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CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

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Notes to the Consolidated Financial Statements

Auditor’s Report[1]

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of

OMV Aktiengesellschaft, Vienna,

and of its subsidiaries (the Group) comprising the consolidated statement of financial position as of December 31, 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

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

Key Audit Matter	How our audit addressed the 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).	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 con-sider 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 disclosuresin the financial statements.

Key Audit Matter	How our audit addressed the key audit matter
Recoverability of intangible exploration and evaluation (E&E) assets The carrying value of intangible E&E assets amounted to EUR 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).	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	How our audit addressed the key audit matter
Estimation of oil and gas reserves Oil and gas reserves are an indicator of the future potential of the group's performance. Furthermore, they have an impact on the financial statements as they are the basis for - production profiles in future cash flow estimates; - depreciation, amortization and impairment charges and - the valuation of the financial asset 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).	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	How our audit addressed the 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).	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.

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.

Vienna, March 10, 2021

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Alexander Wlasto m.p.
Wirtschaftsprüfer/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
Sales revenues	4, 5	**16,550**	**23,461**
Other operating income	6	1,877	280
Net income from equity-accounted investments	6, 16	38	386
Total revenues and other income		**18,465**	**24,127**
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)
Operating Result		**1,050**	**3,582**
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
Net financial result		**(175)**	**(129)**
Profit before tax		**875**	**3,453**
Taxes on income and profit	12	603	(1,306)
Net income for the year		**1,478**	**2,147**
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
Basic Earnings Per Share in EUR	13	**3.85**	**5.14**
Diluted Earnings Per Share in EUR	13	**3.85**	**5.13**

Consolidated Statement of Comprehensive Income for 2020

Consolidated Statement of Comprehensive Income

In EUR mn

	Note	2020	2019
Net income for the year		**1,478**	**2,147**
Currency translation differences		**(1,234)**	**39**
Gains/(losses) arising during the year, before income taxes	21	(1,233)	39
Reclassification of (gains)/losses to net income	3, 6, 9	(1)	—
Gains/(losses) on hedges	28	**38**	**(45)**
Gains/(losses) arising during the year, before income taxes		419	(11)
Reclassification of (gains)/losses to net income		(380)	(34)
Share of other comprehensive income of equity-accounted investments	16	**(102)**	**(1)**
Total of items that may be reclassified (“recycled”) subsequently to the income statement		**(1,298)**	**(7)**
Remeasurement gains/(losses) on defined benefit plans	23	**4**	**(90)**
Gains/(losses) on equity investments	18	**(2)**	**1**
Gains/(losses) on hedges that are subsequently transferred to the carrying amount of the hedged item	28	**(113)**	**95**
Share of other comprehensive income of equity-accounted investments	16	**(6)**	**(6)**
Total of items that will not be reclassified (“recycled”) subsequently to the income statement		**(118)**	**0**
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)
Total income taxes relating to components of other comprehensive income	21	**8**	**4**
Other comprehensive income for the year, net of tax	21	**(1,407)**	**(3)**
Total comprehensive income for the year		**70**	**2,144**
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
Non-current assets		**35,695**	**28,950**
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
Current assets		**12,112**	**11,248**
Assets held for sale	20	1,464	177
Total assets		**49,271**	**40,375**

Equity and Liabilities

In EUR mn

	Note	2020	2019
Share capital		327	327
Hybrid capital		3,228	1,987
Reserves		10,184	10,698
OMV equity of the parent		**13,739**	**13,012**
Non-controlling interests	22	6,159	3,851
Total equity	21	**19,899**	**16,863**
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
Non-current liabilities		**18,020**	**13,961**
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
Current liabilities		**10,616**	**9,395**
Liabilities associated with assets held for sale	20	736	156
Total equity and liabilities		**49,271**	**40,375**

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Consolidated Statement of Changes in Equity for 2020

Consolidated Statement of Changes in Equity in 2020[1]

In EUR mn

	Share capital	Capital reserves	Hybrid capital	Revenue reserves	Currency translation differences
January 1, 2020	**327**	**1,506**	**1,987**	**9,832**	**(694)**
Net income for the year	—	—	—	1,341	—
Other comprehensive income for the year	—	—	—	(3)	(1,091)
Total comprehensive income for the year	**—**	**—**	**—**	**1,338**	**(1,091)**
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	—	—	—	—	—
December 31, 2020	**327**	**1,506**	**3,228**	**10,502**	**(1,785)**

Consolidated Statement of Changes in Equity in 2019[1]

In EUR mn

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

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

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

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

Consolidated Statement of Cash Flows for 2020

Consolidated Statement of Cash Flows

In EUR mn

	Note	2020	2019
Net income for the year		**1,478**	**2,147**
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)
Sources of funds		**2,786**	**4,264**
Decrease/(increase) in inventories	17	288	(260)
Decrease/(increase) in receivables	18, 19	145	372
Increase/(decrease) in liabilities	24	(82)	(320)
Changes in net working capital components		**351**	**(208)**
Cash flow from operating activities		**3,137**	**4,056**
Investments			
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)
Disposals			
Proceeds in relation to non-current assets		72	209
Proceeds from the sale of subsidiaries and businesses, net of cash disposed		15	36
Cash flow from investing activities		**(5,948)**	**(4,638)**
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	—
Cash flow from financing activities		**2,808**	**(484)**
Effect of foreign exchange rate changes on cash and cash equivalents		(66)	(22)
Net increase/(decrease) in cash and cash equivalents		**(69)**	**(1,088)**
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
Cash and cash equivalents presented in the consolidated statement of financial position	26	**2,854**	**2,931**

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 lifes 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
Intangible assets		
Goodwill		Indefinite
Software		3–7
Concessions, licenses, contract-related intangible assets etc.		3–20, contract duration or unit-of production method
Business-specific property, plant and equipment		
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
Other property, plant and equipment		
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_2 emissions; provisions are recognized only for shortfalls (see Note 23 – Provisions).

t) Non-derivative financial liabilities

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

u) Taxes on income 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 plannings which covers in Upstream entities the whole life of field and a five year period in the other entities.

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

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

v) Long Term Incentive (LTI) Plans and Equity Deferral

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

w) Fair value measurement

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

Fair values are determined according to the following hierarchy:

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

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

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

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)[1]	10.034	n.a.	—	—
US dollar (USD)	1.227	1.142	1.123	1.120

[1] 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 cyclicality 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

	Borealis Group
Intangible assets	887
Property, plant and equipment	4,129
Equity-accounted investments	6,134
Other financial assets	743
Other assets	45
Deferred taxes	39
Non-current assets	**11,977**
Inventories	1,123
Trade receivables	684
Other financial assets	132
Income tax receivable	13
Other assets	310
Cash and cash equivalents	80
Current assets	**2,341**
Total assets	**14,318**
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
Non-current liabilities	**2,683**
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
Current liabilities	**1,571**
Total liabilities	**4,254**
Net assets	**10,064**
Non-Controlling interests	(2,524)
Net assets acquired	**7,540**

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

In EUR mn

	Borealis Group
Fair value	3,590
Carrying amount	2,333
Revaluation result	**1,256**
Amount reclassified from OCI to the income statement ("recycled")	28
Total impact – other operating income	**1,284**

Measurement of goodwill

In EUR mn

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

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

	Borealis Group
Consideration paid	3,950
less cash acquired	(80)
Net cash outflows from acquisition	**3,870**

