risks comprise the potential impact of 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. OMV thus integrates the related risks and opportunities into the development of the Company's business strategy. Changes in the pace of energy transition compared to OMV's expectations and thus changes in the future development of supply and demand could have a negative impact on the valuation of OMV's oil and gas assets.

#### 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.

Hedges are generally placed in the legal entities where the underlying exposure exists. When certain conditions are met, the Group may elect to apply IFRS 9 hedge accounting principles in order to recognize the offsetting effects on profit or loss of changes in the fair value of the hedging instruments at the same time as the hedged items.

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives are not designated as hedging instruments (i.e. hedge accounting is not applied), they are valued through profit or loss for accounting purposes.

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 derivative financial instruments**

In EUR mn

|  | 2020          |                   |                        | 2019          |                   |                        |
|--|---------------|-------------------|------------------------|---------------|-------------------|------------------------|
|  | Nominal       | Fair value assets | Fair value liabilities | Nominal       | Fair value assets | Fair value liabilities |
| <b>Commodity price risk</b>  |               |                   |                        |               |                   |                        |
| Downstream, Oil incl. oil products   | 515           | 30                | (71)                   | 7,102         | 284               | (237)                  |
| Downstream, Gas  | 31            | 3                 | (7)                    | —             | —                 | —                      |
| Downstream, Power  | 213           | 24                | (14)                   | —             | —                 | —                      |
| <b>Downstream (cash-flow hedges)<sup>1</sup></b>                               | <b>759</b>    | <b>57</b>         | <b>(93)</b>            | <b>7,102</b>  | <b>284</b>        | <b>(237)</b>           |
| Upstream, Gas  | 150           | 1                 | (11)                   | 56            | 10                | (4)                    |
| <b>Upstream</b>  | <b>150</b>    | <b>1</b>          | <b>(11)</b>            | <b>56</b>     | <b>10</b>         | <b>(4)</b>             |
| Downstream, Oil incl. oil products   | 6,305         | 445               | (386)                  | 11,496        | 318               | (339)                  |
| Downstream, Gas  | 20,156        | 1,931             | (1,985)                | 15,103        | 2,013             | (1,885)                |
| Downstream, Power  | 209           | 5                 | (6)                    | 216           | 15                | (6)                    |
| Downstream, Other  | 334           | 98                | (29)                   | 23            | 0                 | (0)                    |
| <b>Downstream</b>  | <b>27,003</b> | <b>2,478</b>      | <b>(2,406)</b>         | <b>26,839</b> | <b>2,347</b>      | <b>(2,231)</b>         |
| <b>Foreign currency risk</b>   |               |                   |                        |               |                   |                        |
| USD (net investment hedge)   | 168           | 9                 | (1)                    | —             | —                 | —                      |
| SEK (cash-flow hedges)   | 143           | 6                 | —                      | —             | —                 | —                      |
| <b>Foreign currency hedges (designated in hedge relationships)<sup>1</sup></b> | <b>311</b>    | <b>14</b>         | <b>(1)</b>             | <b>—</b>      | <b>—</b>          | <b>—</b>               |
| USD  | 793           | 17                | (1)                    | 684           | 15                | (3)                    |
| NOK  | 272           | 4                 | (0)                    | 501           | 10                | —                      |
| RUB  | —             | —                 | —                      | 288           | 8                 | —                      |
| NZD  | 69            | 1                 | (0)                    | 153           | 0                 | (1)                    |
| RON  | 5             | 0                 | (0)                    | 35            | 0                 | (0)                    |
| SEK  | 44            | —                 | (0)                    | —             | —                 | —                      |
| Other  | 108           | 1                 | (0)                    | 118           | 1                 | (1)                    |
| <b>Foreign currency hedges</b>   | <b>1,290</b>  | <b>22</b>         | <b>(1)</b>             | <b>1,778</b>  | <b>35</b>         | <b>(6)</b>             |
| <b>Interest rate risk</b>  |               |                   |                        |               |                   |                        |
| Interest rate hedges   | 113           | 0                 | (4)                    | —             | —                 | —                      |

<sup>1</sup> Including inefficient part of hedges designated in a hedging relationship

The Group's hedging portfolio disclosed in the Consolidated Statement of Changes in Equity relates to the following hedging instruments:

**Cash flow hedging – Impact of hedge accounting**

In EUR mn

|   | Forecast purchases   | Forecast sales | Foreign currency, firm commitments | Foreign currency, other | Interest rate | Total              | thereof cost of hedging reserve |
|---|----------------------|----------------|------------------------------------|-------------------------|---------------|--------------------|---------------------------------|
|   | Commodity price risk |                |                                    | Foreign currency risk   |               | Interest rate risk |                                 |
|   | <b>2020</b>          |                |                                    |                         |               |                    |                                 |
| Cash flow hedge reserve as of January 1 (net of tax)  | 5                    | 39             | —                                  | —                       | —             | <b>44</b>          | —                               |
| Gains/(losses) of the period recognized in OCI  | (7)                  | 364            | (62)                               | 10                      | 0             | <b>305</b>         | 16                              |
| Amounts reclassified to the income statement  | (6)                  | (353)          | n.a.                               | (0)                     | 0             | <b>(359)</b>       | n.a.                            |
| Amounts reclassified to the income statement because the hedged future cash flows no longer expected to occur | 3                    | (24)           | —                                  | —                       | —             | <b>(21)</b>        | n.a.                            |
| Amounts reclassified to balance sheet   | 40                   | —              | 62                                 | (0)                     | —             | <b>102</b>         | (16)                            |
| Tax effects   | (8)                  | 5              | —                                  | (2)                     | (0)           | <b>(6)</b>         | —                               |
| <b>Cash flow hedge reserve as of December 31 (net of tax)</b>   | <b>26</b>            | <b>31</b>      | <b>—</b>                           | <b>8</b>                | <b>0</b>      | <b>65</b>          | <b>—</b>                        |
| thereof discontinued hedges   | —                    | 57             | —                                  | —                       | —             | <b>57</b>          | n.a.                            |
| Hedge ineffectiveness recognized in profit or loss  | (2)                  | 2              | —                                  | —                       | —             | <b>0</b>           | —                               |
|   | <b>2019</b>          |                |                                    |                         |               |                    |                                 |
| Cash flow hedge reserve as of January 1 (net of tax)  | (33)                 | 73             | (1)                                | —                       | —             | <b>39</b>          | (1)                             |
| Gains/(losses) of the period recognized in OCI  | 53                   | (11)           | 41                                 | —                       | —             | <b>84</b>          | (1)                             |
| Amounts reclassified to the income statement  | n.a.                 | (34)           | n.a.                               | —                       | —             | <b>(34)</b>        | n.a.                            |
| Amounts transferred to cost of non-financial item   | (4)                  | —              | (40)                               | —                       | —             | <b>(44)</b>        | 2                               |
| Tax effects   | (12)                 | 11             | —                                  | —                       | —             | <b>(1)</b>         | —                               |
| <b>Cash flow hedge reserve as of December 31 (net of tax)</b>   | <b>5</b>             | <b>39</b>      | <b>—</b>                           | <b>—</b>                | <b>—</b>      | <b>44</b>          | <b>—</b>                        |
| Hedge ineffectiveness recognized in profit or loss  | (14)                 | (0)            | —                                  | —                       | —             | <b>(14)</b>        | —                               |

**Reserve for unrealized exchange gains/losses for net investment hedge<sup>1</sup>**

In EUR mn

|   | Foreign currency risk |          |
|---|-----------------------|----------|
|   | 2020                  | 2019     |
| <b>Reserve as of January 1 (net of tax)</b>   | —                     | —        |
| Valuation of the USD loans                    | 10                    | —        |
| Tax effects                                   | (2)                   | —        |
| <b>Reserve as of December 31 (net of tax)</b> | <b>7</b>              | <b>—</b> |

<sup>1</sup> Included in currency translation differences within other comprehensive income

At 31 December 2020 and 31 December 2019, the Group held the following cash flow and net investment hedging relationships. The table shows the profile of

the timing (maturity) of the nominal amount of the hedging instruments.

### Impact of hedge accounting on the statement of financial positions

In EUR mn

|                          | Forecast purchases   | Forecast sales | Net investment hedge  | Foreign currency, other | Interest hedges    | Total        |
|--------------------------|----------------------|----------------|-----------------------|-------------------------|--------------------|--------------|
|                          | Commodity price risk |                | Foreign currency risk |                         | Interest rate risk |              |
|                          | <b>2020</b>          |                |                       |                         |                    |              |
| Nominal Value            | 541                  | 218            | 176                   | 311                     | 113                | <b>1,358</b> |
| Below one year           | 415                  | 196            | —                     | 311                     | —                  | <b>921</b>   |
| More than one year       | 126                  | 22             | 176                   | —                       | 113                | <b>437</b>   |
| Fair value – assets      | 52                   | 5              | n.a.                  | 14                      | 0                  | <b>71</b>    |
| Fair value – liabilities | 60                   | 33             | n.a.                  | 1                       | 4                  | <b>98</b>    |
|                          | <b>2019</b>          |                |                       |                         |                    |              |
| Nominal Value            | 66                   | 7,036          | —                     | —                       | —                  | <b>7,102</b> |
| Below one year           | 41                   | 5,415          | —                     | —                       | —                  | <b>5,455</b> |
| More than one year       | 25                   | 1,621          | —                     | —                       | —                  | <b>1,647</b> |
| Fair value – assets      | 6                    | 279            | —                     | —                       | —                  | <b>284</b>   |
| Fair value – liabilities | 0                    | 237            | —                     | —                       | —                  | <b>237</b>   |

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.

#### 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 Group's 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 2020, oil and gas derivative contracts were concluded, resulting in a total negative Operating result impact of EUR (37) mn (oil: EUR (30) mn, gas: EUR (7) mn).

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

For these derivative instruments no hedge accounting was applied.

#### 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, market price risk from European Emission Allowances) 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.



For the petrochemical production, some of the forecasted cracker feedstock purchases and finished product sales are hedged through refined oil products swaps. Cash flow hedge accounting is applied to those derivatives, except for the derivatives that are used to limit the price risk on the inventory held for immediate consumption. Contracts not designated as cash flow hedges are classified as fair value through profit or loss and stated at fair value.

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.

European Emission Allowances purchases are always executed in due time to fulfill all legal requirements and are carefully managed by considering the related price risk.

#### Cash flow hedges in Downstream

In the Downstream Oil Business, OMV is especially exposed to volatile refining margins, inventory risks and emission price risk. In order to mitigate those risks corresponding hedging activities are taken, which include margin hedges and stock hedges. Additionally, cash flow hedge accounting is applied to forecast electricity purchases and forecast natural gas purchases. Also a part of the hedges done for future sales and purchases of the crackers has been designated as cash flow hedge.

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.

In 2020 the risk management objective for the refinery margin hedges changed and therefore most of the hedging relationships were discontinued. The accumulated gains and losses remain in the cash flow hedging reserve upon realization of the hedged item. In addition hedge accounting related to forecast sales of specific products has been terminated because cash flows have no longer been expected to occur due to the impacts of the COVID-19 pandemic. The accumulated gains and losses were immediately reclassified to profit or loss.

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).

For 'Forecast purchases' 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 'Forecast sales' for hedges where a risk component of the non-financial item is designated as the hedged item in the hedging relationship is shown in line item 'Sales revenues' in OMV's Consolidated income statement.

#### 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, NZD and SEK). 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 mainly used 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. When certain conditions are met, the Group may elect to apply IFRS 9 hedge accounting principles in order to recognize the offsetting effects on profit or loss of changes in the fair value of the hedging instruments at the same time as and the hedged items. Certain hedges which refer to a forecasted currency position are therefore classified as cash flow hedges and stated at fair value through comprehensive income.

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 SEK denominated assets against the EUR.

A foreign currency exposure arises from the Group's long-term net investment in its subsidiaries, associated companies and joint ventures in foreign currencies. Foreign exchange translation differences relating to these net investments are recognized in other comprehensive income. Borealis has hedged part of its investment in an associated company which has USD as its functional currency, by designating certain external loans in USD as hedges of the Group's investments in its foreign operations. The hedged risk in the net investment hedge is the risk of a weakening USD against the EUR that will result in a reduction in the carrying amount of the Group's net investment in the associated company in USD. The EUR/USD impact

on the measurement of the loan is recognized in other comprehensive income.

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the carrying amount of the debt that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate (the dollar- offset method). The Group's policy is to hedge the net investment only to the extent of the debt principal.

There is an economic relationship between the hedged item and the hedging instrument as the net investment creates a translation risk that will match the foreign exchange risk on the USD borrowing. The Group has established a hedge ratio of 1:1 as the underlying risk of the hedging instrument is identical to the hedged risk component. Hedge ineffectiveness will arise when the amount of the investment in the foreign associated company becomes lower than the amount of the borrowing.

#### 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.

OMV is exposed to uncertainties resulting from the interest rate benchmark reform in respect of its hedges of (6 month) EURIBOR and (3 month) USD LIBOR interest risk, related to the existence of two outstanding USD interest rate swaps with a nominal amount of USD 110 mn in total, and one outstanding interest rate swap with a nominal amount of EUR 23 mn. Their hedging period reaches beyond 2021 when uncertainties about existence of the USD LIBOR rates arise. OMV expects that the hedging instrument and the hedged risk of the hedged item will not change as a result of the reform; however, any hedge ineffectiveness would be accounted for in profit or loss. OMV applies the amendments to IFRS 9 issued in September 2019 to those hedging relationships directly affected by IBOR reform (see Note 2 – Accounting policies, judgements and estimates).

Interest rate swaps can be used to convert fixed rate debt into floating rate debt, and vice versa. In the year 2020 the impact of interest rate swaps has not been material. (2019: no open position).

The hedge ineffectiveness and recycling of 'Interest rate swaps' are both shown in line item 'interest expenses' in OMV's Consolidated income statement.

**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 commodity derivatives affecting profit before tax**

In EUR mn

|                                    | 2020              |                    | 2019              |                    |
|------------------------------------|-------------------|--------------------|-------------------|--------------------|
|                                    | Market price +10% | Market price (10)% | Market price +10% | Market price (10)% |
| Upstream, Gas                      | (6)               | 5                  | (2)               | 2                  |
| <b>Upstream</b>                    | <b>(6)</b>        | <b>5</b>           | <b>(2)</b>        | <b>2</b>           |
| Downstream, Oil incl. oil products | (14)              | 14                 | (18)              | 18                 |
| Downstream, Gas                    | (1)               | 0                  | (25)              | 25                 |
| Downstream, Power                  | (20)              | 20                 | (13)              | 13                 |
| Downstream, other                  | 23                | (23)               | 2                 | (2)                |
| <b>Downstream</b>                  | <b>(12)</b>       | <b>11</b>          | <b>(54)</b>       | <b>54</b>          |

**Sensitivity analysis for open commodity derivatives affecting other comprehensive income**

In EUR mn

|                                    | 2020              |                    | 2019              |                    |
|------------------------------------|-------------------|--------------------|-------------------|--------------------|
|                                    | Market price +10% | Market price (10)% | Market price +10% | Market price (10)% |
| Downstream, Oil incl. oil products | (32)              | 32                 | (80)              | 80                 |
| Downstream, Gas                    | (2)               | 2                  | —                 | —                  |
| Downstream, Power                  | 24                | (24)               | —                 | —                  |
| <b>Downstream</b>                  | <b>(10)</b>       | <b>10</b>          | <b>(80)</b>       | <b>80</b>          |

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, EUR-SEK and EUR-NZD exposure.

**Sensitivity analysis for financial instruments affecting profit before tax<sup>1</sup>**

In EUR mn

|         | 2020                        |                             | 2019                        |                             |
|---------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|         | 10% appreciation of the EUR | 10% depreciation of the EUR | 10% appreciation of the EUR | 10% depreciation of the EUR |
| EUR-RON | (11)                        | 11                          | (20)                        | 20                          |
| EUR-USD | (27)                        | 27                          | (22)                        | 22                          |
| EUR-NZD | (4)                         | 4                           | (15)                        | 15                          |
| EUR-NOK | (8)                         | 8                           | (6)                         | 6                           |
| EUR-RUB | (0)                         | 0                           | (30)                        | 30                          |

<sup>1</sup> Refers only to financial instruments and is not the same as the Group's overall foreign exchange rate sensitivity in terms of operating result**Sensitivity analysis for financial instruments affecting other comprehensive income<sup>1</sup>**

In EUR mn

|         | 2020                        |                             | 2019                        |                             |
|---------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|         | 10% appreciation of the EUR | 10% depreciation of the EUR | 10% appreciation of the EUR | 10% depreciation of the EUR |
| EUR-USD | 33                          | (33)                        | —                           | —                           |
| EUR-SEK | (15)                        | 15                          | —                           | —                           |

<sup>1</sup> Including sensitivity of the net investment hedge

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, 2020, would have been a EUR (9) mn reduction in the market value of these financial assets (2019: EUR (12) mn). A 0.5 percentage points fall in the interest rate as of December 31, 2020 would have led to an increase in market value of EUR 9 mn (2019: EUR 12 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. OMV uses commercial trade insurance for parts of its receivables in some business areas to mitigate risk. Based on the high economic uncertainty resulting from the COVID-19 pandemic, special attention is paid to early warning signals like changes in payment behavior.

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<sup>1</sup> and net amount of assets and liabilities held for sale at fair value

| In EUR mn   |                   |               |              |                  |              |            |              |
|---|-------------------|---------------|--------------|------------------|--------------|------------|--------------|
|   | Carrying amount   |               |              | Fair value level |              |            | Total        |
|   | At amortized cost | At fair value | Total        | Level 1          | Level 2      | Level 3    |              |
| <b>2020</b>   |                   |               |              |                  |              |            |              |
| Trade receivables   | 3,245             | 71            | <b>3,316</b> | —                | 71           | —          | <b>71</b>    |
| Investments in other companies  | —                 | 15            | <b>15</b>    | —                | —            | 15         | <b>15</b>    |
| Investment funds  | —                 | 35            | <b>35</b>    | 35               | —            | —          | <b>35</b>    |
| Bonds   | 64                | —             | <b>64</b>    | —                | —            | —          | <b>—</b>     |
| Derivatives designated and effective as hedging instruments               | —                 | 71            | <b>71</b>    | —                | 71           | —          | <b>71</b>    |
| Other derivatives   | —                 | 2,502         | <b>2,502</b> | 69               | 2,433        | —          | <b>2,502</b> |
| Loans   | 1,720             | —             | <b>1,720</b> | —                | —            | —          | <b>—</b>     |
| Other sundry financial assets <sup>2</sup>                                | 1,313             | 744           | <b>2,058</b> | —                | —            | 744        | <b>744</b>   |
| Net amount of assets and liabilities associated with assets held for sale | n.a.              | 98            | <b>98</b>    | —                | 98           | —          | <b>98</b>    |
| <b>Total</b>  | <b>6,343</b>      | <b>3,536</b>  | <b>9,878</b> | <b>104</b>       | <b>2,672</b> | <b>759</b> | <b>3,536</b> |
| <b>2019</b>   |                   |               |              |                  |              |            |              |
| Trade receivables   | 2,911             | 131           | <b>3,042</b> | —                | 131          | —          | <b>131</b>   |
| Investments in other companies  | —                 | 24            | <b>24</b>    | —                | —            | 24         | <b>24</b>    |
| Bonds   | 78                | —             | <b>78</b>    | —                | —            | —          | <b>—</b>     |
| Derivatives designated and effective as hedging instruments               | —                 | 284           | <b>284</b>   | —                | 284          | —          | <b>284</b>   |
| Other derivatives   | —                 | 2,391         | <b>2,391</b> | 241              | 2,150        | —          | <b>2,391</b> |
| Loans   | 855               | —             | <b>855</b>   | —                | —            | —          | <b>—</b>     |
| Other sundry financial assets <sup>2</sup>                                | 1,182             | 721           | <b>1,903</b> | —                | —            | 721        | <b>721</b>   |
| Net amount of assets and liabilities associated with assets held for sale | n.a.              | 8             | <b>8</b>     | —                | 8            | —          | <b>8</b>     |
| <b>Total</b>  | <b>5,026</b>      | <b>3,559</b>  | <b>8,585</b> | <b>241</b>       | <b>2,573</b> | <b>745</b> | <b>3,559</b> |

<sup>1</sup> Excluding assets held for sale

<sup>2</sup> 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<sup>1</sup>**

In EUR mn

|  | Carrying amount   |               |               | Fair value level |              |         |              |
|--|-------------------|---------------|---------------|------------------|--------------|---------|--------------|
|  | At amortized cost | At fair value | Total         | Level 1          | Level 2      | Level 3 | Total        |
| <b>2020</b>  |                   |               |               |                  |              |         |              |
| Trade payables   | 4,304             | —             | <b>4,304</b>  | —                | —            | —       | —            |
| Bonds  | 8,869             | —             | <b>8,869</b>  | —                | —            | —       | —            |
| Lease liabilities  | 1,084             | —             | <b>1,084</b>  | —                | —            | —       | —            |
| Other interest bearing debt  | 1,983             | —             | <b>1,983</b>  | —                | —            | —       | —            |
| Liabilities on derivatives designated and effective as hedging instruments | —                 | 98            | <b>98</b>     | —                | 98           | —       | <b>98</b>    |
| Liabilities on other derivatives   | —                 | 2,418         | <b>2,418</b>  | 70               | 2,349        | —       | <b>2,418</b> |
| Other sundry financial liabilities   | 1,033             | —             | <b>1,033</b>  | —                | —            | —       | —            |
| <b>Total</b>   | <b>17,272</b>     | <b>2,516</b>  | <b>19,788</b> | <b>70</b>        | <b>2,446</b> | —       | <b>2,516</b> |
| <b>2019</b>  |                   |               |               |                  |              |         |              |
| Trade payables   | 4,155             | —             | <b>4,155</b>  | —                | —            | —       | —            |
| Bonds  | 5,802             | —             | <b>5,802</b>  | —                | —            | —       | —            |
| Lease liabilities  | 1,053             | —             | <b>1,053</b>  | —                | —            | —       | —            |
| Other interest bearing debt  | 769               | —             | <b>769</b>    | —                | —            | —       | —            |
| Liabilities on derivatives designated and effective as hedging instruments | —                 | 237           | <b>237</b>    | —                | 237          | —       | <b>237</b>   |
| Liabilities on other derivatives   | —                 | 2,241         | <b>2,241</b>  | 266              | 1,976        | —       | <b>2,241</b> |
| Other sundry financial liabilities   | 642               | —             | <b>642</b>    | —                | —            | —       | —            |
| <b>Total</b>   | <b>12,420</b>     | <b>2,478</b>  | <b>14,898</b> | <b>266</b>       | <b>2,213</b> | —       | <b>2,478</b> |

<sup>1</sup> Excluding liabilities associated with assets held for sale

**Financial assets and liabilities for which fair values are disclosed<sup>1</sup>**

In EUR mn

|                              | Fair Value    | Fair value level |              |         |
|------------------------------|---------------|------------------|--------------|---------|
|                              |               | Level 1          | Level 2      | Level 3 |
| <b>2020</b>                  |               |                  |              |         |
| Bonds                        | 64            | —                | 64           | —       |
| <b>Financial assets</b>      | <b>64</b>     | —                | <b>64</b>    | —       |
| Bonds                        | 9,652         | 9,352            | 300          | —       |
| Other interest bearing debt  | 2,002         | —                | 2,002        | —       |
| <b>Financial liabilities</b> | <b>11,654</b> | <b>9,352</b>     | <b>2,302</b> | —       |
| <b>2019</b>                  |               |                  |              |         |
| Bonds                        | 77            | 5                | 72           | —       |
| <b>Financial assets</b>      | <b>77</b>     | <b>5</b>         | <b>72</b>    | —       |
| Bonds                        | 6,317         | 6,317            | —            | —       |
| Other interest bearing debt  | 792           | —                | 792          | —       |
| <b>Financial liabilities</b> | <b>7,109</b>  | <b>6,317</b>     | <b>792</b>   | —       |

<sup>1</sup> Excluding assets and liabilities that were reclassified to held for sale

### 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          |
|----------------------------------|------|-------------------------------|--|--|--|--------------|
| <b>2020</b>                      |      |                               |  |  |  |              |
| Derivative financial instruments | 18   | 2,573                         | —  | 2,573  | (2,023)  | 550          |
| Trade receivables                | 18   | 3,325                         | (9)  | 3,316  | (1,298)  | 2,018        |
| Other sundry financial assets    | 18   | 2,058                         | —  | 2,058  | (104)  | 1,954        |
| <b>Total</b>                     |      | <b>7,955</b>                  | <b>(9)</b>   | <b>7,947</b>   | <b>(3,424)</b>                                 | <b>4,522</b> |
| <b>2019</b>                      |      |                               |  |  |  |              |
| 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        |
| <b>Total</b>                     |      | <b>7,634</b>                  | <b>(14)</b>  | <b>7,620</b>   | <b>(3,512)</b>                                 | <b>4,108</b> |

#### 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          |
|------------------------------------|------|-------------------------------|--|--|---|--------------|
| <b>2020</b>                        |      |                               |  |  |   |              |
| Derivative financial instruments   | 24   | 2,516                         | —  | 2,516  | (2,024)                                   | 492          |
| Trade payables                     | 24   | 4,313                         | (9)  | 4,304  | (1,298)                                   | 3,006        |
| Other sundry financial liabilities | 24   | 1,033                         | —  | 1,033  | (103)                                     | 930          |
| <b>Total</b>                       |      | <b>7,861</b>                  | <b>(9)</b>   | <b>7,853</b>   | <b>(3,424)</b>                            | <b>4,428</b> |
| <b>2019</b>                        |      |                               |  |  |   |              |
| 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          |
| <b>Total</b>                       |      | <b>7,288</b>                  | <b>(14)</b>  | <b>7,274</b>   | <b>(3,512)</b>                            | <b>3,762</b> |

## 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 |
|---|--------------|-----------------------------------|---|------------------------------------|---|
|   | <b>2020</b>  |                                   |   |                                    |   |
| Fair value changes of financial assets, derivatives and trading inventories | 36           | 36                                | —   | —                                  | —                                       |
| Net impairment losses on financial assets                                   | (10)         | —                                 | —   | (10)                               | —                                       |
| <b>Result on financial instruments within operating result</b>              | <b>25</b>    | <b>36</b>                         | <b>—</b>  | <b>(10)</b>                        | <b>—</b>                                |
| Dividend income   | 19           | —                                 | 19  | —                                  | —                                       |
| Interest income   | 177          | —                                 | —   | 165                                | 3                                       |
| Interest expense  | (280)        | 0                                 | —   | —                                  | (168)                                   |
| Fair value changes of FX derivatives  | (62)         | (62)                              | —   | —                                  | —                                       |
| Financial charges for factoring and securitization                          | (24)         | (24)                              | —   | —                                  | —                                       |
| Impairments of financial instruments, net                                   | (5)          | —                                 | —   | (4)                                | —                                       |
| Other   | (10)         | —                                 | —   | —                                  | (10)                                    |
| <b>Result on financial instruments within financial result</b>              | <b>(183)</b> | <b>(85)</b>                       | <b>19</b>   | <b>161</b>                         | <b>(175)</b>                            |
|   | <b>2019</b>  |                                   |   |                                    |   |
| Fair value changes of financial assets and derivatives                      | 241          | 241                               | —   | —                                  | —                                       |
| Net impairment losses on financial assets                                   | (33)         | —                                 | —   | (33)                               | —                                       |
| <b>Result on financial instruments within operating result</b>              | <b>208</b>   | <b>241</b>                        | <b>—</b>  | <b>(33)</b>                        | <b>—</b>                                |
| Dividend income   | 5            | —                                 | 5   | —                                  | —                                       |
| Interest income   | 169          | —                                 | —   | 152                                | —                                       |
| Interest expense  | (304)        | —                                 | —   | —                                  | (170)                                   |
| Fair value changes of FX derivatives  | 28           | 28                                | —   | —                                  | —                                       |
| Financial charges for factoring and securitization                          | (31)         | (31)                              | —   | —                                  | —                                       |
| Impairments of financial instruments, net                                   | (1)          | —                                 | —   | (1)                                | —                                       |
| Other   | (7)          | —                                 | —   | —                                  | (7)                                     |
| <b>Result on financial instruments within financial result</b>              | <b>(141)</b> | <b>(3)</b>                        | <b>5</b>  | <b>151</b>                         | <b>(177)</b>                            |

The **interest expense** not allocated mainly referred to the unwinding of provisions. For further details see Note 11 – Net financial result.



## 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. The defined performance criteria may not be amended during the performance period of the LTI plans. However – in order to maintain the incentivizing character of the program – the Remuneration Committee will have discretion to adjust the threshold/ target/maximum levels in case of material changes in external factors such as oil and gas prices. The adjustment is possible in both directions and will be determined by the Remuneration Committee. 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

|  | 2020 plan  | 2019 plan  | 2018 plan  | 2017 plan  |
|--|--|--|--|--|
| Start of plan  | 01/01/2020                                       | 01/01/2019                                       | 01/01/2018                                       | 01/01/2017                                       |
| End of performance period  | 12/31/2022                                       | 12/31/2021                                       | 12/31/2020                                       | 12/31/2019                                       |
| Vesting date   | 03/31/2023                                       | 03/31/2022                                       | 03/31/2021                                       | 03/31/2020                                       |
| <b>Shareholding requirement</b>  |  |  |  |  |
| Executive Board Chairman   | 200% of annual gross base salary                 | 200% of annual gross base salary                 | 200% of annual gross base salary                 | 200% of annual 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 annual 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 annual 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 the respective Target Long Term Incentive |
| <b>Expected shares as of December 31, 2020</b>   | <b>97,501</b>                                    | <b>201,604</b>                                   | <b>199,678</b>                                   | <b>—</b>   |
| <b>Maximum shares as of December 31, 2020</b>  | <b>463,562</b>                                   | <b>412,340</b>                                   | <b>321,099</b>                                   | <b>—</b>   |
| <b>Fair value of plan (in EUR mn) as of December 31, 2020<sup>1</sup></b>                    | <b>3</b>   | <b>7</b>   | <b>7</b>   | <b>—</b>   |
| <b>Provision (in EUR mn) as of December 31, 2020<sup>1</sup></b>                             | <b>1</b>   | <b>3</b>   | <b>5</b>   | <b>—</b>   |
| <b>Estimated tax payments related to equity settled transactions (in EUR mn)<sup>2</sup></b> | <b>1</b>   | <b>1</b>   | <b>1</b>   | <b>—</b>   |

<sup>1</sup> Excluding incidental wage costs

<sup>2</sup> 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.

### Equity Deferral

The Equity Deferral serves as a long-term compensation instrument 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 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). A minimum of 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 Remuneration Committee 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 2020 expenses amounting to EUR 1 mn were recorded with a corresponding increase in equity (2019: EUR 2 mn).

### Personal investment held in shares<sup>1</sup>

|                                       | 12/31/2020     | 12/31/2019     | 12/31/2018     | 12/31/2017     |
|---------------------------------------|----------------|----------------|----------------|----------------|
| <b>Active Executive Board members</b> |                |                |                |                |
| Seele                                 | 99,309         | 91,974         | 70,890         | 48,435         |
| Pleininger                            | 50,166         | 45,032         | 28,511         | 19,333         |
| Florey                                | 30,009         | 24,351         | 13,401         | 8,335          |
| Gangl <sup>2</sup>                    | 12,527         | 10,730         | —              | —              |
| Skvortsova <sup>3</sup>               | —              | —              | —              | —              |
| <b>Former Executive Board members</b> |                |                |                |                |
| Leitner                               | 15,244         | 44,211         | 65,245         | 59,335         |
| <b>Total — Executive Board</b>        | <b>207,255</b> | <b>216,298</b> | <b>178,047</b> | <b>135,438</b> |
| Other senior managers                 | 326,030        | 368,268        | 299,997        | 256,202        |
| <b>Total personal investment</b>      | <b>533,285</b> | <b>584,566</b> | <b>478,044</b> | <b>391,640</b> |

<sup>1</sup> Personal investment held in shares refer to open LTI plans as well as to Equity Deferral if shares are held in the OMV trustee deposit.

<sup>2</sup> Thomas Gangl took part in LTIP 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. In LTIP 2020 he took part as Executive Board member.

<sup>3</sup> Elena Skvortsova joined the Executive Board effective June 15, 2020.

### 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<sup>1</sup>

| In EUR mn   | 2020       | 2019      |
|---|------------|-----------|
| Cash settled  | (7)        | 21        |
| Equity settled  | 2          | 4         |
| <b>Total expenses arising from share based payment transactions</b> | <b>(5)</b> | <b>25</b> |

<sup>1</sup> Excluding incidental wage costs

## Other Information

### 33 Average number of employees

#### Average number of employees<sup>1</sup>

|   | 2020          | 2019          |
|---|---------------|---------------|
| OMV Group excluding OMV Petrom Group and Borealis Group | 7,471         | 7,407         |
| OMV Petrom Group  | 11,790        | 12,720        |
| Borealis Group <sup>2</sup>                             | 1,813         | —             |
| <b>OMV Group</b>  | <b>21,074</b> | <b>20,127</b> |

<sup>1</sup> Calculated as the average of the month's end numbers of employees during the year

<sup>2</sup> Due to the acquisition as of October 29, 2020, the average of the month's end numbers for October – December has been taken into account for the calculation. See Note 3 – Changes in group structure – for more details.

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

|  | 2020          |   | 2019          |   |
|--|---------------|---|---------------|---|
|  | Group auditor | thereof Ernst&Young Wirtschaftsprüfungsgesellschaft m.b.H | Group auditor | thereof Ernst&Young Wirtschaftsprüfungsgesellschaft m.b.H |
| Audit of Group accounts and year-end audit | 3.57          | 1.64  | 3.15          | 1.39  |
| Other assurance services                   | 0.89          | 0.56  | 0.71          | 0.44  |
| Tax advisory services                      | 0.10          | —   | 0.09          | 0.00  |
| Other services                             | 1.15          | —   | 0.29          | 0.02  |
| <b>Total</b>                               | <b>5.70</b>   | <b>2.20</b>   | <b>4.24</b>   | <b>1.84</b>   |

### 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 2020, there were following arm's-length supplies of goods and services (including the granting of licences for the use of technologies of the Group) 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

|  | 2020                   |                   | 2019                   |                   |
|--|------------------------|-------------------|------------------------|-------------------|
|  | Sales and other income | Trade receivables | Sales and other income | Trade receivables |
| Abu Dhabi Oil Refining Company               | 4                      | 1                 | 0                      | 0                 |
| Abu Dhabi Polymers Company Limited (Borouge) | 16                     | 22                | —                      | —                 |
| Abu Dhabi Trading LTD                        | 1                      | 1                 | —                      | —                 |
| Bayport Polymers LLC                         | 2                      | 1                 | —                      | —                 |
| Borealis AG                                  | 897                    | —                 | 1,284                  | 58                |
| Borouge Pte. Ltd.                            | 40                     | 37                | —                      | —                 |
| Erdöl-Lagergesellschaft m.b.H.               | 51                     | 0                 | 76                     | 5                 |
| GENOL Gesellschaft m.b.H. <sup>1</sup>       | 93                     | 13                | 196                    | 20                |
| PEGAS CEGH Gas Exchange Services GmbH        | 1                      | 0                 | 1                      | 0                 |
| Trans Austria Gasleitung GmbH <sup>2</sup>   | 10                     | 1                 | 10                     | 1                 |
| <b>Total</b>                                 | <b>1,116</b>           | <b>78</b>         | <b>1,567</b>           | <b>84</b>         |

<sup>1</sup> In 2019 transactions with GENOL Gesellschaft m.b.H. as well as GENOL Gesellschaft m.b.H. & Co KG are included, while 2020 transactions were only with GENOL Gesellschaft m.b.H (business of GENOL Gesellschaft m.b.H. & Co KG was transferred to GENOL Gesellschaft m.b.H in October 2019)

<sup>2</sup> Trans Austria Gasleitung GmbH was reclassified to held for sale in 2020.