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					
	U/S	D/S	Co&O	**Total**	Consoli-dation	**OMV Group**
Sales revenues[1]	3,705	15,082	352	**19,139**	(2,589)	**16,550**
Intrasegmental sales	(2,178)	(63)	(348)	**(2,589)**	2,589	**—**
Sales to third parties	**1,527**	**15,019**	**4**	**16,550**	**—**	**16,550**
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**
Operating Result	**(1,137)**	**2,160**	**(56)**	**967**	**83**	**1,050**
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)**
Special items	**1,282**	**(1,071)**	**9**	**220**	**—**	**220**
CCS effect	—	425	—	**425**	(10)	**416**
Clean CCS Operating Result	**145**	**1,514**	**(47)**	**1,612**	**74**	**1,686**
Segment assets[2]	12,662	9,721	262	**22,646**	—	**22,646**
Additions in PPE/IA[3]	1,150	760	28	**1,938**	—	**1,938**
Equity-accounted investments[4]	389	7,932	—	**8,321**	—	**8,321**

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

Segment reporting

In EUR mn

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

[1] Including intra-group sales

[2] Property, plant and equipment (PPE), intangible assets (IA), not including assets reclassified to assets held for sale

[3] Excluding additions in assets reclassified to held for sale 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[1]	Equity-accounted investments[2]	External sales	Allocated assets[1]	Equity-accounted investments[2]
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[3]	2,878	639	6	3,564	659	—
Rest of Europe	1,709	4,862	21	1,379	1,954	10
Rest of the world[4]	388	1,306	1,207	799	1,456	323
Total	**16,550**	**22,148**	**8,321**	**23,461**	**20,092**	**5,151**
Not allocated assets	—	498	—	—	550	—
Segment assets	**—**	**22,646**	**8,321**	**—**	**20,642**	**5,151**

[1] Property, plant and equipment (PPE), intangible assets (IA), not including assets reclassified to assets held for sale
[2] Equity-accounted investments are allocated based on the seat of the registered office of the parent company, not including assets held for sale
[3] Including Turkey
[4] 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
Sales revenues	**16,550**	**23,461**

Revenues from contracts with customers

In EUR mn

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

[1] 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
Other operating income	**1,877**	**280**
Income from equity-accounted investments	250	392
Expenses from equity-accounted investments	(212)	(6)
Net income from equity-accounted investments	**38**	**386**

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
Depreciation, amortization, impairment losses (excluding exploration & appraisal) and write-ups	**2,418**	**2,302**

Impairment losses (including exploration & appraisal)

In EUR mn

	2020	2019
Impairment losses (excl. exploration & appraisal)	683	151
Impairment losses (exploration & appraisal)	779	92
Impairment losses (including exploration & appraisal)	**1,462**	**243**

Depreciation, amortization, impairments and write-ups – split per function

In EUR mn

	2020	2019
Depreciation and amortization	**1,965**	**2,186**
attributable to exploration expenses	—	—
attributable to production and operating expenses	1,717	1,926
attributable to selling, distribution and administrative expenses	248	259
Write-ups	**(230)**	**(35)**
attributable to exploration expenses	—	—
attributable to production and operating expenses	(227)	(35)
attributable to selling, distribution and administrative expenses	(3)	—
Impairment losses (incl. exploration & appraisal)	**1,462**	**243**
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[1]	After-tax discount rate[1]
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%

[1] 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 unsucessfull 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_2 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
Exploration expenses	**896**	**229**
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[1]	122	261

[1] 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
Other operating expenses	**389**	**322**

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
Personnel expenses	**1,308**	**1,228**

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	—
Interest income	**177**	**169**

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
Interest expenses, gross	**287**	**309**
Capitalized borrowing costs	(7)	(6)
Interest expenses	**280**	**304**

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
Financing charges for factoring and securitization	**(24)**	**(31)**
Net foreign exchange gains/(losses)	(53)	40
Other	(14)	(8)
Other financial income and expense	**(91)**	**1**

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
Profit before tax	**875**	**3,453**
Current taxes	244	1,207
thereof related to previous years	2	13
Deferred taxes	(846)	100
Taxes on income and profit	**(603)**	**1,306**

Changes in deferred taxes

In EUR mn

	2020	2019
Deferred taxes January 1	(445)	28
Deferred taxes December 31	(57)	(445)
Changes in deferred taxes	**388**	**(473)**
Deferred taxes accounted for in equity	17	(4)
Changes in consolidated Group, exchange differences and other changes[1]	441	377
Deferred taxes per income statement	**846**	**(100)**
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)

[1] 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
Taxes on income and profit accounted for in other comprehensive income	**(8)**	**(4)**

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
Austrian corporate income tax rate	**25.0**	**25.0**
Tax effect of:		
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)
Effective Group income tax rate	**(68.8)**	**37.8**

Tax rate reconciliation

In EUR mn

	2020	2019
Theoretical taxes on income based on Austrian income tax rate	**219**	**863**
Tax effect of:		
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)
Total taxes on income and profit	**(603)**	**1,306**

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, software, licenses, rights	Oil and gas assets with unproved reserves	Goodwill	Total
		2020		
Development of costs				
January 1	**1,936**	**2,860**	**622**	**5,418**
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)**
December 31	**2,509**	**2,195**	**531**	**5,235**
Development of amortization				
January 1	**895**	**360**	**—**	**1,255**
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)**
December 31	**857**	**934**	**—**	**1,792**
Carrying amount January 1	1,041	2,500	622	**4,163**
Carrying amount December 31	**1,652**	**1,260**	**531**	**3,443**
		2019		
Development of costs				
January 1	**1,769**	**2,252**	**420**	**4,441**
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)**
December 31	**1,936**	**2,860**	**622**	**5,418**
Development of amortization				
January 1	**779**	**346**	**—**	**1,125**
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)**
December 31	**895**	**360**	**—**	**1,255**
Carrying amount January 1	991	1,906	420	**3,317**
Carrying amount December 31	**1,041**	**2,500**	**622**	**4,163**

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
Goodwill allocated to Upstream	**480**	**524**
Downstream Gas Austria	—	38
Refining West	18	26
Retail Slovakia	7	7
Refining Austria	26	27
Goodwill allocated to Downstream	**52**	**98**
Goodwill	**531**	**622**

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 an 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 buildings	Oil and gas assets	Plant and machinery	Other fixtures, fittings and equipment	Assets under construction	**Total**
			2020			
Development of costs						
January 1	**3,520**	**23,974**	**8,987**	**2,120**	**415**	**39,017**
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)**
December 31	**3,584**	**23,445**	**11,483**	**1,967**	**1,081**	**41,560**
Development of depreciation						
January 1	**1,714**	**13,433**	**5,875**	**1,504**	**11**	**22,538**
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)**
December 31	**1,669**	**13,695**	**5,640**	**1,346**	**7**	**22,358**
Carrying amount January 1	1,806	10,541	3,111	616	404	**16,479**
Carrying amount December 31	**1,915**	**9,750**	**5,843**	**622**	**1,073**	**19,203**

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			
Development of costs						
January 1	**3,394**	**23,033**	**8,694**	**2,018**	**411**	**37,550**
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)**
December 31	**3,520**	**23,974**	**8,987**	**2,120**	**415**	**39,017**
Development of depreciation						
January 1	**1,607**	**13,060**	**5,608**	**1,459**	**12**	**21,747**
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)**
December 31	**1,714**	**13,433**	**5,875**	**1,504**	**11**	**22,538**
Carrying amount January 1	1,787	9,972	3,086	559	399	**15,803**
Carrying amount December 31	**1,806**	**10,541**	**3,111**	**616**	**404**	**16,479**

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.