**Transactions with equity-accounted investments – Purchases and Payables**

In EUR mn

|  | 2020                            |                | 2019                            |                |
|--|---------------------------------|----------------|---------------------------------|----------------|
|  | Purchases and services received | Trade payables | Purchases and services received | Trade payables |
| Borealis AG                                | 31                              | —              | 42                              | 9              |
| Borouge Pte. Ltd.                          | 51                              | 64             | —                               | —              |
| Chemiepark Linz Betriebsfeuerwehr GmbH     | 1                               | 0              | —                               | —              |
| Deutsche Transalpine Oelleitung GmbH       | 27                              | 2              | 34                              | 3              |
| Enerco Enerji Sanayi Ve Ticaret A.Ş.       | —                               | —              | 9                               | —              |
| EPS Ethylen-Pipeline-Süd GmbH & Co KG      | 2                               | —              | 2                               | —              |
| Erdöl-Lagergesellschaft m.b.H.             | 68                              | 27             | 59                              | 29             |
| GENOL Gesellschaft m.b.H. <sup>1</sup>     | 1                               | —              | 2                               | 0              |
| OJSC Severneftegazprom                     | 133                             | 12             | 179                             | 20             |
| PetroPort Holding AB                       | 1                               | 0              | —                               | —              |
| Trans Austria Gasleitung GmbH <sup>2</sup> | 23                              | 2              | 22                              | 1              |
| <b>Total</b>                               | <b>338</b>                      | <b>106</b>     | <b>348</b>                      | <b>63</b>      |

<sup>1</sup> In 2019 transactions with GENOL Gesellschaft m.b.H. as well as GENOL Gesellschaft m.b.H. & Co KG are included, while 2020 transactions were only with GENOL Gesellschaft m.b.H (business of GENOL Gesellschaft m.b.H. & Co KG was transferred to GENOL Gesellschaft m.b.H in October 2019).

<sup>2</sup> Trans Austria Gasleitung GmbH was reclassified to held for sale in 2020.

**Dividend distributed from equity-accounted investments**

In EUR mn

|   | 2020       | 2019       |
|---|------------|------------|
| Abu Dhabi Oil Refining Company                                | —          | 34         |
| Abu Dhabi Petroleum Investments LLC                           | 5          | —          |
| Bayport Polymers LLC  | 21         | —          |
| Borealis AG   | 108        | 297        |
| Deutsche Transalpine Oelleitung GmbH                          | 1          | —          |
| GENOL Gesellschaft m.b.H. <sup>1</sup>                        | 0          | 1          |
| OJSC SEVERNEFTEGAZPROM  | 14         | 6          |
| Pearl Petroleum Company Limited                               | 25         | 31         |
| PEGAS CEGH Gas Exchange Services GmbH                         | 1          | 1          |
| Società Italiana per l'Oleodotto Transalpino S.p.A.           | 1          | —          |
| Trans Austria Gasleitung GmbH <sup>2</sup>                    | 16         | 14         |
| <b>Dividend distributed from equity-accounted investments</b> | <b>191</b> | <b>384</b> |

<sup>1</sup> 2019 includes dividends from GENOL Gesellschaft m.b.H. & Co KG, while 2020 includes dividends from GENOL Gesellschaft m.b.H. (business of GENOL Gesellschaft m.b.H. & Co KG was transferred to GENOL Gesellschaft m.b.H in October 2019).

<sup>2</sup> Trans Austria Gasleitung GmbH was reclassified to held for sale in 2020.

**Other balances with equity-accounted investments**

In EUR mn

|  | 2020       | 2019       |
|--|------------|------------|
| Kilpilahti Power Plant LTD                                 | 17         | —          |
| Bayport Polymers LLC                                       | 735        | —          |
| SMATRICS GmbH & Co KG                                      | 2          | —          |
| <b>Loans receivables</b>                                   | <b>753</b> | <b>—</b>   |
| Kilpilahti Power Plant LTD                                 | 13         | —          |
| Bayport Polymers LLC                                       | 3          | —          |
| <b>Advance payments</b>                                    | <b>16</b>  | <b>—</b>   |
| Abu Dhabi Oil Refining Company                             | —          | 34         |
| Freya Bunde-Etzel GmbH & Co. KG                            | 7          | 7          |
| <b>Other receivables</b>                                   | <b>7</b>   | <b>41</b>  |
| Abu Dhabi Polymers Company Limited (Borouge)               | 1          | —          |
| Bayport Polymers LLC                                       | 7          | —          |
| <b>Contract assets</b>                                     | <b>7</b>   | <b>—</b>   |
| Trans Austria Gasleitung GmbH                              | 0          | 1          |
| Bayport Polymers LLC                                       | 143        | —          |
| <b>Other payables</b>                                      | <b>143</b> | <b>1</b>   |
| <b>Contract liabilities Erdöl-Lagergesellschaft m.b.H.</b> | <b>144</b> | <b>170</b> |

The loans receivables (including the related accrued interests) towards Bayport Polymers LLC stemmed from drawdowns under a member loan agreement. The undrawn financing commitments provided to Bayport Polymers LLC amounted to EUR 407 mn as of December 31, 2020.

At the reporting date, further financing commitments towards Kilpilahti Power Plant LTD amounted to EUR 16 mn. The entitlements are depending on the fulfilment of specific events, as defined in the underlying contracts.

The other payables towards Bayport Polymers LLC are related to an equity contribution.

The contract liabilities towards Erdöl-Lagergesellschaft m.b.H. are related to a long-term contract for rendering of services.

In 2019 the other receivable balance towards Abu Dhabi Oil Refining Company was related to an outstanding dividend receivable.

**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 Aktiengesellschaft, Verbund AG, Österreichische Bundesbahnen-Holding Aktiengesellschaft, Bundesbeschaffung GmbH and their subsidiaries.

As per September 23, 2020 OMV signed the transaction contract with Verbund AG for the planned sale of OMV's 51% stake in Gas Connect Austria GmbH. Furthermore, the strategic energy cooperation between OMV and Verbund AG finished the construction of the largest ground-mounted photovoltaic plant in Austria in 2020.

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 2020, there were supplies of goods and services for instance with Compañía Española de Petróleos (CEPSA), Abu Dhabi National Oil Company (ADNOC) and NOVA Chemicals Corporation (NOVA). On October 29, 2020 OMV acquired an additional 39% share in Borealis AG from Mubadala Investment Company (Abu Dhabi). For more details see Note 3 – Changes in group structure. OMV cooperates with ADNOC in several Upstream arrangements. In 2019 OMV and ADNOC closed the strategic equity partnerships covering both the existing ADNOC Refining business and a new Trading Joint Venture.

## Key management personnel compensation

### Remuneration received by the Executive Board

In EUR mn

|   | 2020  |             |                   |                    |                         |                                       |                      |                     | Total        |
|---|---|-------------|-------------------|--------------------|-------------------------|---------------------------------------|----------------------|---------------------|--------------|
|   | active members of the Executive Board as of December 31, 2020 |             |                   |                    |                         | former members of the Executive Board |                      |                     |              |
|   | Seele   | Pleininger  | Florey            | Gangl <sup>6</sup> | Skvortsova <sup>8</sup> | Leitner <sup>10</sup>                 | Davies <sup>11</sup> | Roiss <sup>12</sup> |              |
| <b>Short term benefits</b>                          | <b>2.27</b>   | <b>1.34</b> | <b>1.30</b>       | <b>0.79</b>        | <b>0.50</b>             | <b>1.12</b>                           | —                    | —                   | <b>7.33</b>  |
| Fixed (base salary)                                 | 1.10  | 0.75        | 0.70              | 0.58               | 0.31                    | —                                     | —                    | —                   | 3.44         |
| Fixed (functional allowance)                        | 0.33 <sup>3</sup>   | —           | —                 | —                  | —                       | —                                     | —                    | —                   | 0.33         |
| Variable (cash bonus) <sup>1</sup>                  | 0.83  | 0.58        | 0.56              | 0.20               | —                       | 1.12                                  | —                    | —                   | 3.29         |
| Benefits in kind                                    | 0.01  | 0.01        | 0.05 <sup>4</sup> | 0.01               | 0.19 <sup>9</sup>       | —                                     | —                    | —                   | 0.27         |
| <b>Post employment benefits</b>                     | <b>0.28</b>   | <b>0.19</b> | <b>0.18</b>       | <b>0.14</b>        | <b>0.08</b>             | —                                     | —                    | —                   | <b>0.86</b>  |
| Pension fund contributions                          | 0.28  | 0.19        | 0.18              | 0.14               | 0.08                    | —                                     | —                    | —                   | 0.86         |
| <b>Shared based benefits</b>                        | <b>0.90</b>   | <b>0.52</b> | <b>0.53</b>       | <b>0.10</b>        | —                       | <b>0.82</b>                           | <b>0.06</b>          | <b>0.27</b>         | <b>3.20</b>  |
| Variable (Equity Deferral 2019)                     | 0.41  | 0.29        | 0.28              | 0.10               | —                       | 0.28                                  | —                    | —                   | 1.35         |
| Variable (LTIP 2017) <sup>2</sup>                   | 0.49  | 0.24        | 0.25 <sup>5</sup> | — <sup>7</sup>     | —                       | 0.55                                  | 0.06                 | 0.27                | 1.85         |
| <b>Remuneration received by the Executive Board</b> | <b>3.45</b>   | <b>2.05</b> | <b>2.01</b>       | <b>1.03</b>        | <b>0.58</b>             | <b>1.94</b>                           | <b>0.06</b>          | <b>0.27</b>         | <b>11.39</b> |

<sup>1</sup> 50% of the cash payments due in 2020 under the Annual Bonus 2019 for the active Executive Board members were postponed to January 2021.

<sup>2</sup> 50% of the cash payments due in 2020 under the LTIP 2017 for the active Executive Board members (for the cash portion, if applicable) have been postponed to January 2021.

<sup>3</sup> Rainer Seele received a payment for the interim responsibility for "Marketing and Trading" until February 28, 2020.

<sup>4</sup> Including schooling costs and related taxes

<sup>5</sup> Including 50% of LTIP 2017 cash payments and additional value of transferred shares to fulfill the shareholding requirement

<sup>6</sup> Thomas Gangl joined the Executive Board effectively July 1, 2019.

<sup>7</sup> Thomas Gangl received a cash payment in the amount of EUR 0.06 mn based on the Senior Manager LTIP 2017.

<sup>8</sup> Elena Skvortsova joined the Executive Board effectively June 15, 2020.

<sup>9</sup> Including moving and rental costs and related taxes

<sup>10</sup> Manfred Leitner resigned from the Executive Board effectively June 30, 2019.

<sup>11</sup> David C. Davies resigned from the Executive Board effectively July 31, 2016.

<sup>12</sup> Gerhard Roiss resigned from the Executive Board effectively June 30, 2015.

**Remuneration received by the Executive Board**

In EUR mn

|   | 2019  |             |                   |                    |                         |                                       |                       |                    |  | Total        |
|---|---|-------------|-------------------|--------------------|-------------------------|---------------------------------------|-----------------------|--------------------|--|--------------|
|   | active members of the Executive Board as of December 31, 2019 |             |                   |                    |                         | former members of the Executive Board |                       |                    |  |              |
|   | Seele   | Pleininger  | Florey            | Gangl <sup>5</sup> | Leitner <sup>6</sup>    | Davies <sup>7</sup>                   | Huijskes <sup>8</sup> | Roiss <sup>9</sup> |  |              |
| <b>Short term benefits</b>                          | <b>3.36</b>   | <b>1.64</b> | <b>1.59</b>       | <b>0.29</b>        | <b>1.55</b>             | —                                     | —                     | —                  |  | <b>8.43</b>  |
| Fixed (base salary)                                 | 1.10  | 0.75        | 0.70              | 0.29               | 0.70                    | —                                     | —                     | —                  |  | 3.54         |
| Fixed (functional allowance)                        | 1.00 <sup>2</sup>   | —           | —                 | —                  | —                       | —                                     | —                     | —                  |  | 1.00         |
| Variable (cash bonus) <sup>1</sup>                  | 1.25  | 0.87        | 0.84              | —                  | 0.84                    | —                                     | —                     | —                  |  | 3.80         |
| Benefits in kind                                    | 0.01  | 0.01        | 0.04 <sup>3</sup> | 0.01               | 0.01                    | —                                     | —                     | —                  |  | 0.09         |
| <b>Post employment benefits</b>                     | <b>0.28</b>   | <b>0.19</b> | <b>0.18</b>       | <b>0.07</b>        | <b>0.18</b>             | —                                     | —                     | —                  |  | <b>0.88</b>  |
| Pension fund contributions                          | 0.28  | 0.19        | 0.18              | 0.07               | 0.18                    | —                                     | —                     | —                  |  | 0.88         |
| <b>Termination benefits</b>                         | <b>—</b>  | <b>—</b>    | <b>—</b>          | <b>—</b>           | <b>0.22<sup>4</sup></b> | —                                     | —                     | —                  |  | <b>0.22</b>  |
| <b>Shared based benefits</b>                        | <b>3.60</b>   | <b>1.75</b> | <b>1.16</b>       | <b>—</b>           | <b>2.08</b>             | <b>0.25</b>                           | <b>0.42</b>           | <b>3.13</b>        |  | <b>12.39</b> |
| Variable (Equity Deferral 2018)                     | 0.70  | 0.49        | 0.47              | —                  | 0.47                    | —                                     | —                     | —                  |  | 2.13         |
| Variable (LTIP 2016)                                | 2.90  | 1.26        | 0.69              | —                  | 1.61                    | 0.25                                  | 0.42                  | 3.13               |  | 10.26        |
| <b>Remuneration received by the Executive Board</b> | <b>7.23</b>   | <b>3.58</b> | <b>2.93</b>       | <b>0.37</b>        | <b>4.03</b>             | <b>0.25</b>                           | <b>0.42</b>           | <b>3.13</b>        |  | <b>21.92</b> |

<sup>1</sup> The variable components relate to target achievement in 2018, for which bonuses were paid in 2019.

<sup>2</sup> Rainer Seele received a payment for the interim responsibility for "Marketing and Trading" since July 1, 2019.

<sup>3</sup> Including schooling costs and related taxes

<sup>4</sup> Manfred Leitner received an annual leave compensation payment amounting to EUR 0.22 mn.

<sup>5</sup> Thomas Gangl joined the Executive Board effectively July 1, 2019.

<sup>6</sup> Manfred Leitner resigned from the Executive Board effectively June 30, 2019.

<sup>7</sup> David C. Davies resigned from the Executive Board effectively July 31, 2016.

<sup>8</sup> Jaap Huijskes resigned from the Executive Board effectively August 31, 2015.

<sup>9</sup> Gerhard Roiss resigned from the Executive Board effectively June 30, 2015.

**Remuneration received by top executives (excl. Executive Board)<sup>1</sup>**

In EUR mn

|  | 2020        | 2019        |
|--|-------------|-------------|
| Salaries and bonuses   | 19.0        | 17.1        |
| Pension fund contribution  | 1.1         | 1.0         |
| Severance benefits   | 0.4         | 0.6         |
| Share-based benefits   | 3.7         | 15.3        |
| <b>Remuneration received by top executives (excl. Executive Board)<sup>1</sup></b> | <b>24.2</b> | <b>34.0</b> |

<sup>1</sup> In 2020 there were on average 40 top executives (2019: 38) based on the months included in the Group.

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 2020, remuneration expenses for the Supervisory Board amounted to EUR 0.6 mn (2019: 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 2020, OMV transferred trade receivables amounting in total to EUR 3,458 mn to Carnuntum DAC (2019: EUR 4,805 mn).

As at December 31, 2020, OMV held seller participation notes in Carnuntum DAC amounting to EUR 88 mn (2019 seller participation and complimentary notes: EUR 160 mn) shown in other financial assets. As of December 31, 2020, the

maximum exposure to loss from the securitization transaction was EUR 80 mn (2019: EUR 108 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 21 mn in 2020 (2019: EUR 29 mn). Interest income on the notes held in Carnuntum DAC amounted to EUR 2 mn in 2020 (2019: EUR 4 mn). In addition, OMV received a service fee for the debtor management services provided for the receivables sold.

### 37 Subsequent events

On February 3, 2021, the Supervisory Board of OMV Aktiengesellschaft has approved a reorganization of the OMV Group involving splitting and expanding the current area of Refining & Petrochemical Operations into two areas: Refining & Marketing and Chemicals & Materials. This structural change facilitates the forward integration in the chemicals sector that has been underway ever since OMV acquired a majority stake in Borealis. With this change, OMV is consistently positioned across the entirety of its expanded value chain and can bundle all relevant responsibilities for petrochemicals and chemicals in a single board division.

The OMV Supervisory Board has appointed Alfred Stern (56) as Executive Board member for Chemicals & Materials.

The changes to the OMV corporate structure and the new Executive Board appointment will take effect as of April 1, 2021.

Following the reorganization of the OMV Group, starting with Q1/21 OMV will change its reporting structure. The Business Segments will be reported as follows: Exploration & Production, Refining & Marketing, and Chemicals & Materials.

On February 4, 2021 OMV has announced a divestment package with following two divestments:

The divestment of OMV's business in Slovenia, where OMV currently operates 120 filling stations under the OMV, Eurotruck, Avanti and Diskont brands. With its limited integration within the Downstream oil value chain, the divestment of this business represents a further step in OMV's portfolio optimization.

OMV's subsidiary Borealis has decided to start a process of divesting its nitrogen business unit including fertilizer, technical nitrogen and melamine products. The company's share in fertilizer production sites in The Netherlands and Belgium ("Rosier") is not presently being considered within the potential sales process. Borealis will continue to focus on its core activities of providing innovative solutions in the fields of polyolefins and base chemicals, thus extending OMV's value chain towards higher value chemical products and the transformation towards a circular economy.

On February 5, 2021 the Supervisory Board of Borealis has appointed Thomas Gangl (49) to the position of Chief Executive Officer of Borealis AG. He will take over the role from Alfred Stern, effective April 1, 2021. Thomas Gangl is currently member of the OMV Executive Board and responsible for Refining & Petrochemical Operations.



## 38 Direct and indirect investments of OMV Aktiengesellschaft

### Changes in consolidated group

| Name of company                                   | Registered Office | Type of Change <sup>1</sup>     | Effective date   |
|---|-------------------|---------------------------------|------------------|
| <b>Upstream</b>                                   |                   |                                 |                  |
| OMV Maurice Energy GmbH                           | Vienna            | Deconsolidation (I)             | October 31, 2020 |
| OMV Oil and Gas Exploration GmbH                  | Vienna            | Deconsolidation (I)             | October 31, 2020 |
| PETROM EXPLORATION & PRODUCTION LIMITED           | Douglas           | Deconsolidation (I)             | October 31, 2020 |
| <b>Downstream</b>                                 |                   |                                 |                  |
| OMV Deutschland Marketing & Trading GmbH & Co. KG | Burghausen        | First consolidation             | April 1, 2020    |
| OMV Deutschland Operations GmbH & Co. KG          | Burghausen        | First consolidation             | April 1, 2020    |
| OMV Gas Marketing & Trading d.o.o.                | Zagreb            | Deconsolidation (L)             | June 30, 2020    |
| Susana Beteiligungsverwaltungs GmbH               | Vienna            | First consolidation (A)         | October 29, 2020 |
| Borealis AG                                       | Vienna            | Increase in shares <sup>2</sup> | October 29, 2020 |

<sup>1</sup> "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.

<sup>2</sup> Following the increase of shares in Borealis AG, via the acquisition of Susana Beteiligungsverwaltungs GmbH, multiple entities have been added to the consolidated group of OMV Aktiengesellschaft either as fully or at-equity consolidated investments. All investments can be found in the section "List of investments" in this Note.

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

### Number of consolidated companies

|   | 2020               |                      | 2019               |                      |
|---|--------------------|----------------------|--------------------|----------------------|
|   | Full consolidation | Equity consolidation | Full consolidation | Equity consolidation |
| <b>January 1</b>                                  | <b>111</b>         | <b>19</b>            | <b>99</b>          | <b>17</b>            |
| Included for the first time                       | 44 <sup>1</sup>    | 5                    | 15                 | 3                    |
| Change in consolidation type                      | —                  | (1) <sup>1</sup>     | —                  | —                    |
| Deconsolidated during the year                    | (4)                | —                    | (3)                | (1)                  |
| <b>December 31</b>                                | <b>151</b>         | <b>23</b>            | <b>111</b>         | <b>19</b>            |
| thereof domiciled and operating abroad            | 105                | 16                   | 68                 | 11                   |
| thereof domiciled in Austria and operating abroad | 19                 | —                    | 20                 | —                    |

<sup>1</sup> Represents the previously at-equity consolidated Borealis AG; since October 29, 2020 Borealis AG is fully consolidated, which led to multiple companies of Borealis Group being shown in line "Included for the first time". The section "List of investments" within this Note includes details on all changes.

## 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 consolidation <sup>1</sup> | Equity interest in % as of December 31, 2020 | Equity interest in % as of December 31, 2019 |
|---|----------------|------------------------------------|--|--|
| <b>Upstream</b>   |                |                                    |  |  |
| Energy Infrastructure Limited, Wellington                 | NZEA           | C                                  | 100.00                                       | 100.00                                       |
| Energy Petroleum Holdings Limited, Wellington (EPHNZ)     | OPLNZ          | C                                  | 100.00                                       | 100.00                                       |
| Energy Petroleum Investments Limited, Wellington (EPILNZ) | OSLNZ          | C                                  | 100.00                                       | 100.00                                       |
| Energy Petroleum Taranaki Limited, Wellington (EPTLNZ)    | OPLNZ          | C                                  | 100.00                                       | 100.00                                       |
| ENERGY PRODUCTION ENHANCEMENT SRL, Bucharest              | PETROM         | NC                                 |  | 99.99  |
|   | ROMAN          |                                    |  | 0.01   |
| JSC GAZPROM YRGM Development, St. Petersburg <sup>2</sup> | OMVEP          | C                                  | —  | —  |
| 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 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                    | 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             | OMVEP          | NC                                 |  | 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     | OMVEP          | NC                                 |  | 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 Jordan Block 3 Upstream GmbH, Vienna                  | OMVEP          | C                                  | 100.00                                       | 100.00                                       |
| OMV (Mandabe) Exploration GmbH, Vienna                    | OMVEP          | NC                                 | 100.00                                       | 100.00                                       |
| OMV Maurice Energy GmbH, Vienna <sup>3</sup>              | OMVEP          | NC                                 | 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 (NORGE) AS, Stavanger                                 | OMVEP          | C                                  | 100.00                                       | 100.00                                       |
| OMV NZ Production Limited, Wellington (OPLNZ)             | NZEA           | C                                  | 100.00                                       | 100.00                                       |
| OMV NZ Services Limited, Wellington (OSLNZ)               | NZEA           | C                                  | 100.00                                       | 100.00                                       |
| 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                        | PETROM         | C                                  | 100.00                                       |  |
|   | OMVEP          |                                    |  | 100.00                                       |
| OMV Offshore Morondava GmbH, Vienna                       | 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 consolidation <sup>1</sup> | Equity interest in % as of December 31, 2020 | Equity interest in % as of December 31, 2019 |
|--|----------------|------------------------------------|--|--|
| OMV Oil and Gas Exploration GmbH, Vienna <sup>3</sup>                                  | OMVEP          | NC                                 | 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                                    | OMVEP          | NC                                 |  | 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 in Liqu., Vienna (OWEAFR) <sup>4</sup> | 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 <sup>3</sup>                          | PETROM         | NC                                 | 99.99  | 99.99  |
| Preussag Energie International GmbH, Burghausen  | OMVEP          | C                                  | 100.00                                       | 100.00                                       |
| SapuraOMV Block 30, S. de R.L. de C.V., Mexico City                                    | SEUPMY         | C                                  | 99.00  | 99.00  |
|  | SEMXMY         |                                    | 1.00   | 1.00   |
| SapuraOMV Upstream (Americas) Sdn. Bhd., Seri Kembangan (SEAMMY)                       | SEUPMY         | C                                  | 100.00                                       | 100.00                                       |
| SapuraOMV Upstream (Australia) Sdn. Bhd., Seri Kembangan (SEAUMY)                      | SEOCMY         | C                                  | 100.00                                       | 100.00                                       |
| SapuraOMV Upstream (Holding) Sdn. Bhd., Kuala Lumpur (SEUPMY)                          | SOUPMY         | C                                  | 100.00                                       | 100.00                                       |
| SapuraOMV Upstream JV Sdn. Bhd., Seri Kembangan  | SENZMY         | NC                                 | 100.00                                       | 100.00                                       |
| SapuraOMV Upstream (Malaysia) Inc., Nassau (SEMYBH)                                    | SESABH         | C                                  | 100.00                                       | 100.00                                       |
| SapuraOMV Upstream (Mexico) Sdn. Bhd., Seri Kembangan (SEMXMY)                         | SEAMMY         | C                                  | 100.00                                       | 100.00                                       |
| SapuraOMV Upstream (NZ) Sdn. Bhd., Seri Kembangan (SENZMY)                             | SEOCMY         | C                                  | 100.00                                       | 100.00                                       |
| SapuraOMV Upstream (Oceania) Sdn. Bhd., Seri Kembangan (SEOCMY)                        | SEUPMY         | C                                  | 100.00                                       | 100.00                                       |
| SapuraOMV Upstream (PM) Inc., Nassau   | SEMYBH         | C                                  | 100.00                                       | 100.00                                       |
| SapuraOMV Upstream (Sarawak) Inc., Nassau  | SEMYBH         | C                                  | 100.00                                       | 100.00                                       |
| SapuraOMV Upstream Sdn. Bhd., Seri Kembangan (SOUPMY)                                  | OMVEP          | C                                  | 50.00  | 50.00  |
| SapuraOMV Upstream (Southeast Asia) Inc., Nassau (SESABH)                              | SEUPMY         | C                                  | 100.00                                       | 100.00                                       |
| SapuraOMV Upstream (Western Australia) Pty Ltd, Perth                                  | SEAUMY         | C                                  | 100.00                                       | 100.00                                       |
| Taranaki Offshore Petroleum Company of New Zealand, Wellington (TOPNZ) <sup>5</sup>    | OPLNZ          | C                                  | 100.00                                       | 100.00                                       |
| TASBULAT OIL CORPORATION LLP, Aktau  | PETROM         | C                                  | 100.00                                       | 100.00                                       |
| <b>Downstream</b>  |                |                                    |  |  |
| Abu Dhabi Oil Refining Company, Abu Dhabi  | OMVRM          | AE                                 | 15.00  | 15.00  |
| Abu Dhabi Petroleum Investments LLC, Abu Dhabi (ADPINV)                                | OMVRM          | AE2                                | 25.00  | 25.00  |