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Contractual obligations for acquisitions

In EUR mn

	2020	2019
Intangible assets	395	491
Property, plant and equipment	1,134	852
Contractual obligations	**1,529**	**1,343**

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
		2020		
January 1	**667**	**37**	**111**	**815**
Changes in consolidated Group	75	19	76	**170**
Additions	62	12	57	**131**
Depreciation	(66)	(14)	(46)	**(126)**
Other movements	(145)	(6)	(3)	**(155)**
December 31	**593**	**48**	**194**	**836**
		2019		
January 1	**670**	**33**	**66**	**768**
Changes in consolidated Group	5	—	—	**5**
Additions	81	18	79	**178**
Depreciation	(66)	(10)	(32)	**(108)**
Other movements	(23)	(4)	(2)	**(28)**
December 31	**667**	**37**	**111**	**815**

Amounts recognized in the consolidated income statement

In EUR mn

	2020	2019
Operating result		
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
Net financial result		
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 abundandtly 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	
		Associates	Joint Venture		Associates
	Abu Dhabi Oil Refining Company	Abu Dhabi Polymers Company Limited (Borouge)	Bayport Polymers LLC	Abu Dhabi Oil Refining Company	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	
		Associates	Joint Venture		Associates
	Abu Dhabi Oil Refining Company	Abu Dhabi Polymers Company Limited (Borouge)	Bayport Polymers LLC	Abu Dhabi Oil Refining Company	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)
Group’s carrying amount of investment	**1,747**	**5,062**	**620**	**2,109**	**2,339**

Carrying amount reconciliation

In EUR mn

	2020			2019	
		Associates	Joint Ventures		Associates
	Abu Dhabi Oil Refining Company	Abu Dhabi Polymers Company Limited (Borouge)	Bayport Polymers LLC	Abu Dhabi Oil Refining Company	Borealis
January 1	**2,109**	**—**	**—**	**—**	**2,319**
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)
December 31	**1,747**	**5,062**	**620**	**2,109**	**2,339**

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
January 1	**553**	**150**	**537**	**154**
Currency translation differences	(69)	(9)	19	(8)
Changes in consolidated Group[1]	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)
December 31[1]	**802**	**91**	**553**	**150**

[1] 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
Inventories	**2,352**	**1,845**

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)
Purchases (net of inventory variation)	**9,598**	**13,608**

The reversal of inventories write-downs in 2020 were related to the gas business resulting from increased prices.

18 Financial assets

Financial assets[1]

In EUR mn

	Valued at fair value through profit or loss	Valued at fair value through other comprehen-sive income	Valued at amortized cost	**Total carrying amount**	thereof short-term	thereof long-term
			2020			
Trade receivables from contracts with customers	71	—	1,806	**1,876**	1,876	—
Other trade receivables	—	—	1,440	**1,440**	1,440	—
Total trade receivables	**71**	**—**	**3,245**	**3,316**	**3,316**	**—**
Investments in other companies	1	14	—	**15**	—	15
Investment funds	35	—	—	**35**	—	35
Bonds	—	—	64	**64**	0	63
Derivatives designated and effective as hedging instruments	—	71	—	**71**	63	8
Other derivatives	2,502	—	—	**2,502**	2,105	397
Loans	—	—	1,720	**1,720**	85	1,636
Other sundry financial assets	744	—	1,313	**2,058**	765	1,293
Total other financial assets	**3,283**	**84**	**3,097**	**6,464**	**3,018**	**3,447**
Financial assets	**3,353**	**84**	**6,343**	**9,780**	**6,334**	**3,447**
			2019			
Trade receivables from contracts with customers	131	—	1,423	**1,553**	1,553	—
Other trade receivables	—	—	1,489	**1,489**	1,489	—
Total trade receivables	**131**	**—**	**2,911**	**3,042**	**3,042**	**—**
Investments in other companies	—	24	—	**24**	—	24
Bonds	—	—	78	**78**	18	60
Derivatives designated and effective as hedging instruments	—	284	—	**284**	255	30
Other derivatives	2,391	—	—	**2,391**	2,237	154
Loans	—	—	855	**855**	2	854
Other sundry financial assets	721	—	1,182	**1,903**	611	1,292
Total other financial assets	**3,112**	**308**	**2,115**	**5,535**	**3,121**	**2,414**
Financial assets	**3,243**	**308**	**5,026**	**8,577**	**6,163**	**2,414**

[1] 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

	2020			2019		
Investment	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[1]	—	0	0	4	1	0
FSH Flughafen-Schwechat-Hydranten-Gesellschaft GmbH & Co OG	2	—	0	2	1	0
H2 Mobility Deutschland GmbH & Co KG[1]	—	—	—	3	—	—
WAV Wärme Austria VertriebsgmbH	2	—	0	2	1	0
Other	2	0	2	2	(0)	4
Equity investments measured at FVOCI	**14**	**(2)**	**3**	**24**	**1**	**5**

[1] 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 AA-, A+, A, A-	0.07%	0.07%
Risk Class 2	BBB+, BBB, BBB	0.25%	0.24%
Risk Class 3	BB+, BB, BB-	1.19%	1.22%
Risk Class 4	B+, B, B-, CCC/C	10.26%	10.27%
Risk Class 5	SD/D	100.00%	100.00%

For further details on the credit risk management see Note 28 – Risk Management.

Impairment of trade receivables

In EUR mn

	2020	2019
January 1	**62**	**79**
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)	—
December 31	**61**	**62**

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
Total gross carrying amount	**3,306**	**2,973**
Expected credit loss	(61)	(62)
Total	**3,245**	**2,911**

Impairment of other financial assets at amortized cost

In EUR mn

	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
		2020		
January 1	**5**	**80**	**154**	**238**
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)**
December 31[1]	**7**	**73**	**155**	**235**
		2019		
January 1	**4**	**59**	**158**	**221**
Net remeasurement of expected credit losses	1	20	(1)	**20**
Currency translation differences	0	1	(3)	**(2)**
December 31[1]	**5**	**80**	**154**	**238**

[1] "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
		2020				2019		
Risk Class 1	1,252	154	9	**1,415**	471	174	4	**649**
Risk Class 2[1]	1,554	—	9	**1,563**	1,398	—	14	**1,412**
Risk Class 3	217	—	4	**221**	154	—	2	**156**
Risk Class 4	0	—	22	**22**	1	—	22	**22**
Risk Class 5	0	—	111	**111**	0	—	113	**114**
Total gross carrying amount	**3,022**	**154**	**155**	**3,332**	**2,024**	**174**	**155**	**2,353**
Expected credit loss[2]	(7)	(73)	(155)	**(235)**	(5)	(80)	(154)	**(238)**
Total	**3,016**	**81**	**(0)**	**3,097**	**2,020**	**94**	**1**	**2,115**

[1] "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.

[2] "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[1]	37	—	41	—
Other non-financial assets	87	30	29	5
Other assets	**537**	**103**	**297**	**56**

[1] For further details refer to Note 23 – Provisions.

20 Assets and liabilities held for sale

Assets and liabilities held for sale

In EUR mn

	Upstream	Downstream				OMV Group	Upstream	Downstream	OMV Group
		Gas Connect Group	OMV retail network Germany	Other	Total				
	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	—	—	—
Non-current assets	**293**	**763**	**245**	**10**	**1,018**	**1,312**	**146**	**13**	**160**
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
Current assets	**64**	**32**	**56**	**—**	**88**	**152**	**18**	**—**	**18**
Total assets	**358**	**795**	**301**	**10**	**1,106**	**1,464**	**164**	**13**	**177**
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	—	—	—
Non-current liabilities	**197**	**226**	**148**	**—**	**374**	**571**	**138**	**—**	**138**
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
Current liabilities	**47**	**43**	**75**	**—**	**118**	**165**	**18**	**—**	**18**
Total liabilities	**243**	**269**	**223**	**—**	**492**	**736**	**156**	**—**	**156**

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 (expense) income	Tax (expense) benefit[1]	Net-of-tax (expense) income)	Before-tax (expense) income	Tax (expense) benefit[1]	Net-of-tax (expense) 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)[2]	n.a.	(108)	(8)[2]	n.a.	(8)
Other comprehensive income for the year	**(1,415)**	**8**	**(1,407)**	**(7)**	**4**	**(3)**

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

For 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 EUR mn
January 1, 2019	**542,151**	**6.0**
Disposals	(169,538)	(1.9)
December 31, 2019	**372,613**	**4.1**
Disposals	(74,767)	(0.8)
December 31, 2020	**297,846**	**3.3**

Number of shares in issue

	Number of shares	Treasury shares	Shares in issue
January 1, 2019	**327,272,727**	**542,151**	**326,730,576**
Used for share-based compensations	—	(169,538)	169,538
December 31, 2019	**327,272,727**	**372,613**	**326,900,114**
Used for share-based compensations	—	(74,767)	74,767
December 31, 2020	**327,272,727**	**297,846**	**326,974,881**

22 Non-controlling interests

Subgroups with material NCI

In EUR mn

	2020			2019		
Subgroups	% 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
OMV Group	**n.a.**	**136**	**6,159**	**n.a.**	**393**	**3,851**

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[1]

In EUR mn

	2020		2019
	OMV Petrom Group	Borealis Group[2]	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

[1] Figures refer to subgroup level, i. e. including at-equity consolidation and after elimination of intercompany transactions and balances within the subgroup.
[2] Figures reflect amounts from acquisition date on October 29, 2020 until reporting date.