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

|   | <b>Parent company</b> | <b>Type of consolidation<sup>1</sup></b> | <b>Equity interest in % as of December 31, 2020</b> | <b>Equity interest in % as of December 31, 2019</b> |
|---|-----------------------|--|---|---|
| Abu Dhabi Polymers Company Limited (Borouge), Abu Dhabi <sup>6</sup>      | BORAAG                | AE                                       | 40.00   |   |
| ADNOC Global Trading LTD, Abu Dhabi                                       | OMVRM                 | AE                                       | 15.00   | 15.00   |
| 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   |
| AGRIPRODUITS S.A.S., Courbevoie (BAGRFR) <sup>6</sup>                     | BCHIFR                | NC                                       | 100.00  |   |
| Aircraft Refuelling Company GmbH, Vienna                                  | OMVRM                 | NAE                                      | 33.33   | 33.33   |
| 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  |
| AZOLOR S.A.S., Bras Sur Meuse <sup>6</sup>                                | BCHIFR                | NAE                                      | 34.00   |   |
| Bayport Polymers LLC, Pasadena <sup>6, 7</sup>                            | BNOVUS                | AE2                                      | 50.00   |   |
| Borealis AB, Stenungsund (BABSWE) <sup>6</sup>                            | BSVSWE                | C  | 100.00  |   |
| Borealis AG, Vienna (BORAAG) <sup>3</sup>                                 | BHOLAT                |  | 39.00   |   |
|   | OMVRM                 | C  | 32.67   | 32.67   |
|   | OMV AG                |  | 3.33  | 3.33  |
| Borealis Agrolinz Melamine Deutschland GmbH, Wittenberg <sup>6</sup>      | BAGMAT                | C  | 100.00  |   |
| Borealis Agrolinz Melamine GmbH, Linz (BAGMAT) <sup>6</sup>               | BORAAG                | C  | 100.00  |   |
| Borealis Antwerpen N.V., Zwijndrecht <sup>6</sup>                         | BPOBE                 | C  | 90.00   |   |
|   | BORAAG                |  | 10.00   |   |
| Borealis Argentina SRL, Buenos Aires <sup>6</sup>                         | BORAAG                | NC                                       | 98.00   |   |
|   | BSVSWE                |  | 2.00  |   |
| Borealis Asia Ltd, Hong Kong <sup>6</sup>                                 | BORAAG                | NC                                       | 100.00  |   |
| Borealis BoNo Holdings LLC, Port Murray (BBNHUS) <sup>6, 7</sup>          | BUS                   | C  | 100.00  |   |
| Borealis Brasil S.A., Itatiba <sup>6</sup>                                | BORAAG                | C  | 80.00   |   |
| Borealis Chemicals ZA (PTY) LTD, Germiston <sup>6</sup>                   | BORAAG                | NC                                       | 100.00  |   |
| Borealis Chile SpA, Santiago de Chile <sup>6</sup>                        | BORAAG                | NC                                       | 100.00  |   |
| Borealis Chimie S.A.R.L., Casablanca <sup>6</sup>                         | BORAAG                | NC                                       | 100.00  |   |
| Borealis Chimie S.A.S., Courbevoie (BCHIFR) <sup>6</sup>                  | BFR                   | C  | 100.00  |   |
| Borealis Colombia S.A.S., Bogota <sup>6</sup>                             | BORAAG                | NC                                       | 100.00  |   |
| Borealis Compounds Inc., Port Murray (BCOMUS) <sup>6</sup>                | BUS                   | C  | 100.00  |   |
| Borealis Denmark ApS, Copenhagen <sup>6</sup>                             | BORAAG                | NC                                       | 100.00  |   |
| Borealis Digital Studios BV, Zaventem <sup>6</sup>                        | BORAAG                | NC                                       | 90.00   |   |
|   | BPOBE                 |  | 10.00   |   |
| Borealis Financial Services N.V., Mechelen <sup>6</sup>                   | BORAAG                | C  | 100.00  |   |
|   | BSVSWE                |  | 0.00  |   |
| Borealis France S.A.S., Courbevoie (BFR) <sup>6</sup>                     | BORAAG                | C  | 100.00  |   |
| Borealis Group Services AS, Bamble <sup>6</sup>                           | BABSWE                | C  | 100.00  |   |
| Borealis Insurance A/S, Copenhagen <sup>6</sup>                           | BORAAG                | C  | 100.00  |   |
| Borealis Italia S.p.A., Monza <sup>6</sup>                                | BORAAG                | C  | 100.00  |   |
| Borealis Kallo N.V., Kallo <sup>6</sup>                                   | BPOBE                 | C  | 99.94   |   |
|   | BORAAG                |  | 0.06  |   |
| Borealis L.A.T Belgium B.V., Beringen <sup>6</sup>                        | BLATAT                | NC                                       | 100.00  |   |
| Borealis L.A.T Bulgaria EOOD, Sofia <sup>6</sup>                          | BLATAT                | NC                                       | 100.00  |   |
| Borealis L.A.T Czech Republic spol. s.r.o., Ceske Budejovice <sup>6</sup> | BLATAT                | NC                                       | 100.00  |   |
| Borealis L.A.T d.o.o. Beograd, Belgrad <sup>6</sup>                       | BLATAT                | C  | 100.00  |   |
| Borealis L.A.T France S.A.S., Courbevoie <sup>6</sup>                     | BFR                   | C  | 100.00  |   |
| Borealis L.A.T GmbH, Linz (BLATAT) <sup>6</sup>                           | BORAAG                | C  | 100.00  |   |
| Borealis L.A.T Greece Single Member P.C., Athens <sup>6</sup>             | BLATAT                | NC                                       | 100.00  |   |
| Borealis L.A.T Hrvatska d.o.o., Klisa <sup>6</sup>                        | BLATAT                | NC                                       | 100.00  |   |
| Borealis L.A.T Hungary Kft., Budapest <sup>6</sup>                        | BLATAT                | NC                                       | 100.00  |   |
| Borealis L.A.T Italia s.r.l., Milan <sup>6</sup>                          | BORAAG                | NC                                       | 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 consolidation <sup>1</sup> | Equity interest in % as of December 31, 2020 | Equity interest in % as of December 31, 2019 |
|--|----------------|------------------------------------|--|--|
| Borealis L.A.T Polska sp.z.o.o., Warsaw <sup>6</sup>                                 | BLATAT         | NC                                 | 100.00                                       |  |
| Borealis L.A.T Romania s.r.l., Bucharest <sup>6</sup>                                | BLATAT         | NC                                 | 100.00                                       |  |
| Borealis L.A.T Slovakia s.r.o., Chotin <sup>6</sup>                                  | BLATAT         | NC                                 | 100.00                                       |  |
| Borealis México S.A. de C.V., Mexico City <sup>6</sup>                               | BORAAG         | NC                                 | 100.00                                       |  |
|  | BCOMUS         |                                    | 0.00   |  |
| Borealis Plasticos S.A. de C.V., Mexico City <sup>6</sup>                            | BORAAG         | NC                                 | 100.00                                       |  |
|  | BABSWE         |                                    | 0.00   |  |
| Borealis Plastik ve Kimyasal Maddeler Ticaret Limited Sirketi, Istanbul <sup>6</sup> | BORAAG         | NC                                 | 100.00                                       |  |
| Borealis Plastomers B.V., Geleen <sup>6</sup>  | BORAAG         | C                                  | 100.00                                       |  |
| Borealis Poliolefinas da América do Sul Ltda, Itatiba <sup>6</sup>                   | BORAAG         | NC                                 | 99.99  |  |
|  | BSVSWE         |                                    | 0.01   |  |
| Borealis Polska Sp. Z.o.o., Warsaw <sup>6</sup>                                      | BORAAG         | NC                                 | 100.00                                       |  |
| Borealis Polymere GmbH, Burghausen <sup>6</sup>                                      | BORAAG         | C                                  | 100.00                                       |  |
| Borealis Polymers N.V., Beringen (BPOBE) <sup>6</sup>                                | BORAAG         | C                                  | 100.00                                       |  |
|  | BSVSWE         |                                    | 0.00   |  |
| Borealis Polymers Oy, Porvoo <sup>6</sup>  | BORAAG         | C                                  | 100.00                                       |  |
| Borealis Polyolefine GmbH, Schwechat <sup>6</sup>                                    | BORAAG         | C                                  | 100.00                                       |  |
|  | BSVSWE         |                                    | 0.00   |  |
| Borealis Produits et Engrais Chimiques du Rhin S.A.S., Ottmarsheim <sup>6</sup>      | BFR            | C                                  | 100.00                                       |  |
| Borealis Química España S.A., Barcelona <sup>6</sup>                                 | BORAAG         | C                                  | 100.00                                       |  |
| Borealis RUS LLC, Moscow <sup>6</sup>  | BORAAG         | NC                                 | 100.00                                       |  |
| Borealis s.r.o., Prague <sup>6</sup>   | BORAAG         | NC                                 | 100.00                                       |  |
| Borealis Services S.A.S., Courbevoie <sup>6</sup>                                    | BFR            | NC                                 | 100.00                                       |  |
| Borealis Sverige AB, Stenungsund (BSVSWE) <sup>6</sup>                               | BORAAG         | C                                  | 100.00                                       |  |
| Borealis Technology Oy, Porvoo <sup>6</sup>  | BORAAG         | C                                  | 100.00                                       |  |
| Borealis UK Ltd, Manchester <sup>6</sup>   | BORAAG         | C                                  | 100.00                                       |  |
| Borealis US Holdings LLC, Port Murray <sup>6</sup>                                   | BCOMUS         | C                                  | 100.00                                       |  |
| Borealis USA Inc., Port Murray (BUS) <sup>6</sup>                                    | BORAAG         | C                                  | 100.00                                       |  |
| Borouge Pte. Ltd., Singapore <sup>6</sup>  | BORAAG         | AE2                                | 50.00  |  |
| BSP Bratislava-Schwechat Pipeline GmbH, Vienna                                       | OMVRM          | NAE                                | 26.00  | 26.00  |
| BTF Industriepark Schwechat GmbH, Vienna <sup>3, 6</sup>                             | OMVRM          | NC                                 | 50.00  | 50.00  |
|  | BORAAG         |                                    | 50.00  |  |
| Central European Gas Hub AG, Vienna (HUB)  | OGI            | C                                  | 65.00  | 65.00  |
| Chemiepark Linz Betriebsfeuerwehr GmbH, Linz <sup>6</sup>                            | BAGMAT         | NAE                                | 47.50  |  |
| Deutsche Transalpine Oelleitung GmbH, Munich   | OMVD           | AE                                 | 32.26  | 32.26  |
| DUNATÁR Kőolajtermék Tároló és Kereskedelmi Kft., Budapest                           | OHUN           | C                                  | 48.28  | 48.28  |
|  | PDYNHU         |                                    | 51.72  | 51.72  |
| DYM Solution Co., Ltd, Cheonan <sup>6</sup>  | BORAAG         | C                                  | 90.52  |  |
| Ecoplast Kunststoffrecycling GmbH, Wildon <sup>6</sup>                               | BORAAG         | C                                  | 100.00                                       |  |
| EEX CEGH Gas Exchange Services GmbH, Vienna <sup>5</sup>                             | HUB            | AE                                 | 49.00  | 49.00  |
| E-Mobility Provider Austria GmbH, Vienna   | OMVRM          | AE2                                | 40.00  | 40.00  |
| Enerco Enerji Sanayi Ve Ticaret A.Ş., Istanbul                                       | OGI            | AE                                 | 40.00  | 40.00  |
| EPS Ethylen-Pipeline-Süd Geschäftsführungs GmbH, Munich <sup>6</sup>                 | OMVD           | NAE                                | 15.46  | 15.46  |
|  | BORAAG         |                                    | 8.20   |  |
| EPS Ethylen-Pipeline-Süd GmbH & Co KG, Munich <sup>6</sup>                           | OMVD           | AE                                 | 20.66  | 20.66  |
|  | BORAAG         |                                    | 10.30  |  |
| Erdöl-Lagergesellschaft m.b.H., Lannach  | OMVRM          | AE1                                | 55.60  | 55.60  |
| Etenförsörjning i Stenungsund AB, Stenungsund <sup>6</sup>                           | BABSWE         | C                                  | 80.00  |  |
| FEBORAN EOOD, Sofia <sup>6</sup>   | BORAAG         | C                                  | 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 consolidation <sup>1</sup> | Equity interest in % as of December 31, 2020 | Equity interest in % as of December 31, 2019 |
|--|----------------|------------------------------------|--|--|
| FE-Trading trgovina d.o.o., Ljubljana <sup>6</sup>                         | SLOVJA         | C                                  | 100.00                                       |  |
|  | FETRAT         |                                    |  | 100.00                                       |
| Franciade Agrifluides S.A.S. (FASA), Blois <sup>8</sup>                    | BCHIFR         | NAE                                | 40.00  |  |
|  | BAGRFR         |                                    | 9.98   |  |
| 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  |
| GENOL Gesellschaft m.b.H., Vienna  | OMVRM          | AE                                 | 29.00  | 29.00  |
| Haramidere Depoculuk Anonim Şirketi, Istanbul                              | OMVRM          | C                                  | 51.00  | 51.00  |
|  | GASTR          |                                    | 49.00  | 49.00  |
| KB Munkeröd 1:72, Stenungsund <sup>6</sup>                                 | BABSWE         | NC                                 | 100.00                                       |  |
|  | BSVSWE         |                                    | 0.00   |  |
| Kilpilahti Power Plant LTD, Porvoo <sup>6</sup>                            | BORAAG         | NAE                                | 20.00  |  |
| 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  |
| mtm compact GmbH, Niedergebra <sup>6</sup>                                 | BORAAG         | C                                  | 100.00                                       |  |
| mtm plastics GmbH, Niedergebra <sup>6</sup>                                | BORAAG         | C                                  | 100.00                                       |  |
| Neochim AD, Dimitrovgrad <sup>6</sup>                                      | BFBGGR         | AE                                 | 20.30  |  |
| Novealis Holdings LLC, Port Murray (BNOVUS) <sup>6</sup>                   | BBNHUS         | C                                  | 50.00  |  |
|  | BSBHUS         |                                    | 50.00  |  |
| OMV – International Services Ges.m.b.H., Vienna                            | OMVRM          | C                                  | 100.00                                       | 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 Marketing & Trading GmbH & Co. KG, Burghausen <sup>8</sup> | OMVD           | C                                  | 99.99  |  |
|  | OMVDS          |                                    | 0.01   |  |
| OMV Deutschland Operations GmbH & Co. KG, Burghausen                       | OMVD           | C                                  | 99.99  |  |
|  | OMVDS          |                                    | 0.01   |  |
| OMV Deutschland Services GmbH, Burghausen (OMVDS)                          | OMVD           | C                                  | 100.00                                       | 100.00                                       |
| OMV Downstream GmbH, Vienna (OMVRM) <sup>5</sup>                           | OMV AG         | C                                  | 100.00                                       | 100.00                                       |
| OMV Enerji Ticaret Anonim Şirketi, Istanbul (GASTR)                        | OMVRM          | C                                  | 100.00                                       |  |
|  | OGI            |                                    |  | 100.00                                       |
| OMV Gas, Marketing & Trading Belgium BVBA, Brussels                        | ECOGAS         | C                                  | 100.00                                       | 99.90  |
|  | ECONDE         |                                    |  | 0.01   |
| OMV Gas Logistics Holding GmbH, Vienna (OGI) <sup>5</sup>                  | OMV AG         | C                                  | 100.00                                       | 100.00                                       |
| OMV Gas Marketing & Trading d.o.o., Zagreb                                 | ECOGAS         | C                                  |  | 100.00                                       |
| OMV Gas Marketing & Trading Deutschland GmbH, Regensburg (ECONDE)          | ECOGAS         | C                                  | 100.00                                       | 100.00                                       |
| OMV Gas Marketing & Trading GmbH, Vienna (ECOGAS)                          | OMVRM          | C                                  | 100.00                                       |  |
|  | OGI            |                                    |  | 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                                       |
| OMV Gaz İletim A.S., Istanbul  | OMVRM          | C                                  | 100.00                                       |  |
|  | OGI            |                                    |  | 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 consolidation <sup>1</sup> | Equity interest in % as of December 31, 2020 | Equity interest in % as of December 31, 2019 |
|--|----------------|------------------------------------|--|--|
| OMV Hungária Ásványolaj Korlátolt Felelősségű Társaság, Budapest (OHUN)                                    | OMVRM          | C                                  | 100.00                                       | 100.00                                       |
| OMV Kraftwerk Haiming GmbH in Liqu., Haiming <sup>5</sup>  | OGI            | C                                  | 100.00                                       | 100.00                                       |
| OMV PETROM Aviation SRL, Otopeni   | PETROM         | C                                  | 99.99  | 99.99  |
|  | ROMAN          |                                    | 0.01   | 0.01   |
| OMV PETROM GAS SRL, Bucharest  | PETROM         | C                                  | 99.99  | 99.99  |
| OMV PETROM MARKETING SRL, Bucharest (ROMAN)  | PETROM         | C                                  | 100.00                                       | 100.00                                       |
| 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 (SLOVJA)                                | 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, Baar  | OMVRM          | C                                  | 100.00                                       | 100.00                                       |
| OMV Supply & Trading Italia S.r.l., Trieste  | 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                                       |
| OMV Switzerland Holding AG, Zug  | OGI            | C                                  | 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                                       |
| PetroPort Holding AB, Stenungsund <sup>6</sup>   | BABSWE         | AE2                                | 50.00  |  |
| Rosier France S.A.S., Beaumetz-Les-Loges <sup>6</sup>  | BROSBE         | C                                  | 100.00                                       |  |
| Rosier Nederland B.V., Sas Van Gent <sup>6</sup>   | BROSBE         | C                                  | 100.00                                       |  |
| Rosier S.A., Moustier (BROSBE) <sup>6</sup>  | BORAAG         | C                                  | 77.47  |  |
| Routex B.V., Amsterdam   | OMVRM          | NAE                                | 20.00  | 20.00  |
| Salzburg Fuelling GmbH, Salzburg   | OMVRM          | NAE                                | 33.33  | 33.33  |
| Silleno Limited Liability Partnership, Nur-Sultan <sup>6</sup>   | BORAAG         | NAE                                | 50.10  |  |
| SMATRICS GmbH & Co KG, Vienna  | OMVRM          | AE2                                | 40.00  | 40.00  |
| Società Italiana per l'Oleodotto Transalpino S.p.A., Trieste   | OMVRM          | AE                                 | 32.26  | 32.26  |
| Société d'Intérêt Collectif Agricole Laignes Agrifluides (SICA Laignes Agrifluides), Monéteau <sup>6</sup> | BCHIFR         | NAE                                | 39.97  |  |
|  | BAGRFR         |                                    | 9.93   |  |
| Société d'Intérêt Collectif Agricole par Actions Simplifiée de Gouaix (SICA de Gouaix), Paris <sup>6</sup> | BCHIFR         | NAE                                | 25.00  |  |
|  | BLATAT         |                                    | 0.00   |  |
| South Stream Austria GmbH, Vienna  | OGI            | NAE                                | 50.00  | 50.00  |
| Star Bridge Holdings LLC, Port Murray (BSBHUS) <sup>6, 7</sup>   | BUS            | C                                  | 100.00                                       |  |
| STOCKAM G.I.E., Grand-Quevilly   | BAGRFR         | NC                                 | 99.00  |  |
|  | BCHIFR         |                                    | 1.00   |  |
| SuperShop Marketing GmbH, Budapest   | OHUN           | NAE                                | 50.00  | 50.00  |
| Susana Beteiligungsverwaltungs GmbH, Vienna (BHOLAT)   | OMVRM          | C                                  | 100.00                                       |  |
| TGN Tankdienst-Gesellschaft Nürnberg GbR, Nuremberg  | OMVD           | NAE                                | 33.33  | 33.33  |
| Transalpine Ölleitung in Österreich Gesellschaft m.b.H., Matrei in Osttirol                                | OMVRM          | AE                                 | 32.26  | 32.26  |
| Trans Austria Gasleitung GmbH, Vienna <sup>9</sup>   | OGG            | AE2                                | 15.53  | 15.53  |
| <b>Corporate and Other</b>   |                |                                    |  |  |
| ASOCIATIA ROMANA PENTRU RELATIA CU INVESTITORII, Bucharest   | PETROM         | NAE                                | 20.00  | 20.00  |
| Diramic Insurance Limited, Gibraltar   | 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 consolidation <sup>1</sup> | Equity interest in % as of December 31, 2020 | Equity interest in % as of December 31, 2019 |
|---|----------------|------------------------------------|--|--|
| 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  |
| <b>Petrom</b>                                   |                |                                    |  |  |
| OMV PETROM SA, Bucharest (PETROM) <sup>10</sup> | OMV AG         | C                                  | 51.01  | 51.01  |

<sup>1</sup> Type of consolidation:

C Consolidated subsidiary

AE Associated companies accounted at-equity

AE1 Despite majority interest not fully consolidated, but accounted for at-equity due to absence of control

AE2 Joint venture accounted at-equity

NAE Other not consolidated investment; associated companies and joint ventures of relatively little importance to the assets and earnings of the consolidated financial statements

NC Not-consolidated subsidiary; shell or distribution companies of relative insignificance individually and collectively to the consolidated financial statements

<sup>2</sup> Economic share 99.99%

<sup>3</sup> Type of consolidation was changed compared to 2019.

<sup>4</sup> In liquidation

<sup>5</sup> Company name changed compared to 2019.

<sup>6</sup> Part of the acquisition of additional shares in Borealis AG

<sup>7</sup> Incorporated in Wilmington

<sup>8</sup> In the 2020 financial year, OMV Deutschland Marketing & Trading GmbH & Co. KG made use of the exemption provision pursuant to Section 264b HGB in conjunction with Section 325 HGB. The company's exemption is mentioned in its notes and published in the Federal Gazette with reference to this provision and an indication of the parent company.

<sup>9</sup> Economic share 10.78%

<sup>10</sup> OMV Petrom SA is assigned to the relevant segments in the segment reporting

All the subsidiaries, joint ventures and associated companies 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                               | Principal place of business | % ownership 2020 | % ownership 2019 |
|-------------------------------|--|-----------------------------|------------------|------------------|
| Nafoora – Augila <sup>1</sup> | Onshore development of hydrocarbons                | Libya                       | 100              | 100              |
| Concession 103 <sup>1</sup>   | Onshore development and production of hydrocarbons | Libya                       | 100              | 100              |
| Pohokura                      | Offshore production of hydrocarbons                | New Zealand                 | 74               | 74               |
| Neptun Deep                   | Offshore exploration for hydrocarbons              | Romania                     | 50               | 50               |
| Nawara                        | Onshore production of hydrocarbons                 | Tunisia                     | 50               | 50               |

<sup>1</sup> 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                                     | Principal place of business | % ownership 2020 | % ownership 2019 |
|---------------------|--|-----------------------------|------------------|------------------|
| NC 115 <sup>1</sup> | Onshore development and production of hydrocarbons       | Libya                       | 30               | 30               |
| NC 186 <sup>1</sup> | Onshore development and production of hydrocarbons       | Libya                       | 24               | 24               |
| SK 408              | Offshore development of hydrocarbons                     | Malaysia                    | 40               | 40               |
| Aasta Hansteen      | Offshore production of hydrocarbons                      | Norway                      | 15               | 15               |
| Edvard Grieg        | Offshore production of hydrocarbons                      | Norway                      | 20               | 20               |
| Gullfaks            | Offshore production of hydrocarbons                      | Norway                      | 19               | 19               |
| Wisting             | Offshore exploration for hydrocarbons                    | Norway                      | 25               | 25               |
| Sarb & Umm Lulu     | Offshore development and production of hydrocarbons      | Abu Dhabi                   | 20               | 20               |
| Ghasha              | Offshore exploration for and development of hydrocarbons | Abu Dhabi                   | 5                | 5                |

<sup>1</sup> 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").

## 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<sup>1</sup>:

|                           |  |
|---------------------------|--|
| Romania and Black Sea     | Bulgaria, Kazakhstan and Romania   |
| Austria                   | Austria  |
| Russia                    | Russia   |
| North Sea                 | Norway   |
| Middle East and Africa    | Iran (evaluation on hold), Kurdistan Region of Iraq, Libya, Tunisia, United Arab Emirates, Yemen, Madagascar (until 2019), Pakistan (until 2018) |
| New Zealand and Australia | Australia and New Zealand  |
| Malaysia                  | SapuraOMV <sup>2</sup>   |

<sup>1</sup> 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.

<sup>2</sup> Includes not only Malaysia but also SapuraOMV subsidiaries in New Zealand, Australia and Mexico.

### Acquisitions

There were no major acquisitions during 2020.

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.

On April 29, 2018 OMV acquired 20% in the offshore concession consisting of two main fields, SARB and Umm Lulu, in Abu Dhabi, as well as the associated infrastructure. Further, a concession agreement was signed on December 19, 2018, awarding OMV with 5% interests in the Ghasha concession offshore comprising the Ghasha mega project.

OMV also completed the acquisition of Shell's Upstream business in New Zealand on December 28, 2018.

### Disposals

There were no major disposals during 2020 and 2019.