Statement of financial position as of December 31[1]

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

[1] 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[1]

In EUR mn

	2020		2019
	OMV Petrom Group	Borealis Group[2]	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

[1] Figures refer to subgroup level, i. e. including at-equity consolidation and after elimination of intercompany transactions and balances within the subgroup.
[2] Figures reflect amounts from acquisition date on October 29, 2020 until reporting date.

23 Provisions

Provisions

In EUR mn

	Pensions and similar obligations	Decom-missioning and restoration obligations	Other provisions	Total
January 1, 2020	**1,111**	**3,959**	**865**	**5,935**
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)**
December 31, 2020	**1,458**	**3,999**	**881**	**6,337**
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)
Provision for funded obligations	**513**	**366**	**363**	**293**	**311**
Present value of unfunded obligations	619	499	490	463	479
Provision for unfunded obligations	**619**	**499**	**490**	**463**	**479**
Present value of obligations of severance and other plans	**197**	**141**	**129**	**135**	**144**
Effect of asset ceiling	3				
Total	**1,332**	**1,007**	**982**	**891**	**935**

Present value of obligations

In EUR mn

	2020		2019	
	Pensions	Severance & other plans	Pensions	Severance & other plans
Present value of obligation as of January 1	**1,339**	**141**	**1,266**	**129**
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[1]	—	(5)	—	0
Interest cost	13	2	23	3
Benefits paid	(72)	(18)	(75)	(11)
Expected defined benefit obligations as per December 31	**1,733**	**192**	**1,221**	**126**
Actual defined benefit obligations as per December 31	**1,722**	**197**	**1,339**	**141**
Remeasurements of the period (OCI)	**(11)**	**5**	**118**	**15**
thereof changes in demographic assumptions	—	—	(25)	—
thereof changes in financial assumptions	(2)	2	133	14
thereof experience adjustments	(9)	3	9	1

[1] mainly related to outsourcing activities in Romania

Market value of plan assets

In EUR mn

	2020	2019
Market value of plan assets as of January 1	**473**	**413**
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
Market value of plan assets as of December 31	**589**	**473**

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 exteral pension funds of EUR 2 mn are planned.

Provisions and expenses

In EUR mn

	2020		2019	
	Pensions	Severance & other plans	Pensions	Severance & other plans
Provision as of January 1	**866**	**141**	**853**	**129**
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
Provision as of December 31	**1,135**	**197**	**866**	**141**
thereof effect of asset ceiling	3	—	—	—
Current service cost	8	5	7	4
Past service cost[1]	—	(5)	—	0
Net interest cost	9	2	16	3
Expenses of defined benefit plans for the year	**16**	**2**	**23**	**8**

[1] 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
	1–5 years	6–10 years	>10 years	in 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%
Total	**100%**	**100%**

Provisions for decommissioning and restoration obligations

Provisions for decommissioning and restoration obligations

In EUR mn

	Carrying amount
January 1, 2020	**3,959**
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)
December 31, 2020	**3,999**
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

	2020
≤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
Total	**3,999**

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
Other provisions	**304**	**576**	**293**	**572**

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
Certificates held as of January 1	**9,437,367**	**9,077,418**
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
Certificates held as of December 31	**12,321,891**	**9,437,367**

24 Liabilities

Liabilities[1]

In EUR mn

	2020			2019		
	Short-term	Long-term	**Total**	Short-term	Long-term	**Total**
Bonds	850	8,019	**8,869**	540	5,262	**5,802**
Other interest-bearing debts	703	1,280	**1,983**	148	620	**769**
Lease liabilities	141	943	**1,084**	120	934	**1,053**
Trade payables	4,304	—	**4,304**	4,155	—	**4,155**
Other financial liabilities	3,095	454	**3,549**	2,818	301	**3,120**
Other liabilities	868	135	**1,003**	903	157	**1,060**
Liabilities	**9,961**	**10,830**	**20,791**	**8,684**	**7,274**	**15,958**

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

Other interest-bearing debts

In EUR mn

	2020			2019		
	Short-term	Long-term	**Total**	Short-term	Long-term	**Total**
Other interest-bearing debts to banks	703	1,280	**1,983**	148	473	**622**
Other sundry interest-bearing debts	—	—	**—**	—	147	**147**
Other interest-bearing debts	**703**	**1,280**	**1,983**	**148**	**620**	**769**

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 December 31	Carrying amount December 31
Private Placement	EUR 300,000,000	0.106% floating[1]	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
Bonds issued				**8,869**	**5,802**

[1] 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
Total short-term	**1,553**	**688**
Maturities of long-term financing		
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
Total for 2021/2020 onwards	**10,709**	**6,482**

Breakdown of bonds and other interest-bearing debts

In EUR mn

		2020		2019	
			Weighted average interest rate		Weighted average interest rate
Bonds and other long-term interest-bearing debts[1]					
Fixed rates	EUR	9,363	1.63%	5,559	2.12%
	USD	288	4.27%	14	2.28%
	Other currencies	33	9.40%	—	—
Total		**9,685**	**1.74%**	**5,573**	**2.12%**
Variable rates[2]	EUR	718	0.25%	753	0.30%
	USD	264	1.62%	157	3.66%
	Other currencies	42	0.67%	—	—
Total		**1,024**	**0.62%**	**910**	**0.88%**
Other short-term interest-bearing debts					
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%
Total		**143**	**0.24%**	**88**	**1.17%**

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

[2] Rates as of year-end

Other financial liabilities

Other financial liabilities

In EUR mn

	Short-term	Long-term	Total
		2020	
Derivative financial liabilities	2,169	347	**2,516**
Liabilities on derivatives designated and effective as hedging instruments	86	12	**98**
Liabilities on other derivatives	2,083	335	**2,418**
Other sundry financial liabilities	926	106	**1,033**
Other financial liabilities	**3,095**	**454**	**3,549**
		2019	
Derivative financial liabilities	2,299	179	**2,478**
Liabilities on derivatives designated and effective as hedging instruments	209	28	**237**
Liabilities on other derivatives	2,090	151	**2,241**
Other sundry financial liabilities	519	122	**642**
Other financial liabilities	**2,818**	**301**	**3,120**

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
		2020		
Bonds	942	3,707	5,068	**9,717**
Other interest-bearing debt	723	881	437	**2,041**
Lease liabilities	169	430	777	**1,377**
Trade payables	4,304	—	—	**4,304**
Derivative financial liabilities	2,169	347	—	**2,516**
Other sundry financial liabilities	926	22	113	**1,062**
Financial liabilities (undiscounted cash flows)	**9,233**	**5,387**	**6,395**	**21,016**
		2019		
Bonds	617	2,324	3,436	**6,378**
Other interest bearing debts	154	623	—	**777**
Lease liabilties	142	419	787	**1,348**
Trade payables	4,155	—	—	**4,155**
Derivative financial liabilities	2,299	179	—	**2,478**
Other sundry financial liabilities	519	90	92	**701**
Financial liabilities (undiscounted cash flows)	**7,886**	**3,635**	**4,316**	**15,836**

Other liabilities

In EUR mn

	Short-term	Long-term	**Total**
		2020	
Other taxes and social security liabilities	607	—	**607**
Payments received in advance	34	15	**49**
Contract liabilities	96	117	**214**
Other sundry liabilities	131	3	**134**
Other liabilities	**868**	**135**	**1,003**
		2019	
Other taxes and social security liabilities	699	—	**699**
Payments received in advance	19	11	**30**
Contract liabilities	80	142	**222**
Other sundry liabilities	104	5	**109**
Other liabilities	**903**	**157**	**1,060**

Contract liabilities

In EUR mn

	2020	2019
January 1	**222**	**192**
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)	—
December 31	**214**	**222**

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 assets total	Deferred tax assets not recognized	Deferred tax assets recognized	Deferred tax liabilities
		2020		
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
Total	**4,919**	**1,153**	**3,765**	**3,823**
Netting (same tax jurisdictions)			(2,581)	(2,581)
Deferred taxes reclassified to assets and liabilities associated with assets held for sale			(5)	(12)
Deferred taxes as per statement of financial position			**1,179**	**1,229**
		2019		
Intangible assets	114	22	91	751
Property, plant and equipment	124	68	56	1,699
Inventories	32	0	32	28
Derivatives	496	—	496	588
Receivables and other assets	51	16	34	80
Provisions for pensions and similar obligations	215	144	70	48
Provisions for decommissioning, restoration obligations and environmental costs	1,362	39	1,323	—
Other provisions	130	0	130	32
Liabilities	265	61	204	3
Tax impairments according section 12 (3)/2 of the Austrian Corporate Income Tax Act (KStG)	275	—	275	—
Tax loss carryforwards	1,091	1,011	80	—
Outside basis differences	—	—	—	7
Total	**4,153**	**1,361**	**2,791**	**3,236**
Netting (same tax jurisdictions)			(2,105)	(2,105)
Deferred taxes as per statement of financial position			**686**	**1,132**

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
Tax losses carryforward	**6,302**	**2,971**	**4,179**	**3,827**

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
Cash and cash equivalents	**2,869**	**2,938**

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			
	Bonds	Other interest-bearing debts	Lease liabilities	**Total**
January 1	**5,802**	**769**	**1,053**	**7,624**
Increase in long-term borrowings	3,225	114	—	**3,338**
Repayments of long-term borrowings	(500)	(164)	(133)	**(797)**
Increase/(decrease) in short-term borrowings	—	(96)	—	**(96)**
Total cash flows related to financing activities	**2,725**	**(146)**	**(133)**	**2,446**
Currency translation differences	—	(33)	(7)	**(41)**
Changes in consolidated group	329	1,538	174	**2,041**
Difference interest expenses and interest paid	13	(2)	0	**12**
Other changes	—	4	130[1]	**134**
Total non-cash changes	**342**	**1,508**	**297**	**2,147**
December 31	**8,869**	**2,130**	**1,217**	**12,216**

[1] 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			
	Bonds	Other interest-bearing debts	Lease liabilities	**Total**
January 1	**5,007**	**745**	**994**	**6,746**
Increase in long-term borrowings	1,287	89	—	**1,376**
Repayments of long-term borrowings	(500)	(371)	(109)	**(980)**
Increase/(decrease) in short-term borrowings	—	(22)	—	**(22)**
Total cash flows related to financing activities	**787**	**(303)**	**(109)**	**374**
Currency translation differences	—	7	(2)	**5**
Changes in consolidated group	—	314	5	**319**
Difference interest expenses and interest paid	8	5	2	**15**
Other changes	—	—	164[1]	**164**
Total non-cash changes	**8**	**326**	**169**	**503**
December 31	**5,802**	**769**	**1,053**	**7,624**

[1] Mainly related to new lease agreements

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 Chemchemal gas field and a revision of the FDP of

Khor Mor, which were not approved at joint venture level, and the deviating views between Crescent/Dana and OMV inter alia about the size of an oil discovery in Khor Mor. In September 2019, the independent expert determination before the ICC in respect of one of the revisions of the Chemchemal 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 Chemchemal 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[1]	2,130	769
Debt excluding leases	**10,999**	**6,570**
Cash and cash equivalents[2]	2,869	2,938
Net Debt excluding leases	**8,130**	**3,632**
Equity	**19,899**	**16,863**
Gearing Ratio excluding leases in %	**41**	**22**

[1] Including other interest-bearing debts that were reclassified to liabilities associated with assets held for sale
[2] 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
Commodity price risk						
Downstream, Oil incl. oil products	515	30	(71)	7,102	284	(237)
Downstream, Gas	31	3	(7)	—	—	—
Downstream, Power	213	24	(14)	—	—	—
Downstream (cash-flow hedges)[1]	**759**	**57**	**(93)**	**7,102**	**284**	**(237)**
Upstream, Gas	150	1	(11)	56	10	(4)
Upstream	**150**	**1**	**(11)**	**56**	**10**	**(4)**
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)
Downstream	**27,003**	**2,478**	**(2,406)**	**26,839**	**2,347**	**(2,231)**
Foreign currency risk						
USD (net investment hedge)	168	9	(1)	—	—	—
SEK (cash-flow hedges)	143	6	—	—	—	—
Foreign currency hedges (designated in hedge relationships)[1]	**311**	**14**	**(1)**	**—**	**—**	**—**
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)
Foreign currency hedges	**1,290**	**22**	**(1)**	**1,778**	**35**	**(6)**
Interest rate risk						
Interest rate hedges	113	0	(4)	—	—	—

[1] 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**		
				2020			
Cash flow hedge reserve as of January 1 (net of tax)	5	39	—	—	—	**44**	—
Gains/(losses) of the period recognized in OCI	(7)	364	(62)	10	0	**305**	16
Amounts reclassified to the income statement	(6)	(353)	n.a.	(0)	0	**(359)**	n.a.
Amounts reclassified to the income statement because the hedged future cash flows no longer expected to occur	3	(24)	—	—	—	**(21)**	n.a.
Amounts reclassified to balance sheet	40	—	62	(0)	—	**102**	(16)
Tax effects	(8)	5	—	(2)	(0)	**(6)**	—
Cash flow hedge reserve as of December 31 (net of tax)	**26**	**31**	**—**	**8**	**0**	**65**	**—**
thereof discontinued hedges	—	57	—	—	—	**57**	n.a.
Hedge ineffectiveness recognized in profit or loss	(2)	2	—	—	—	**0**	—
				2019			
Cash flow hedge reserve as of January 1 (net of tax)	(33)	73	(1)	—	—	**39**	(1)
Gains/(losses) of the period recognized in OCI	53	(11)	41	—	—	**84**	(1)
Amounts reclassified to the income statement	n.a.	(34)	n.a.	—	—	**(34)**	n.a.
Amounts transferred to cost of non-financial item	(4)	—	(40)	—	—	**(44)**	2
Tax effects	(12)	11	—	—	—	**(1)**	—
Cash flow hedge reserve as of December 31 (net of tax)	**5**	**39**	**—**	**—**	**—**	**44**	**—**
Hedge ineffectiveness recognized in profit or loss	(14)	(0)	—	—	—	**(14)**	—

Reserve for unrealized exchange gains/losses for net investment hedge[1]

In EUR mn

	Foreign currency risk	
	2020	2019
Reserve as of January 1 (net of tax)	**—**	**—**
Valuation of the USD loans	10	—
Tax effects	(2)	—
Reserve as of December 31 (net of tax)	**7**	**—**