On June 28, 2018 the sale of the Upstream companies active in Pakistan was closed. Furthermore, the sale of OMV Tunisia Upstream GmbH was finalized on December 21, 2018, 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

|                                 | 2020          | 2019          | 2018          |
|---------------------------------|---------------|---------------|---------------|
| Unproved oil and gas properties | 2,461         | 3,211         | 2,587         |
| Proved oil and gas properties   | 26,988        | 26,830        | 24,510        |
| <b>Total</b>                    | <b>29,449</b> | <b>30,041</b> | <b>27,097</b> |
| Accumulated depreciation        | (17,117)      | (15,484)      | (13,961)      |
| <b>Net capitalized costs</b>    | <b>12,333</b> | <b>14,557</b> | <b>13,136</b> |

**Capitalized costs – equity-accounted investments**

In EUR mn

|                                 | 2020       | 2019       | 2018       |
|---------------------------------|------------|------------|------------|
| Unproved oil and gas properties | 154        | 173        | 249        |
| Proved oil and gas properties   | 346        | 315        | 202        |
| <b>Total</b>                    | <b>501</b> | <b>489</b> | <b>451</b> |
| Accumulated depreciation        | (76)       | (67)       | (35)       |
| <b>Net capitalized costs</b>    | <b>424</b> | <b>421</b> | <b>417</b> |

**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<br>and Black<br>Sea | Austria    | Russia    | North Sea  | Middle<br>East and<br>Africa | New<br>Zealand<br>and<br>Australia | Malaysia     | Total        |
|-------------------------------------|-----------------------------|------------|-----------|------------|------------------------------|------------------------------------|--------------|--------------|
| <b>2020</b>                         |                             |            |           |            |                              |                                    |              |              |
| <b>Subsidiaries</b>                 |                             |            |           |            |                              |                                    |              |              |
| Acquisition of proved properties    | —                           | —          | —         | —          | —                            | —                                  | —            | —            |
| Acquisition of unproved properties  | —                           | —          | —         | —          | —                            | —                                  | —            | —            |
| Exploration costs                   | 51                          | 25         | —         | 55         | 17                           | 46                                 | 32           | <b>227</b>   |
| Development costs                   | 330                         | 20         | —         | 187        | 163                          | 60                                 | 19           | <b>778</b>   |
| <b>Costs incurred</b>               | <b>380</b>                  | <b>45</b>  | <b>—</b>  | <b>242</b> | <b>180</b>                   | <b>106</b>                         | <b>51</b>    | <b>1,005</b> |
| <b>Equity-accounted investments</b> | <b>—</b>                    | <b>—</b>   | <b>55</b> | <b>—</b>   | <b>7</b>                     | <b>—</b>                           | <b>—</b>     | <b>62</b>    |
| <b>2019</b>                         |                             |            |           |            |                              |                                    |              |              |
| <b>Subsidiaries</b>                 |                             |            |           |            |                              |                                    |              |              |
| Acquisition of proved properties    | —                           | —          | —         | 1          | —                            | 1                                  | 604          | <b>605</b>   |
| Acquisition of unproved properties  | —                           | —          | —         | —          | 12                           | —                                  | 683          | <b>695</b>   |
| Exploration costs                   | 93                          | 53         | —         | 121        | 32                           | 40                                 | 20           | <b>360</b>   |
| Development costs                   | 411                         | 58         | —         | 174        | 222                          | 65                                 | 90           | <b>1,021</b> |
| <b>Costs incurred</b>               | <b>504</b>                  | <b>112</b> | <b>—</b>  | <b>296</b> | <b>266</b>                   | <b>105</b>                         | <b>1,398</b> | <b>2,681</b> |
| <b>Equity-accounted investments</b> | <b>—</b>                    | <b>—</b>   | <b>30</b> | <b>—</b>   | <b>15</b>                    | <b>—</b>                           | <b>—</b>     | <b>45</b>    |
| <b>2018</b>                         |                             |            |           |            |                              |                                    |              |              |
| <b>Subsidiaries</b>                 |                             |            |           |            |                              |                                    |              |              |
| Acquisition of proved properties    | —                           | —          | —         | —          | 1,014                        | 788                                | —            | <b>1,801</b> |
| Acquisition of unproved properties  | —                           | —          | —         | —          | 321                          | 386                                | —            | <b>707</b>   |
| Exploration costs                   | 118                         | 61         | —         | 99         | 12                           | 9                                  | —            | <b>300</b>   |
| Development costs                   | 412                         | 59         | —         | 210        | 196                          | 10                                 | —            | <b>887</b>   |
| <b>Costs incurred</b>               | <b>531</b>                  | <b>120</b> | <b>—</b>  | <b>309</b> | <b>1,542</b>                 | <b>1,193</b>                       | <b>—</b>     | <b>3,695</b> |
| <b>Equity-accounted investments</b> | <b>—</b>                    | <b>—</b>   | <b>9</b>  | <b>—</b>   | <b>12</b>                    | <b>—</b>                           | <b>—</b>     | <b>21</b>    |

**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<br>and Black<br>Sea | Austria      | Russia       | North Sea    | Middle<br>East and<br>Africa | New<br>Zealand<br>and<br>Australia | Malaysia     | Total          |
|--|-----------------------------|--------------|--------------|--------------|------------------------------|------------------------------------|--------------|----------------|
| <b>2020</b>  |                             |              |              |              |                              |                                    |              |                |
| <b>Subsidiaries</b>                                      |                             |              |              |              |                              |                                    |              |                |
| Sales to unaffiliated parties <sup>1</sup>               | 57                          | (25)         | 389          | 569          | 102                          | 228                                | 209          | <b>1,529</b>   |
| Intercompany sales                                       | 1,203                       | 186          | —            | 269          | 365                          | 102                                | —            | <b>2,125</b>   |
|  | <b>1,260</b>                | <b>161</b>   | <b>389</b>   | <b>838</b>   | <b>467</b>                   | <b>330</b>                         | <b>209</b>   | <b>3,654</b>   |
| Production costs   | (472)                       | (77)         | —            | (144)        | (125)                        | (77)                               | (24)         | <b>(920)</b>   |
| Royalties  | (180)                       | (40)         | —            | —            | (67)                         | (34)                               | (4)          | <b>(325)</b>   |
| Exploration expenses <sup>2</sup>                        | (179)                       | (96)         | —            | (56)         | (298)                        | (201)                              | (67)         | <b>(896)</b>   |
| Depreciation, amortization,<br>impairments and write-ups | (538)                       | (223)        | (74)         | (309)        | (226)                        | (384)                              | (126)        | <b>(1,880)</b> |
| Other costs <sup>3</sup>                                 | (63)                        | (16)         | (343)        | (135)        | (14)                         | (23)                               | (26)         | <b>(619)</b>   |
|  | <b>(1,432)</b>              | <b>(452)</b> | <b>(417)</b> | <b>(644)</b> | <b>(730)</b>                 | <b>(719)</b>                       | <b>(246)</b> | <b>(4,641)</b> |
| <b>Results before income taxes</b>                       | <b>(172)</b>                | <b>(291)</b> | <b>(28)</b>  | <b>194</b>   | <b>(263)</b>                 | <b>(389)</b>                       | <b>(38)</b>  | <b>(987)</b>   |
| Income taxes <sup>4</sup>                                | 25                          | 107          | 5            | (122)        | 118                          | 107                                | (16)         | <b>224</b>     |
| <b>Results from oil and gas<br/>production</b>           | <b>(148)</b>                | <b>(184)</b> | <b>(23)</b>  | <b>72</b>    | <b>(145)</b>                 | <b>(282)</b>                       | <b>(53)</b>  | <b>(763)</b>   |
| <b>Results of equity-accounted<br/>investments</b>       | <b>—</b>                    | <b>—</b>     | <b>15</b>    | <b>—</b>     | <b>16</b>                    | <b>—</b>                           | <b>—</b>     | <b>31</b>      |

2019

|  |                |              |              |              |              |              |              |                |
|--|----------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| <b>Subsidiaries</b>                                      |                |              |              |              |              |              |              |                |
| Sales to unaffiliated parties <sup>1</sup>               | 94             | 19           | 550          | 891          | 527          | 335          | 171          | <b>2,586</b>   |
| Intercompany sales                                       | 1,909          | 324          | —            | 379          | 822          | 191          | —            | <b>3,624</b>   |
|  | <b>2,002</b>   | <b>343</b>   | <b>550</b>   | <b>1,270</b> | <b>1,348</b> | <b>526</b>   | <b>171</b>   | <b>6,210</b>   |
| Production costs   | (500)          | (82)         | —            | (158)        | (124)        | (98)         | (30)         | <b>(991)</b>   |
| Royalties  | (250)          | (62)         | —            | —            | (103)        | (65)         | (16)         | <b>(496)</b>   |
| Exploration expenses <sup>2</sup>                        | (53)           | (45)         | —            | (73)         | (16)         | (24)         | (18)         | <b>(229)</b>   |
| Depreciation, amortization,<br>impairments and write-ups | (553)          | (119)        | (91)         | (414)        | (233)        | (199)        | (73)         | <b>(1,681)</b> |
| Other costs <sup>3</sup>                                 | (93)           | (29)         | (429)        | (132)        | (45)         | (20)         | (13)         | <b>(761)</b>   |
|  | <b>(1,449)</b> | <b>(336)</b> | <b>(520)</b> | <b>(777)</b> | <b>(520)</b> | <b>(407)</b> | <b>(149)</b> | <b>(4,159)</b> |
| <b>Results before income taxes</b>                       | <b>553</b>     | <b>7</b>     | <b>30</b>    | <b>493</b>   | <b>828</b>   | <b>119</b>   | <b>21</b>    | <b>2,051</b>   |
| Income taxes <sup>4</sup>                                | (88)           | 1            | (5)          | (402)        | (675)        | (25)         | (28)         | <b>(1,222)</b> |
| <b>Results from oil and gas<br/>production</b>           | <b>465</b>     | <b>8</b>     | <b>24</b>    | <b>91</b>    | <b>153</b>   | <b>94</b>    | <b>(7)</b>   | <b>829</b>     |
| <b>Results of equity-accounted<br/>investments</b>       | <b>—</b>       | <b>—</b>     | <b>34</b>    | <b>—</b>     | <b>11</b>    | <b>—</b>     | <b>—</b>     | <b>45</b>      |

### Results of operations of oil and gas producing activities

In EUR mn

|   | 2018           |              |              |              |              |              |          |                |
|---|----------------|--------------|--------------|--------------|--------------|--------------|----------|----------------|
| <b>Subsidiaries</b>                                   |                |              |              |              |              |              |          |                |
| Sales to unaffiliated parties <sup>1</sup>            | 105            | (194)        | 605          | 1,051        | 520          | 84           | —        | <b>2,172</b>   |
| Intercompany sales                                    | 1,981          | 418          | —            | 394          | 427          | 132          | —        | <b>3,351</b>   |
|   | <b>2,086</b>   | <b>224</b>   | <b>605</b>   | <b>1,445</b> | <b>947</b>   | <b>216</b>   | <b>—</b> | <b>5,523</b>   |
| Production costs                                      | (509)          | (86)         | —            | (156)        | (72)         | (50)         | —        | <b>(872)</b>   |
| Royalties   | (267)          | (79)         | —            | —            | (21)         | (25)         | —        | <b>(392)</b>   |
| Exploration expenses <sup>2</sup>                     | (58)           | (33)         | —            | (50)         | (26)         | (8)          | —        | <b>(175)</b>   |
| Depreciation, amortization, impairments and write-ups | (420)          | (114)        | (90)         | (409)        | (129)        | (64)         | —        | <b>(1,226)</b> |
| Other costs <sup>3</sup>                              | (51)           | (21)         | (406)        | (102)        | (7)          | (10)         | —        | <b>(598)</b>   |
|   | <b>(1,304)</b> | <b>(333)</b> | <b>(496)</b> | <b>(717)</b> | <b>(255)</b> | <b>(157)</b> | <b>—</b> | <b>(3,263)</b> |
| <b>Results before income taxes</b>                    | <b>781</b>     | <b>(109)</b> | <b>109</b>   | <b>729</b>   | <b>691</b>   | <b>59</b>    | <b>—</b> | <b>2,261</b>   |
| Income taxes <sup>4</sup>                             | (138)          | 26           | (21)         | (549)        | (474)        | (21)         | —        | <b>(1,178)</b> |
| <b>Results from oil and gas production</b>            | <b>643</b>     | <b>(83)</b>  | <b>89</b>    | <b>179</b>   | <b>217</b>   | <b>37</b>    | <b>—</b> | <b>1,083</b>   |
| <b>Results of equity-accounted investments</b>        | <b>—</b>       | <b>—</b>     | <b>14</b>    | <b>—</b>     | <b>26</b>    | <b>—</b>     | <b>—</b> | <b>40</b>      |

<sup>1</sup> Includes hedging effects; Austria Region includes hedging effects of centrally managed derivatives (2020: EUR (37) mn, 2019: EUR 2 mn, 2018: EUR (219) mn).

<sup>2</sup> Including impairment losses related to exploration & appraisal

<sup>3</sup> Includes inventory changes

<sup>4</sup> 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 oil and gas reserves were estimated based on a 12-month average price, unless prices are defined by contractual arrangements.

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<br>and Black<br>Sea | Austria     | Russia   | North Sea   | Middle<br>East and<br>Africa | New<br>Zealand<br>and<br>Australia | Malaysia   | Total        |
|---|-----------------------------|-------------|----------|-------------|------------------------------|------------------------------------|------------|--------------|
| <b>Proved developed and undeveloped reserves – Subsidiaries</b> |                             |             |          |             |                              |                                    |            |              |
| <b>January 1, 2018</b>  | <b>341.4</b>                | <b>38.0</b> | <b>—</b> | <b>47.6</b> | <b>126.7</b>                 | <b>5.0</b>                         | <b>—</b>   | <b>558.6</b> |
| 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)       |
| <b>December 31, 2018</b>  | <b>324.4</b>                | <b>37.0</b> | <b>—</b> | <b>48.4</b> | <b>208.3</b>                 | <b>10.2</b>                        | <b>—</b>   | <b>628.3</b> |
| 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)       |
| <b>December 31, 2019</b>  | <b>315.2</b>                | <b>35.2</b> | <b>—</b> | <b>51.1</b> | <b>213.2</b>                 | <b>11.6</b>                        | <b>7.4</b> | <b>633.7</b> |

|                                 |              |             |          |             |              |            |            |              |
|---------------------------------|--------------|-------------|----------|-------------|--------------|------------|------------|--------------|
| Revisions of previous estimates | 8.6          | 2.7         | —        | 8.5         | 69.7         | 0.2        | 1.0        | 90.7         |
| Purchases                       | —            | —           | —        | —           | —            | —          | —          | —            |
| Disposal                        | —            | —           | —        | —           | —            | —          | —          | —            |
| Extensions and discoveries      | 0.5          | —           | —        | —           | —            | —          | —          | 0.5          |
| Production                      | (25.5)       | (3.8)       | —        | (15.1)      | (12.8)       | (3.8)      | (2.7)      | (63.7)       |
| <b>December 31, 2020</b>        | <b>298.8</b> | <b>34.0</b> | <b>—</b> | <b>44.5</b> | <b>270.2</b> | <b>8.0</b> | <b>5.7</b> | <b>661.2</b> |

**Proved developed and undeveloped reserves – Equity-accounted investments**

|                   |   |   |   |   |      |   |   |      |
|-------------------|---|---|---|---|------|---|---|------|
| December 31, 2018 | — | — | — | — | 13.3 | — | — | 13.3 |
| December 31, 2019 | — | — | — | — | 15.3 | — | — | 15.3 |
| December 31, 2020 | — | — | — | — | 18.4 | — | — | 18.4 |

**Proved developed reserves – Subsidiaries**

|                   |       |      |   |      |       |     |     |       |
|-------------------|-------|------|---|------|-------|-----|-----|-------|
| 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 |
| December 31, 2020 | 273.1 | 33.9 | — | 32.7 | 172.7 | 5.6 | 5.7 | 523.8 |

**Proved developed reserves – Equity-accounted investments**

|                   |   |   |   |   |      |   |   |      |
|-------------------|---|---|---|---|------|---|---|------|
| December 31, 2018 | — | — | — | — | 13.3 | — | — | 13.3 |
| December 31, 2019 | — | — | — | — | 14.9 | — | — | 14.9 |
| December 31, 2020 | — | — | — | — | 15.7 | — | — | 15.7 |

**Gas**

In mn bcf

|   | Romania<br>and Black<br>Sea | Austria      | Russia   | North Sea    | Middle<br>East and<br>Africa | New<br>Zealand<br>and<br>Australia | Malaysia     | Total          |
|---|-----------------------------|--------------|----------|--------------|------------------------------|------------------------------------|--------------|----------------|
| <b>Proved developed and undeveloped reserves - Subsidiaries</b> |                             |              |          |              |                              |                                    |              |                |
| <b>January 1, 2018</b>  | <b>1,214.1</b>              | <b>219.1</b> | <b>—</b> | <b>375.0</b> | <b>74.3</b>                  | <b>58.4</b>                        | <b>—</b>     | <b>1,941.0</b> |
| 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)        |
| <b>December 31, 2018 <sup>1</sup></b>                           | <b>1,124.7</b>              | <b>196.8</b> | <b>—</b> | <b>429.4</b> | <b>55.5</b>                  | <b>235.6</b>                       | <b>—</b>     | <b>2,041.9</b> |
| 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)        |
| <b>December 31, 2019 <sup>1</sup></b>                           | <b>1,020.7</b>              | <b>177.8</b> | <b>—</b> | <b>422.8</b> | <b>61.9</b>                  | <b>315.8</b>                       | <b>335.7</b> | <b>2,334.7</b> |
| Revisions of previous estimates                                 | 61.3                        | 2.5          | —        | 58.3         | 27.5                         | (62.8)                             | 93.9         | 180.7          |
| Purchases   | —                           | —            | —        | —            | —                            | —                                  | —            | —              |
| Disposals   | —                           | —            | —        | —            | —                            | —                                  | —            | —              |
| Extensions and discoveries                                      | 7.2                         | —            | —        | —            | —                            | —                                  | —            | 7.2            |
| Production  | (148.6)                     | (24.9)       | —        | (97.5)       | (7.0)                        | (57.7)                             | (53.3)       | (389.0)        |
| <b>December 31, 2020 <sup>1</sup></b>                           | <b>940.7</b>                | <b>155.3</b> | <b>—</b> | <b>383.6</b> | <b>82.4</b>                  | <b>195.3</b>                       | <b>376.3</b> | <b>2,133.6</b> |

**Proved developed and undeveloped reserves – Equity-accounted investments**

|                   |   |   |         |   |       |   |   |         |
|-------------------|---|---|---------|---|-------|---|---|---------|
| December 31, 2018 | — | — | 1,392.0 | — | 212.6 | — | — | 1,604.7 |
| December 31, 2019 | — | — | 1,376.8 | — | 277.3 | — | — | 1,654.1 |
| December 31, 2020 | — | — | 1,321.0 | — | 383.8 | — | — | 1,704.8 |

**Proved developed reserves – Subsidiaries**

|                   |         |       |   |       |      |       |       |         |
|-------------------|---------|-------|---|-------|------|-------|-------|---------|
| 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 |
| December 31, 2020 | 851.9   | 76.1  | — | 335.7 | 55.2 | 143.5 | 376.3 | 1,838.7 |

**Proved developed reserves – Equity-accounted investments**

|                   |   |   |         |   |       |   |   |         |
|-------------------|---|---|---------|---|-------|---|---|---------|
| December 31, 2018 | — | — | 997.3   | — | 212.6 | — | — | 1,209.9 |
| December 31, 2019 | — | — | 880.2   | — | 262.9 | — | — | 1,143.1 |
| December 31, 2020 | — | — | 1,003.1 | — | 293.5 | — | — | 1,296.6 |