[1] 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**	
			2020			
Nominal Value	541	218	176	311	113	**1,358**
Below one year	415	196	—	311	—	**921**
More than one year	126	22	176	—	113	**437**
Fair value – assets	52	5	n.a.	14	0	**71**
Fair value – liabilities	60	33	n.a.	1	4	**98**
			2019			
Nominal Value	66	7,036	—	—	—	**7,102**
Below one year	41	5,415	—	—	—	**5,455**
More than one year	25	1,621	—	—	—	**1,647**
Fair value – assets	6	279	—	—	—	**284**
Fair value – liabilities	0	237	—	—	—	**237**

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
Upstream	**(6)**	**5**	**(2)**	**2**
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)
Downstream	**(12)**	**11**	**(54)**	**54**

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)	—	—
Downstream	**(10)**	**10**	**(80)**	**80**

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[1]

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

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

Sensitivity analysis for financial instruments affecting other comprehensive income[1]

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	—	—

[1] 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[1] and net amount of assets and liabilities held for sale at fair value

In EUR mn

	Carrying amount			Fair value level			
	At amortized cost	At fair value	**Total**	Level 1	Level 2	Level 3	**Total**
			2020				
Trade receivables	3,245	71	**3,316**	—	71	—	**71**
Investments in other companies	—	15	**15**	—	—	15	**15**
Investment funds	—	35	**35**	35	—	—	**35**
Bonds	64	—	**64**	—	—	—	**—**
Derivatives designated and effective as hedging instruments	—	71	**71**	—	71	—	**71**
Other derivatives	—	2,502	**2,502**	69	2,433	—	**2,502**
Loans	1,720	—	**1,720**	—	—	—	**—**
Other sundry financial assets[2]	1,313	744	**2,058**	—	—	744	**744**
Net amount of assets and liabilities associated with assets held for sale	n.a.	98	**98**	—	98	—	**98**
Total	**6,343**	**3,536**	**9,878**	**104**	**2,672**	**759**	**3,536**
			2019				
Trade receivables	2,911	131	**3,042**	—	131	—	**131**
Investments in other companies	—	24	**24**	—	—	24	**24**
Bonds	78	—	**78**	—	—	—	**—**
Derivatives designated and effective as hedging instruments	—	284	**284**	—	284	—	**284**
Other derivatives	—	2,391	**2,391**	241	2,150	—	**2,391**
Loans	855	—	**855**	—	—	—	**—**
Other sundry financial assets[2]	1,182	721	**1,903**	—	—	721	**721**
Net amount of assets and liabilities associated with assets held for sale	n.a.	8	**8**	—	8	—	**8**
Total	**5,026**	**3,559**	**8,585**	**241**	**2,573**	**745**	**3,559**

[1] Excluding assets held for sale

[2] 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[1]

In EUR mn

	Carrying amount			Fair value level			
	At amortized cost	At fair value	Total	Level 1	Level 2	Level 3	Total
			2020				
Trade payables	4,304	—	**4,304**	—	—	—	**—**
Bonds	8,869	—	**8,869**	—	—	—	**—**
Lease liabilities	1,084	—	**1,084**	—	—	—	**—**
Other interest bearing debt	1,983	—	**1,983**	—	—	—	**—**
Liabilities on derivatives designated and effective as hedging instruments	—	98	**98**	—	98	—	**98**
Liabilities on other derivatives	—	2,418	**2,418**	70	2,349	—	**2,418**
Other sundry financial liabilities	1,033	—	**1,033**	—	—	—	**—**
Total	**17,272**	**2,516**	**19,788**	**70**	**2,446**	**—**	**2,516**
			2019				
Trade payables	4,155	—	**4,155**	—	—	—	**—**
Bonds	5,802	—	**5,802**	—	—	—	**—**
Lease liabilities	1,053	—	**1,053**	—	—	—	**—**
Other interest bearing debt	769	—	**769**	—	—	—	**—**
Liabilities on derivatives designated and effective as hedging instruments	—	237	**237**	—	237	—	**237**
Liabilities on other derivatives	—	2,241	**2,241**	266	1,976	—	**2,241**
Other sundry financial liabilities	642	—	**642**	—	—	—	**—**
Total	**12,420**	**2,478**	**14,898**	**266**	**2,213**	**—**	**2,478**

[1] Excluding liabilities associated with assets held for sale

Financial assets and liabilities for which fair values are disclosed[1]

In EUR mn

	Fair Value	Fair value level		
		Level 1	Level 2	Level 3
		2020		
Bonds	64	—	64	—
Financial assets	**64**	**—**	**64**	**—**
Bonds	9,652	9,352	300	—
Other interest bearing debt	2,002	—	2,002	—
Financial liabilities	**11,654**	**9,352**	**2,302**	**—**
		2019		
Bonds	77	5	72	—
Financial assets	**77**	**5**	**72**	**—**
Bonds	6,317	6,317	—	—
Other interest bearing debt	792	—	792	—
Financial liabilities	**7,109**	**6,317**	**792**	**—**

[1] 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**
				2020		
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**
Total		**7,955**	**(9)**	**7,947**	**(3,424)**	**4,522**
				2019		
Derivative financial instruments	18	2,676	—	**2,676**	(2,264)	**412**
Trade receivables	18	3,056	(14)	**3,042**	(1,204)	**1,838**
Other sundry financial assets	18	1,903	—	**1,903**	(44)	**1,858**
Total		**7,634**	**(14)**	**7,620**	**(3,512)**	**4,108**

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**
				2020		
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**
Total		**7,861**	**(9)**	**7,853**	**(3,424)**	**4,428**
				2019		
Derivative financial instruments	24	2,478	—	**2,478**	(2,288)	**190**
Trade payables	24	4,168	(14)	**4,155**	(1,204)	**2,951**
Other sundry financial liabilities	24	642	—	**642**	(20)	**622**
Total		**7,288**	**(14)**	**7,274**	**(3,512)**	**3,762**

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
			2020		
Fair value changes of financial assets, derivatives and trading inventories	**36**	36	—	—	—
Net impairment losses on financial assets	**(10)**	—	—	(10)	—
Result on financial instruments within operating result	**25**	**36**	**—**	**(10)**	**—**
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)
Result on financial instruments within financial result	**(183)**	**(85)**	**19**	**161**	**(175)**
			2019		
Fair value changes of financial assets and derivatives	**241**	241	—	—	—
Net impairment losses on financial assets	**(33)**	—	—	(33)	—
Result on financial instruments within operating result	**208**	**241**	**—**	**(33)**	**—**
	—	—	—	—	—
Dividend income	**5**	—	5	—	—
Interest income	**169**	—	—	152	—
Interest expense	**(304)**	—	—	—	(170)
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)
Result on financial instruments within financial result	**(141)**	**(3)**	**5**	**151**	**(177)**

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
Shareholding requirement				
Executive Board Chairman	200% of annual gross base salary	200% of annual gross base salary	200% of annual gross base salary	200% of 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
Expected shares as of December 31, 2020	**97,501**	**201,604**	**199,678**	**—**
Maximum shares as of December 31, 2020	**463,562**	**412,340**	**321,099**	**—**
Fair value of plan (in EUR mn) as of December 31, 2020[1]	**3**	**7**	**7**	**—**
Provision (in EUR mn) as of December 31, 2020[1]	**1**	**3**	**5**	**—**
Estimated tax payments related to equity settled transactions (in EUR mn)[2]	**1**	**1**	**1**	**—**

[1] Excluding incidental wage costs

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

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[1]

	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Active Executive Board members				
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[2]	12,527	10,730	—	—
Skvortsova[3]	—	—	—	—
Former Executive Board members				
Leitner	15,244	44,211	65,245	59,335
Total — Executive Board	**207,255**	**216,298**	**178,047**	**135,438**
Other senior managers	326,030	368,268	299,997	256,202
Total personal investment	**533,285**	**584,566**	**478,044**	**391,640**

[1] 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.
[2] 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.
[3] 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[1]

In EUR mn

	2020	2019
Cash settled	(7)	21
Equity settled	2	4
Total expenses arising from share based payment transactions	**(5)**	**25**

[1] Excluding incidental wage costs

Other Information

33 Average number of employees

Average number of employees[1]

	2020	2019
OMV Group excluding OMV Petrom Group and Borealis Group	7,471	7,407
OMV Petrom Group	11,790	12,720
Borealis Group[2]	1,813	—
OMV Group	**21,074**	**20,127**

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

[2] 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 Wirtschafts-prüfungsgesell-schaft m.b.H	Group auditor	thereof Ernst&Young Wirtschafts-prüfungsgesell-schaft m.b.H
Audit of Group accounts and year-end audit	3.57	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
Total	**5.70**	**2.20**	**4.24**	**1.84**

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. [1]	93	13	196	20
PEGAS CEGH Gas Exchange Services GmbH	1	0	1	0
Trans Austria Gasleitung GmbH[2]	10	1	10	1
Total	**1,116**	**78**	**1,567**	**84**

[1] 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)

[2] 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. [1]	1	—	2	0
OJSC Severneftegazprom	133	12	179	20
PetroPort Holding AB	1	0	—	—
Trans Austria Gasleitung GmbH[2]	23	2	22	1
Total	**338**	**106**	**348**	**63**

[1] 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).

[2] 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.[1]	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[2]	16	14
Dividend distributed from equity-accounted investments	**191**	**384**

[1] 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).
[2] 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	—
Loans receivables	**753**	**—**
Kilpilahti Power Plant LTD	13	—
Bayport Polymers LLC	3	—
Advance payments	**16**	**—**
Abu Dhabi Oil Refining Company	—	34
Freya Bunde-Etzel GmbH & Co. KG	7	7
Other receivables	**7**	**41**
Abu Dhabi Polymers Company Limited (Borouge)	1	—
Bayport Polymers LLC	7	—
Contract assets	**7**	**—**
Trans Austria Gasleitung GmbH	0	1
Bayport Polymers LLC	143	—
Other payables	**143**	**1**
Contract liabilities Erdöl-Lagergesellschaft m.b.H.	**144**	**170**

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-ounted 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								
	active members of the Executive Board as of December 31, 2020					former members of the Executive Board			
	Seele	Pleininger	Florey	Gangl[6]	Skvortsova[8]	Leitner[10]	Davies[11]	Roiss[12]	Total
Short term benefits	**2.27**	**1.34**	**1.30**	**0.79**	**0.50**	**1.12**	**—**	**—**	**7.33**
Fixed (base salary)	1.10	0.75	0.70	0.58	0.31	—	—	—	**3.44**
Fixed (functional allowance)	0.33[3]	—	—	—	—	—	—	—	**0.33**
Variable (cash bonus)[1]	0.83	0.58	0.56	0.20	—	1.12	—	—	**3.29**
Benefits in kind	0.01	0.01	0.05[4]	0.01	0.19[9]	—	—	—	**0.27**
Post employment benefits	**0.28**	**0.19**	**0.18**	**0.14**	**0.08**	**—**	**—**	**—**	**0.86**
Pension fund contributions	0.28	0.19	0.18	0.14	0.08	—	—	—	**0.86**
Shared based benefits	**0.90**	**0.52**	**0.53**	**0.10**	**—**	**0.82**	**0.06**	**0.27**	**3.20**
Variable (Equity Deferral 2019)	0.41	0.29	0.28	0.10	—	0.28	—	—	**1.35**
Variable (LTIP 2017)[2]	0.49	0.24	0.25[5]	—[7]	—	0.55	0.06	0.27	**1.85**
Remuneration received by the Executive Board	**3.45**	**2.05**	**2.01**	**1.03**	**0.58**	**1.94**	**0.06**	**0.27**	**11.39**

[1] 50% of the cash payments due in 2020 under the Annual Bonus 2019 for the active Executive Board members were postponed to January 2021.
[2] 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.
[3] Rainer Seele received a payment for the interim responsibility for "Marketing and Trading" until February 28, 2020.
[4] Including schooling costs and related taxes
[5] Including 50% of LTIP 2017 cash payments and additional value of transferred shares to fulfill the shareholding requirement
[6] Thomas Gangl joined the Executive Board effectively July 1, 2019.
[7] Thomas Gangl received a cash payment in the amount of EUR 0.06 mn based on the Senior Manager LTIP 2017 .
[8] Elena Skvortsova joined the Executive Board effectively June 15, 2020.
[9] Including moving and rental costs and related taxes
[10] Manfred Leitner resigned from the Executive Board effectively June 30, 2019.
[11] David C. Davies resigned from the Executive Board effectively July 31, 2016.
[12] Gerhard Roiss resigned from the Executive Board effectively June 30, 2015.

Remuneration received by the Executive Board

In EUR mn

	2019								
	active members of the Executive Board as of December 31, 2019				former members of the Executive Board				
	Seele	Pleininger	Florey	Gangl[5]	Leitner[6]	Davies[7]	Huijskes[8]	Roiss[9]	Total
Short term benefits	**3.36**	**1.64**	**1.59**	**0.29**	**1.55**	**—**	**—**	**—**	**8.43**
Fixed (base salary)	1.10	0.75	0.70	0.29	0.70	—	—	—	**3.54**
Fixed (functional allowance)	1.00[2]	—	—	—	—	—	—	—	**1.00**
Variable (cash bonus)[1]	1.25	0.87	0.84	—	0.84	—	—	—	**3.80**
Benefits in kind	0.01	0.01	0.04[3]	0.01	0.01	—	—	—	**0.09**
Post employment benefits	**0.28**	**0.19**	**0.18**	**0.07**	**0.18**	**—**	**—**	**—**	**0.88**
Pension fund contributions	0.28	0.19	0.18	0.07	0.18	—	—	—	**0.88**
Termination benefits	**—**	**—**	**—**	**—**	**0.22[4]**	**—**	**—**	**—**	**0.22**
Shared based benefits	**3.60**	**1.75**	**1.16**	**—**	**2.08**	**0.25**	**0.42**	**3.13**	**12.39**
Variable (Equity Deferral 2018)	0.70	0.49	0.47	—	0.47	—	—	—	**2.13**
Variable (LTIP 2016)	2.90	1.26	0.69	—	1.61	0.25	0.42	3.13	**10.26**
Remuneration received by the Executive Board	**7.23**	**3.58**	**2.93**	**0.37**	**4.03**	**0.25**	**0.42**	**3.13**	**21.92**

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

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

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
Remuneration received by top executives (excl. Executive Board)[1]	**24.2**	**34.0**

[1] 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[1]	Effective date
Upstream			
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
Downstream			
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[2]	October 29, 2020

[1] "First consolidation" refers to newly formed or existing subsidiaries, while "First consolidation (A)" indicates the acquisition of a company. Companies marked with "Deconsolidation (I)" have been deconsolidated due to immateriality, while those marked with "Deconsolidation (L)" were deconsolidated following a liquidation process.