<sup>1</sup> 2020: Including approximately 67.6 bcf of cushion gas held in storage reservoirs

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

**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 |            |            |              |                              |                                    |            | Total           |
|---|---|------------|------------|--------------|------------------------------|------------------------------------|------------|-----------------|
|   | Romania<br>and Black<br>Sea                   | Austria    | Russia     | North Sea    | Middle<br>East and<br>Africa | New<br>Zealand<br>and<br>Australia | Malaysia   |                 |
|   | <b>2020</b>                                   |            |            |              |                              |                                    |            |                 |
| <b>Subsidiaries</b>   |   |            |            |              |                              |                                    |            |                 |
| Future cash inflows   | 12,167  | 1,513      | 2,497      | 2,628        | 9,914                        | 928                                | 959        | <b>30,607</b>   |
| Future production and decommissioning costs                     | (7,748)                                       | (1,159)    | (2,276)    | (1,857)      | (3,907)                      | (1,257)                            | (450)      | <b>(18,654)</b> |
| Future development costs  | (1,632)                                       | (297)      | —          | (373)        | (698)                        | (226)                              | (24)       | <b>(3,249)</b>  |
| <b>Future net cash flows, before income taxes</b>               | <b>2,787</b>                                  | <b>58</b>  | <b>220</b> | <b>399</b>   | <b>5,308</b>                 | <b>(554)</b>                       | <b>486</b> | <b>8,704</b>    |
| Future income taxes   | (69)  | —          | (60)       | (1)          | (2,954)                      | 199                                | (104)      | <b>(2,990)</b>  |
| <b>Future net cash flows, before discount</b>                   | <b>2,718</b>                                  | <b>58</b>  | <b>160</b> | <b>397</b>   | <b>2,354</b>                 | <b>(355)</b>                       | <b>382</b> | <b>5,714</b>    |
| 10% annual discount for estimated timing of cash flows          | (1,038)                                       | (5)        | 1          | (40)         | (696)                        | 153                                | (103)      | <b>(1,727)</b>  |
| <b>Standardized measure of discounted future net cash flows</b> | <b>1,680</b>                                  | <b>53</b>  | <b>161</b> | <b>357</b>   | <b>1,659</b>                 | <b>(202)</b>                       | <b>279</b> | <b>3,987</b>    |
| <b>Equity-accounted investments</b>                             | <b>—</b>                                      | <b>—</b>   | <b>100</b> | <b>—</b>     | <b>233</b>                   | <b>—</b>                           | <b>—</b>   | <b>333</b>      |
|   | <b>2019</b>                                   |            |            |              |                              |                                    |            |                 |
| <b>Subsidiaries</b>   |   |            |            |              |                              |                                    |            |                 |
| Future cash inflows   | 19,932  | 2,554      | 3,402      | 4,432        | 12,597                       | 1,972                              | 1,246      | <b>46,135</b>   |
| Future production and decommissioning costs                     | (9,156)                                       | (1,704)    | (2,779)    | (2,196)      | (3,398)                      | (1,785)                            | (461)      | <b>(21,480)</b> |
| Future development costs  | (2,081)                                       | (370)      | —          | (527)        | (563)                        | (325)                              | (36)       | <b>(3,901)</b>  |
| <b>Future net cash flows, before income taxes</b>               | <b>8,696</b>                                  | <b>479</b> | <b>622</b> | <b>1,709</b> | <b>8,637</b>                 | <b>(138)</b>                       | <b>749</b> | <b>20,754</b>   |
| Future income taxes   | (819)   | (21)       | (125)      | (959)        | (5,188)                      | 101                                | (178)      | <b>(7,191)</b>  |
| <b>Future net cash flows, before discount</b>                   | <b>7,877</b>                                  | <b>458</b> | <b>497</b> | <b>750</b>   | <b>3,448</b>                 | <b>(37)</b>                        | <b>570</b> | <b>13,563</b>   |
| 10% annual discount for estimated timing of cash flows          | (3,918)                                       | (47)       | (117)      | (286)        | (1,025)                      | 184                                | (126)      | <b>(5,334)</b>  |
| <b>Standardized measure of discounted future net cash flows</b> | <b>3,960</b>                                  | <b>411</b> | <b>381</b> | <b>464</b>   | <b>2,424</b>                 | <b>147</b>                         | <b>444</b> | <b>8,230</b>    |
| <b>Equity-accounted investments</b>                             | <b>—</b>                                      | <b>—</b>   | <b>101</b> | <b>—</b>     | <b>136</b>                   | <b>—</b>                           | <b>—</b>   | <b>238</b>      |

**Standardized measure of discounted future net cash flows**

In EUR mn

|   | Subsidiaries and equity-accounted investments |              |            |              |                              |                                    |          | Total           |
|---|---|--------------|------------|--------------|------------------------------|------------------------------------|----------|-----------------|
|   | Romania<br>and Black<br>Sea                   | Austria      | Russia     | North Sea    | Middle<br>East and<br>Africa | New<br>Zealand<br>and<br>Australia | Malaysia |                 |
|   | 2018  |              |            |              |                              |                                    |          |                 |
| <b>Subsidiaries</b>   |   |              |            |              |                              |                                    |          |                 |
| Future cash inflows   | 20,818  | 3,436        | 3,673      | 5,477        | 12,932                       | 1,843                              | —        | <b>48,179</b>   |
| Future production and decommissioning costs                     | (9,738)                                       | (1,933)      | (2,902)    | (1,982)      | (3,154)                      | (1,734)                            | —        | <b>(21,443)</b> |
| Future development costs  | (1,921)                                       | (401)        | —          | (166)        | (613)                        | (69)                               | —        | <b>(3,171)</b>  |
| <b>Future net cash flows, before income taxes</b>               | <b>9,158</b>                                  | <b>1,102</b> | <b>771</b> | <b>3,329</b> | <b>9,164</b>                 | <b>40</b>                          | <b>—</b> | <b>23,564</b>   |
| Future income taxes   | (846)   | (92)         | (155)      | (2,117)      | (5,422)                      | 61                                 | —        | <b>(8,571)</b>  |
| <b>Future net cash flows, before discount</b>                   | <b>8,312</b>                                  | <b>1,010</b> | <b>616</b> | <b>1,212</b> | <b>3,742</b>                 | <b>101</b>                         | <b>—</b> | <b>14,993</b>   |
| 10% annual discount for estimated timing of cash flows          | (4,036)                                       | (413)        | (140)      | (120)        | (1,145)                      | 166                                | —        | <b>(5,689)</b>  |
| <b>Standardized measure of discounted future net cash flows</b> | <b>4,275</b>                                  | <b>597</b>   | <b>476</b> | <b>1,092</b> | <b>2,597</b>                 | <b>267</b>                         | <b>—</b> | <b>9,304</b>    |
| <b>Equity-accounted investments</b>                             | <b>—</b>                                      | <b>—</b>     | <b>166</b> | <b>—</b>     | <b>152</b>                   | <b>—</b>                           | <b>—</b> | <b>318</b>      |

**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

|   | 2020         | 2019         | 2018         |
|---|--------------|--------------|--------------|
| <b>Subsidiaries</b>   |              |              |              |
| <b>Beginning of year</b>  | <b>8,230</b> | <b>9,304</b> | <b>6,300</b> |
| Oil and gas sales produced, net of production costs                     | (3,397)      | (3,942)      | (2,323)      |
| Net change in prices and production costs                               | (7,040)      | (1,810)      | 4,183        |
| Net change due to purchases and sales of minerals in place              | —            | 531          | 2,706        |
| Net change due to extensions and discoveries                            | 22           | 72           | 133          |
| Development and decommissioning costs incurred during the period        | 1,031        | 674          | 669          |
| Changes in estimated future development and decommissioning costs       | 259          | (398)        | (420)        |
| Revisions of previous reserve estimates                                 | 757          | 1,216        | 983          |
| Accretion of discount   | 732          | 828          | 550          |
| Net change in income taxes (incl. tax effects from purchases and sales) | 3,625        | 1,646        | (3,310)      |
| Other <sup>1</sup>  | (232)        | 108          | (168)        |
| <b>End of year</b>  | <b>3,987</b> | <b>8,230</b> | <b>9,304</b> |
| <b>Equity-accounted investments</b>                                     | <b>333</b>   | <b>238</b>   | <b>318</b>   |

<sup>1</sup> Contains movements in foreign exchange rates vs. the EUR

Vienna, March 10, 2021

The Executive Board

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

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

Reinhard Florey m.p.  
Chief Financial Officer

Thomas Gangl m.p.  
Chief Downstream Operations Officer

Elena Skvortsova m.p.  
Chief Commercial Officer



# 5

## FURTHER INFORMATION

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# Consolidated Report on the Payments Made to Governments

## Section 267c of the Austrian Commercial Code

**Section 267c of the Austrian Commercial Code (UGB) requires that large undertakings and public interest entities that are active in the extractive industry or logging of primary forests prepare the following consolidated report on payments to governments. This section implements Chapter 10 of EU Accounting Directive (2013/34/EU). The “Basis of preparation” paragraph provides information to the reader about the contents of the report. This also includes information on the type of payment for which disclosure is required and how OMV has implemented the regulations in the preparation of the report.**

### Basis of preparation

#### Reporting entities

Under the requirements of the regulation, OMV Aktiengesellschaft is required to prepare a consolidated report covering payments made to governments for each financial year in relation to extractive activities by itself and any subsidiary undertakings included in the consolidated Group financial statements.

#### Activities within the scope of the report

Payments made by the OMV Group (hereafter OMV) to governments that arose from exploration, prospection, discovery, development and extraction of minerals, oils and natural gas deposits or other materials within extractive activities are presented in this report.

#### Government

A “government” is defined as any national, regional or local authority of a country and includes a department agency or entity undertaking that is controlled by the government authority and includes national oil companies.

In cases where a state-owned entity engages in activities outside of its designated home jurisdiction, then it is not deemed to be a reportable governmental body for these purposes and thus payments made to such an entity in these circumstances are not reportable.

#### Project definition

The regulation also requires payments to be reported on a “project” basis as well as on a government and governmental body basis. A project is defined as the operational activities that are governed by a single contract, license, lease, concession or similar legal agreement and form the basis for payment liabilities to the government. Where these agreements as per the aforementioned definition are substantially interconnected, these agreements are treated for the purpose of these regulations as a single project.

“Substantially interconnected” is defined as a set of operationally and geographically integrated contracts, licenses, leases or concessions or related agreements with substantially similar terms that are signed with a government, giving rise to payment liabilities. Such agreements can be governed by a single contract, joint venture agreement, production sharing agreement or other overarching legal agreement.

There may be instances – for example, corporate income taxes, where it is not possible to attribute the payment to a single project and therefore these payments are shown at the country level.

#### Cash and payments in kind

In accordance with the regulation, payments have to be reported on a cash basis. This means that they are reported in the period in which they are paid and not in the period in which they are accounted for on an accruals basis.

Refunds are also reported in the period in which they are received and will either be offset against payments made in the period or be shown as negative amounts in the report.

Payments in kind made to a government are converted to an equivalent cash value based on the most appropriate and relevant valuation method for each payment type. This can be at cost or market value and an explanation is provided in the report to help explain the valuation method. Where applicable, the related volumes are also included in the report.

#### Payment reporting methodology

The regulations require that payments are to be reported where they are made to governments by OMV. It is required that the report reflect the substance of each transaction and activity. Based on these requirements, OMV has considered its reporting obligation as:

- ▶ Where OMV makes a payment directly to the government, these payments will be reported in full, irrespective of whether this is made in the sole capacity of OMV or in OMV's capacity as the operator of a joint operation.
- ▶ In cases where OMV is a member of a joint operation for which the operator is a state-owned entity (i.e. a government), payments made to that state-owned entity will be disclosed where it is possible to identify the reportable payment from other cost recovery items.
- ▶ For host government production entitlements, the terms of the agreement have to be considered; for the purpose of reporting in this report, OMV will disclose host government entitlements in their entirety where it is the operator.

#### Materiality

Payments made as a single payment or a series of related payments that are below EUR 100,000 within a financial year are excluded from this report.

#### Reporting currency

Payments made in currencies other than euros are translated for the purposes of this report at the average rate of the reporting period.

### Payment types disclosed

#### Production entitlements

Under production sharing agreements (PSAs), the host government is entitled to a share of the oil and gas produced and these entitlements are often paid in kind. The report will show both the value and volume of the government's production entitlement for the relevant period in barrels of oil equivalent (boe).

The government share of any production entitlement will also include any entitlements arising from an interest held by a state-owned entity as an investor in projects within its sovereign jurisdiction. Production entitlements arising from activities or interests outside of a state-owned entity's sovereign jurisdiction are excluded.

#### Taxes

Taxes levied on income, production or profits of companies are reported. Refunds will be netted against payments and shown accordingly. Consumption taxes, personal income taxes, sales taxes, property taxes and environmental taxes are not reported under the regulations. Although there is a tax group in place, the reported corporate income taxes for Austria relate

entirely to the extractive activities in Austria of OMV's subsidiaries, with no amounts being reported relating to OMV's non- extractive activities in Austria.

#### Royalties

Royalties relating to the extraction of oil, gas and minerals paid to a government are to be disclosed. Where royalties are paid in kind, the value and volume are reported.

#### Dividends

In accordance with the regulations, dividends are reported when paid to a government in lieu of production entitlements or royalties. Dividends that are paid to a government as an ordinary shareholder are not reported, as long as the dividends are paid on the same terms as that of other shareholders.

For the year that ended December 31, 2020, OMV had no such reportable dividend payments to a government.

#### Bonuses

Bonuses include signature, discovery and production bonuses in each case to the extent paid in relation to the relevant activities.

#### Fees

These include license fees, rental fees, entry fees and all other payments that are paid in consideration for access to the area where extractive activities are performed.

The report excludes fees paid to a government that are not specifically related to extractive activities or access to extractive resources. In addition payments paid in return for services provided by a government are also excluded.

#### Infrastructure improvements

The report includes payments made by OMV for infrastructural improvements, such as the building of a road or bridge that serves the community, irrespective of whether OMV pays the amounts to non-government entities. These are reported in the period during which the infrastructure is made available for use by the local community.

## Payments overview

The overview table below shows the relevant payments to governments that were made by OMV in the year that ended December 31, 2020. Of the seven payment

types that are required by the Austrian regulations to be reported upon, OMV did not pay any dividends, bonuses or infrastructure improvements that met the defined accounting directive definition and therefore these categories are not shown.

### Payments overview

In EUR 1,000

| Country              | Production Entitlements | Taxes          | Royalties      | Fees          | Total          |
|----------------------|-------------------------|----------------|----------------|---------------|----------------|
| Austria              | —                       | (3,227)        | 42,539         | —             | 39,312         |
| Kazakhstan           | —                       | 11,138         | —              | 835           | 11,973         |
| Malaysia             | 147,548                 | 24,479         | 47,569         | 12,341        | 231,937        |
| Norway               | —                       | 62,563         | —              | 3,076         | 65,639         |
| New Zealand          | —                       | 18,279         | 60,551         | 7,528         | 86,358         |
| Romania              | —                       | 141,327        | 120,777        | 26,552        | 288,657        |
| Tunisia              | —                       | 3,487          | 2,544          | —             | 6,031          |
| United Arab Emirates | —                       | 22,195         | 72,525         | 836           | 95,556         |
| Yemen                | 35,945                  | —              | 3,421          | 263           | 39,628         |
| <b>Total</b>         | <b>183,493</b>          | <b>280,241</b> | <b>349,926</b> | <b>51,431</b> | <b>865,091</b> |

No payments have been reported for Libya for the year 2020 as OMV was not the operator.

definition of a reporting entity in the context of the Austrian Commercial Code.

On November 30, 2017, OMV acquired a stake of 24.99% in OJSC Severneftegazprom (SNGP). As SNGP is an associated company and therefore accounted for using the equity method in OMV Group Consolidated Financial Statements it does not meet the

On January 31, 2019, OMV and Sapura Energy Berhad closed the agreement to form a strategic partnership. The new entity, SapuraOMV Upstream Sdn. Bhd., and its subsidiaries are fully consolidated in OMV's Group financial statements.



## Payments by country

### Austria

In EUR 1,000

|  | Production Entitlements | Taxes          | Royalties     | Fees     | Total         |
|--|-------------------------|----------------|---------------|----------|---------------|
| <b>Governments</b>                                   |                         |                |               |          |               |
| Federal Ministry of Agriculture, Regions and Tourism | —                       | —              | 42,539        | —        | 42,539        |
| Federal Ministry of Finance                          | —                       | (3,227)        | —             | —        | (3,227)       |
| <b>Total</b>   | <b>—</b>                | <b>(3,227)</b> | <b>42,539</b> | <b>—</b> | <b>39,312</b> |
| <b>Projects</b>                                      |                         |                |               |          |               |
| Lower Austria  | —                       | (3,227)        | 42,539        | —        | 39,312        |
| <b>Total</b>   | <b>—</b>                | <b>(3,227)</b> | <b>42,539</b> | <b>—</b> | <b>39,312</b> |

### Kazakhstan

In EUR 1,000

|   | Production Entitlements | Taxes         | Royalties | Fees             | Total         |
|---|-------------------------|---------------|-----------|------------------|---------------|
| <b>Governments</b>                              |                         |               |           |                  |               |
| State Revenue Committee                         | —                       | 11,138        | —         | 226              | 11,364        |
| Training centers universities                   | —                       | —             | —         | 76 <sup>1</sup>  | 76            |
| Licensed Research and Development Organisations | —                       | —             | —         | 533 <sup>2</sup> | 533           |
| <b>Total</b>                                    | <b>—</b>                | <b>11,138</b> | <b>—</b>  | <b>835</b>       | <b>11,973</b> |
| <b>Projects</b>                                 |                         |               |           |                  |               |
| Tasbulat, Turkmenoi, Aktas                      | —                       | 4,100         | —         | 570              | 4,670         |
| Komsomolskoe                                    | —                       | 7,038         | —         | 265              | 7,303         |
| <b>Total</b>                                    | <b>—</b>                | <b>11,138</b> | <b>—</b>  | <b>835</b>       | <b>11,973</b> |

<sup>1</sup> Financing of various expenses with regard to university training centers as agreed within the concession agreement<sup>2</sup> Various expenses with regards to research and development works

### Malaysia

In EUR 1,000

|                                   | Production Entitlements | Taxes         | Royalties           | Fees          | Total          |
|-----------------------------------|-------------------------|---------------|---------------------|---------------|----------------|
| <b>Governments</b>                |                         |               |                     |               |                |
| Petroleum Nasional Berhad         | 59,870 <sup>1</sup>     | —             | 47,569 <sup>3</sup> | 10,164        | 117,603        |
| Ketua Pengarah Hasil Dalam Negeri | —                       | 24,479        | —                   | 185           | 24,663         |
| Petronas Carigali SDN BHD         | 87,679 <sup>2</sup>     | —             | —                   | 1,992         | 89,671         |
| <b>Total</b>                      | <b>147,548</b>          | <b>24,479</b> | <b>47,569</b>       | <b>12,341</b> | <b>231,937</b> |
| <b>Projects</b>                   |                         |               |                     |               |                |
| Block PM323/PM329                 | 66,232 <sup>4</sup>     | 6,630         | 12,390 <sup>5</sup> | 4,786         | 90,037         |
| Block AAKBNLP/PM318               | —                       | 3,915         | —                   | 3,381         | 7,295          |
| Block SK408/SK310                 | 81,317 <sup>5</sup>     | 13,935        | 35,179 <sup>7</sup> | 4,174         | 134,605        |
| <b>Total</b>                      | <b>147,548</b>          | <b>24,479</b> | <b>47,569</b>       | <b>12,341</b> | <b>231,937</b> |

<sup>1</sup> Includes payments in kind for 2,137,244 bbl of crude oil valued using the average monthly price per boe<sup>2</sup> Includes payments in kind for 4,761,603 bbl of crude oil valued using the average monthly price per boe<sup>3</sup> Includes payments in kind for 2,748,949 bbl of crude oil valued using the average monthly price per boe<sup>4</sup> Includes payments in kind for 1,667,523 bbl of crude oil valued using the average monthly price per boe<sup>5</sup> Includes payments in kind for 5,231,324 bbl of crude oil valued using the average monthly price per boe<sup>6</sup> Includes payments in kind for 313,634 bbl of crude oil valued using the average monthly price per boe<sup>7</sup> Includes payments in kind for 2,435,315 bbl of crude oil valued using the average monthly price per boe

**Norway**

In EUR 1,000

|                                       | Production Entitlements | Taxes         | Royalties | Fees         | Total         |
|---------------------------------------|-------------------------|---------------|-----------|--------------|---------------|
| <b>Governments</b>                    |                         |               |           |              |               |
| Oljedirektoratet                      | —                       | —             | —         | 3,031        | 3,031         |
| Skatteetaten                          | —                       | 62,563        | —         | 34           | 62,598        |
| Miljødirektoratet                     | —                       | —             | —         | 10           | 10            |
| <b>Total</b>                          | <b>—</b>                | <b>62,563</b> | <b>—</b>  | <b>3,076</b> | <b>65,639</b> |
| <b>Projects</b>                       |                         |               |           |              |               |
| Gulfaks                               | —                       | 95            | —         | —            | 95            |
| Gudrun                                | —                       | 95            | —         | —            | 95            |
| Aasta Hansteen                        | —                       | 11            | —         | —            | 11            |
| Norway Exploration Projects           | —                       | —             | —         | 3,069        | 3,069         |
| Payments not attributable to projects | —                       | 62,362        | —         | 6            | 62,368        |
| <b>Total</b>                          | <b>—</b>                | <b>62,563</b> | <b>—</b>  | <b>3,076</b> | <b>65,639</b> |

**New Zealand**

In EUR 1,000

|                                       | Production Entitlements | Taxes         | Royalties     | Fees         | Total         |
|---------------------------------------|-------------------------|---------------|---------------|--------------|---------------|
| <b>Governments</b>                    |                         |               |               |              |               |
| Inland Revenue                        | —                       | 18,279        | —             | —            | 18,279        |
| Maritime Safety Authority             | —                       | —             | —             | 46           | 46            |
| Ministry of Business and Innovation   | —                       | —             | 60,551        | 7,166        | 67,718        |
| Environmental Protection Authority    | —                       | —             | —             | 316          | 316           |
| <b>Total</b>                          | <b>—</b>                | <b>18,279</b> | <b>60,551</b> | <b>7,528</b> | <b>86,358</b> |
| <b>Projects</b>                       |                         |               |               |              |               |
| Maari                                 | —                       | —             | 13,303        | 39           | 13,342        |
| Maui                                  | —                       | —             | 2,780         | 298          | 3,078         |
| Pohokura                              | —                       | —             | 44,468        | 15           | 44,483        |
| New Zealand exploration projects      | —                       | —             | —             | 347          | 347           |
| Payments not attributable to projects | —                       | 18,279        | —             | 6,829        | 25,107        |
| <b>Total</b>                          | <b>—</b>                | <b>18,279</b> | <b>60,551</b> | <b>7,528</b> | <b>86,358</b> |

**Romania**

In EUR 1,000

|  | Production Entitlements | Taxes          | Royalties      | Fees          | Total          |
|--|-------------------------|----------------|----------------|---------------|----------------|
| <b>Governments</b>                                   |                         |                |                |               |                |
| State budget   | —                       | 141,327        | 120,777        | —             | 262,105        |
| Local councils                                       | —                       | —              | —              | 4,532         | 4,532          |
| National Agency for Mineral Resources (ANRM)         | —                       | —              | —              | 2,409         | 2,409          |
| National Company of Forests                          | —                       | —              | —              | 15,345        | 15,345         |
| COMPET SA  | —                       | —              | —              | 98            | 98             |
| National Authority for Electricity Regulation (ANRE) | —                       | —              | —              | 3,596         | 3,596          |
| Offshore Operations Regulatory Authority (ACROPO)    | —                       | —              | —              | 573           | 573            |
| <b>Total</b>   | <b>—</b>                | <b>141,327</b> | <b>120,777</b> | <b>26,552</b> | <b>288,657</b> |
| <b>Projects</b>                                      |                         |                |                |               |                |
| Onshore production zones                             | —                       | —              | 91,846         | 22,242        | 114,088        |
| Onshore Joint Operations                             | —                       | —              | 1,051          | —             | 1,051          |
| Offshore Black Sea                                   | —                       | 12,617         | 27,880         | 714           | 41,211         |
| Payments not attributable to projects                | —                       | 128,710        | —              | 3,596         | 132,306        |
| <b>Total</b>   | <b>—</b>                | <b>141,327</b> | <b>120,777</b> | <b>26,552</b> | <b>288,657</b> |

**Tunisia**

In EUR 1,000

|   | Production Entitlements | Taxes        | Royalties          | Fees     | Total        |
|---|-------------------------|--------------|--------------------|----------|--------------|
| <b>Governments</b>                            |                         |              |                    |          |              |
| Receveur des Finances                         | —                       | 3,365        | —                  | —        | 3,365        |
| Receveur des Douanes                          | —                       | 122          | —                  | —        | 122          |
| Entreprise Tunisienne d'Activites Petrolieres | —                       | —            | 2,544 <sup>1</sup> | —        | 2,544        |
| <b>Total</b>                                  | <b>—</b>                | <b>3,487</b> | <b>2,544</b>       | <b>—</b> | <b>6,031</b> |
| <b>Projects</b>                               |                         |              |                    |          |              |
| South Tunisia                                 | —                       | 3,487        | 2,544 <sup>1</sup> | —        | 6,031        |
| <b>Total</b>                                  | <b>—</b>                | <b>3,487</b> | <b>2,544</b>       | <b>—</b> | <b>6,031</b> |

<sup>1</sup> Includes payments in kind for 75,057 bbl of crude oil valued using the average monthly price per boe**United Arab Emirates**

In EUR 1,000

|   | Production Entitlements | Taxes         | Royalties     | Fees       | Total         |
|---|-------------------------|---------------|---------------|------------|---------------|
| <b>Governments</b>                        |                         |               |               |            |               |
| Abu Dhabi National Oil Company (ADNOC)    | —                       | —             | —             | 836        | 836           |
| Emirate of Abu Dhabi – Finance Department | —                       | 22,195        | 72,525        | —          | 94,720        |
| <b>Total</b>                              | <b>—</b>                | <b>22,195</b> | <b>72,525</b> | <b>836</b> | <b>95,556</b> |
| <b>Projects</b>                           |                         |               |               |            |               |
| Umm Lulu und SARB                         | —                       | 22,195        | 72,525        | 836        | 95,556        |
| <b>Total</b>                              | <b>—</b>                | <b>22,195</b> | <b>72,525</b> | <b>836</b> | <b>95,556</b> |

**Yemen**

In EUR 1,000

|                            | <b>Production Entitlements</b> | <b>Taxes</b> | <b>Royalties</b>   | <b>Fees</b> | <b>Total</b>  |
|----------------------------|--------------------------------|--------------|--------------------|-------------|---------------|
| <b>Governments</b>         |                                |              |                    |             |               |
| Ministry of Oil & Minerals | 35,945 <sup>1</sup>            | —            | 3,421 <sup>2</sup> | 263         | 39,628        |
| <b>Total</b>               | <b>35,945</b>                  | <b>—</b>     | <b>3,421</b>       | <b>263</b>  | <b>39,628</b> |
| <b>Projects</b>            |                                |              |                    |             |               |
| Block S2                   | 35,945 <sup>1</sup>            | —            | 3,421 <sup>2</sup> | 263         | 39,628        |
| <b>Total</b>               | <b>35,945</b>                  | <b>—</b>     | <b>3,421</b>       | <b>263</b>  | <b>39,628</b> |

<sup>1</sup> Includes payments in kind for 1,003,699 boe valued at prices set by the Yemen Crude Oil Marketing Directorate

<sup>2</sup> Includes payments in kind for 95,515 boe valued at prices set by the Yemen Crude Oil Marketing Directorate

Vienna, March 10, 2021

The Executive Board

**Rainer Seele m.p.**

Chairman of the Executive Board  
and Chief Executive Officer

**Johann Pleininger m.p.**

Deputy Chairman of the Executive Board  
and Chief Upstream Operations Officer

**Reinhard Florey m.p.**

Chief Financial Officer

**Thomas Gangl m.p.**

Chief Downstream Operations Officer

**Elena Skvortsova m.p.**

Chief Commercial Officer

## Abbreviations and Definitions

### A

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#### ACC

Austrian Commercial Code

#### ACCG

Austrian Code of Corporate Governance

#### AGM

Annual General Meeting

### B

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#### bbl

Barrel (1 barrel equals approximately 159 liters)

#### bbl/d

Barrels per day

#### bcf

Billion standard cubic feet (60 °F/16 °C)

#### bcm

Billion standard cubic meters (32 °F/0 °C)

#### bn

Billion

#### boe

Barrel of oil equivalent

#### boe/d

Barrel of oil equivalent per day

### C

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#### CAPEX

Capital Expenditure

#### capital employed

Equity including non-controlling interests plus net debt

#### cbm

Standard cubic meters (32 °F/0 °C)

#### cf

Standard cubic feet (60 °F/16 °C)

#### CCS/CCS effects/inventory holding gains/(losses)

Current Cost of Supply; inventory holding gains and losses represent the difference between the cost of sales calculated using the current cost of supply and the cost of sales calculated using the weighted average method after adjusting for any changes in valuation allowances in case the net realizable value of the inventory is lower than its cost. In volatile energy markets, measurement of the costs of petroleum products sold based on historical values (e.g. weighted average cost) can have distorting effects on reported results (Operating Result, net income, etc.). The amount disclosed as CCS effect represents the difference between the charge to the income statement for inventory on a weighted average basis (adjusted for the change in valuation allowances related to net realizable value) and the charge based on the current cost of supply. The current cost of supply is calculated monthly using data from supply and production systems at the Downstream Oil level

#### CEE

Central and Eastern Europe

#### CEGH

Central European Gas Hub

#### CGU

Cash generating unit

#### Clean CCS Operating Result

Operating Result adjusted for special items and CCS effects. Group clean CCS Operating Result is calculated by adding the clean CCS Operating Result of Downstream Oil, the clean Operating Result of the other segments and the reported consolidation effect adjusted for changes in valuation allowances, in case the net realizable value of the inventory is lower than its cost

#### Clean CCS EPS

Clean CCS Earnings Per Share is calculated as clean CCS net income attributable to stockholders divided by weighted number of shares

#### Clean CCS net income attributable to stockholders

Net income attributable to stockholders, adjusted for the after tax effect of special items and CCS

#### Clean CCS ROACE

Clean CCS Return On Average Capital Employed is calculated as NOPAT (as a sum of current and last three quarters) adjusted for the after-tax effect of special items and CCS, divided by average capital employed (%)

#### Co&O

Corporate and Other

### E

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#### ECL

Expected credit losses

#### EPS

Earnings Per Share; net income attributable to stockholders divided by total weighted average shares

**EPSA**

Exploration and Production Sharing Agreement

**equity ratio**

Equity divided by balance sheet total, expressed as a percentage

**EU**

European Union

**EUR**

Euro

**F**

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**FVOCI**

Fair value through other comprehensive income

**FVTPL**

Fair value through the statement of profit or loss

**FX**

Foreign exchange

**G**

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**G2P**

Gas-to-power

**GDP**

Gross Domestic Product

**gearing ratio**

Net debt divided by equity, expressed as a percentage

**H**

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**HSSE**

Health, Safety, Security, and Environment

**I**

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**IASs**

International Accounting Standards

**IFRSs**

International Financial Reporting Standards

**K**

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**kbb/d**

Thousand barrels per day

**kboe**

Thousand barrels of oil equivalent

**kboe/d**

Thousand barrels of oil equivalent per day

**km<sup>2</sup>**

Square kilometer

**KPI**

Key Performance Indicator

**KStG**

Austrian Corporate Income Tax Act

**L**

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**leverage ratio**

Net debt divided by capital employed, expressed as a percentage

**LNG**

Liquefied Natural Gas

**LTIR**

Lost-Time Injury Rate per million hours worked

**M**

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**min**

Minute

**mn**

Million

**MPPH**

Mubadala Petroleum and Petrochemicals Holding Company L.L.C

**MW**

Megawatt

**MWh**

Megawatt hour

**N**

---

**n.a.**

Not available

**NCI**

Non-controlling interests

**n.m.**

Not meaningful

**net assets**

Intangible assets, property, plant and equipment, equity-accounted investments, investments in other companies, loans granted to equity-accounted investments, total net working capital, less provisions for decommissioning and restoration obligations

**net debt**

Interest-bearing debts including bonds and finance lease liabilities less liquid funds (cash and cash equivalents)

**net income**

Net operating profit or loss after interest and tax

**NGL**

Natural Gas Liquids; natural gas that is extracted in liquid form during the production of hydrocarbons

**NOK**

Norwegian krone

**NOPAT**

Net Operating Profit After Tax; Net income + Net interest related to financing – Tax effect of net interest related to financing  
NOPAT is a KPI that shows the financial performance after tax, independent of the financing structure of the company.

**NZD**

New Zealand dollar

**O**

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**OCI**

Other comprehensive income

**OECD**

Organisation for Economic Co-operation and Development

**ÖBAG**

Österreichische Beteiligungs AG

**P**

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**payout ratio**

Dividend per share divided by earnings per share, expressed as a percentage

**Pearl**

Pearl Petroleum Company Limited

**Q**

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**Q1, Q2, Q3, Q4**

First, second, third, fourth quarter of the year

**R**

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**ROACE**

Return On Average Capital Employed; NOPAT divided by average capital employed expressed as a percentage

**ROE**

Return On Equity; net income/loss for the year divided by average equity, expressed as a percentage

**RON**

New Romanian leu

**RRR**

Reserve Replacement Rate; total changes in reserves excluding production, divided by total production

**RUB**

Russian ruble

**S**

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**sales revenues**

Sales excluding petroleum excise tax

**Special items**

Special items are expenses and income reflected in the financial statements that are disclosed separately, as they are not part of underlying ordinary business operations. They are being disclosed separately in order to enable investors to better understand and evaluate OMV Group's reported financial performance

**T**

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**t**

Metric ton

**toe**

Metric ton of oil equivalent

**TSR**

Total Shareholder Return

**TWh**

Terawatt hour

**U**

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**UAE**

United Arab Emirates

**USD**

US dollar

## Contacts and Imprint

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### Further publications

#### OMV Factbook

▶ [www.omv.com/factbook](http://www.omv.com/factbook)

#### OMV Sustainability Report

▶ [www.omv.com/sustainability-report](http://www.omv.com/sustainability-report)

### Notes:

Figures in the tables and charts may not add up due to rounding differences. Differences between percentages are displayed as percentage points throughout the document.

In the interest of a fluid style that is easy to read, non-gender-specific terms have been used in the notes chapter of this annual report.

### Disclaimer regarding forward-looking statements:

This report contains forward-looking statements. Forward-looking statements usually may be identified by the use of terms such as "outlook," "believe," "expect," "anticipate," "intend," "plan," "target," "objective," "estimate," "goal," "may," "will" and similar terms, or by their context. These forward-looking statements are based on beliefs, estimates and assumptions currently held by and information currently available to OMV. By their nature, forward-looking statements are subject to risks and uncertainties, both known and unknown, because they relate to events and depend on circumstances that will or may occur in the future and are outside the control of OMV. Consequently, the actual results may differ materially from those expressed or implied by the forward-looking statements. Therefore, recipients of this report are cautioned not to place undue reliance on these forward-looking statements. Neither OMV nor any other person assumes responsibility for the accuracy and completeness of any of the forward-looking statements contained in this report. OMV disclaims any obligation and does not intend to update these forward-looking statements to reflect actual results, revised assumptions and expectations, and future developments and events. This report does not contain any recommendation or invitation to buy or sell securities in OMV.





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