[2] 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
January 1	**111**	**19**	**99**	**17**
Included for the first time	44[1]	5	15	3
Change in consolidation type	—	(1)[1]	—	—
Deconsolidated during the year	(4)	—	(3)	(1)
December 31	**151**	**23**	**111**	**19**
thereof domiciled and operating abroad	105	16	68	11
thereof domiciled in Austria and operating abroad	19	—	20	—

[1] 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 consoli-dation[1]	Equity interest in % as of December 31, 2020	Equity interest in % as of December 31, 2019
Upstream				
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[2]	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 Jardan 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[3]	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 consoli-dation[1]	Equity interest in % as of December 31, 2020	Equity interest in % as of December 31, 2019
OMV Oil and Gas Exploration GmbH, Vienna[3]	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)[4]	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[3]	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)[5]	OPLNZ	C	100.00	100.00
TASBULAT OIL CORPORATION LLP, Aktau	PETROM	C	100.00	100.00
Downstream				
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%

	Parent company	Type of consoli-dation[1]	Equity interest in % as of December 31, 2020	Equity interest in % as of December 31, 2019
Abu Dhabi Polymers Company Limited (Borouge), Abu Dhabi[6]	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)[6]	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[6]	BCHIFR	NAE	34.00	
Bayport Polymers LLC, Pasadena[6, 7]	BNOVUS	AE2	50.00	
Borealis AB, Stenungsund (BABSWE)[6]	BSVSWE	C	100.00	
Borealis AG, Vienna (BORAAG)[3]	BHOLAT		39.00	
	OMVRM	C	32.67	32.67
	OMV AG		3.33	3.33
Borealis Agrolinz Melamine Deutschland GmbH, Wittenberg[6]	BAGMAT	C	100.00	
Borealis Agrolinz Melamine GmbH, Linz (BAGMAT)[6]	BORAAG	C	100.00	
Borealis Antwerpen N.V., Zwijndrecht[6]	BPOBE	C	90.00	
	BORAAG		10.00	
Borealis Argentina SRL, Buenos Aires[6]	BORAAG	NC	98.00	
	BSVSWE		2.00	
Borealis Asia Ltd, Hong Kong[6]	BORAAG	NC	100.00	
Borealis BoNo Holdings LLC, Port Murray (BBNHUS)[6, 7]	BUS	C	100.00	
Borealis Brasil S.A., Itatiba[6]	BORAAG	C	80.00	
Borealis Chemicals ZA (PTY) LTD, Germiston[6]	BORAAG	NC	100.00	
Borealis Chile SpA, Santiago de Chile[6]	BORAAG	NC	100.00	
Borealis Chimie S.A.R.L., Casablanca[6]	BORAAG	NC	100.00	
Borealis Chimie S.A.S., Courbevoie (BCHIFR)[6]	BFR	C	100.00	
Borealis Colombia S.A.S., Bogota[6]	BORAAG	NC	100.00	
Borealis Compounds Inc., Port Murray (BCOMUS)[6]	BUS	C	100.00	
Borealis Denmark ApS, Copenhagen[6]	BORAAG	NC	100.00	
Borealis Digital Studios BV, Zaventem[6]	BORAAG	NC	90.00	
	BPOBE		10.00	
Borealis Financial Services N.V., Mechelen[6]	BORAAG	C	100.00	
	BSVSWE		0.00	
Borealis France S.A.S., Courbevoie (BFR)[6]	BORAAG	C	100.00	
Borealis Group Services AS, Bamble[6]	BABSWE	C	100.00	
Borealis Insurance A/S, Copenhagen[6]	BORAAG	C	100.00	
Borealis Italia S.p.A., Monza[6]	BORAAG	C	100.00	
Borealis Kallo N.V., Kallo[6]	BPOBE	C	99.94	
	BORAAG		0.06	
Borealis L.A.T Belgium B.V., Beringen[6]	BLATAT	NC	100.00	
Borealis L.A.T Bulgaria EOOD, Sofia[6]	BLATAT	NC	100.00	
Borealis L.A.T Czech Republic spol. s.r.o., Ceske Budejovice[6]	BLATAT	NC	100.00	
Borealis L.A.T d.o.o. Beograd, Belgrad[6]	BLATAT	C	100.00	
Borealis L.A.T France S.A.S., Courbevoie[6]	BFR	C	100.00	
Borealis L.A.T GmbH, Linz (BLATAT)[6]	BORAAG	C	100.00	
Borealis L.A.T Greece Single Member P.C., Athens[6]	BLATAT	NC	100.00	
Borealis L.A.T Hrvatska d.o.o., Klisa[6]	BLATAT	NC	100.00	
Borealis L.A.T Hungary Kft., Budapest[6]	BLATAT	NC	100.00	
Borealis L.A.T Italia s.r.l., Milan[6]	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 consoli-dation[1]	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[6]	BLATAT	NC	100.00	
Borealis L.A.T Romania s.r.l., Bucharest[6]	BLATAT	NC	100.00	
Borealis L.A.T Slovakia s.r.o., Chotin[6]	BLATAT	NC	100.00	
Borealis México S.A. de C.V., Mexico City[6]	BORAAG	NC	100.00	
	BCOMUS		0.00	
Borealis Plasticos S.A. de C.V., Mexico City[6]	BORAAG	NC	100.00	
	BABSWE		0.00	
Borealis Plastik ve Kimyasal Maddeler Ticaret Limited Sirketi, Istanbul[6]	BORAAG	NC	100.00	
Borealis Plastomers B.V., Geleen[6]	BORAAG	C	100.00	
Borealis Poliolefinas da América do Sul Ltda, Itatiba[6]	BORAAG	NC	99.99	
	BSVSWE		0.01	
Borealis Polska Sp. Z.o.o., Warsaw[6]	BORAAG	NC	100.00	
Borealis Polymere GmbH, Burghausen[6]	BORAAG	C	100.00	
Borealis Polymers N.V., Beringen (BPOBE)[6]	BORAAG	C	100.00	
	BSVSWE		0.00	
Borealis Polymers Oy, Porvoo[6]	BORAAG	C	100.00	
Borealis Polyolefine GmbH, Schwechat[6]	BORAAG	C	100.00	
	BSVSWE		0.00	
Borealis Produits et Engrais Chimiques du Rhin S.A.S., Ottmarsheim[6]	BFR	C	100.00	
Borealis Química España S.A., Barcelona[6]	BORAAG	C	100.00	
Borealis RUS LLC, Moscow[6]	BORAAG	NC	100.00	
Borealis s.r.o., Prague[6]	BORAAG	NC	100.00	
Borealis Services S.A.S., Courbevoie[6]	BFR	NC	100.00	
Borealis Sverige AB, Stenungsund (BSVSWE)[6]	BORAAG	C	100.00	
Borealis Technology Oy, Porvoo[6]	BORAAG	C	100.00	
Borealis UK Ltd, Manchester[6]	BORAAG	C	100.00	
Borealis US Holdings LLC, Port Murray[6]	BCOMUS	C	100.00	
Borealis USA Inc., Port Murray (BUS)[6]	BORAAG	C	100.00	
Borouge Pte. Ltd., Singapore[6]	BORAAG	AE2	50.00	
BSP Bratislava-Schwechat Pipeline GmbH, Vienna	OMVRM	NAE	26.00	26.00
BTF Industriepark Schwechat GmbH, Vienna[3, 6]	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[6]	BAGMAT	NAE	47.50	
Deutsche Transalpine Oelleitung GmbH, Munich	OMVD	AE	32.26	32.26
DUNATÀR Köolajtermék Tároló és Kereskedelmi Kft., Budapest	OHUN	C	48.28	48.28
	PDYNHU		51.72	51.72
DYM Solution Co., Ltd, Cheonan[6]	BORAAG	C	90.52	
Ecoplast Kunststoffrecycling GmbH, Wildon[6]	BORAAG	C	100.00	
EEX CEGH Gas Exchange Services GmbH, Vienna[5]	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[6]	OMVD	NAE	15.46	15.46
	BORAAG		8.20	
EPS Ethylen-Pipeline-Süd GmbH & Co KG, Munich[6]	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[6]	BABSWE	C	80.00	
FEBORAN EOOD, Sofia[6]	BORAAG	C	100.00	

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FE-Trading trgovina d.o.o., Ljubljana[6]	SLOVJA	C	100.00	
	FETRAT			100.00
Franciade Agrifluides S.A.S. (FASA), Blois[8]	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[6]	BABSWE	NC	100.00	
	BSVSWE		0.00	
Kilpilahti Power Plant LTD, Porvoo[6]	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[6]	BORAAG	C	100.00	
mtm plastics GmbH, Niedergebra[6]	BORAAG	C	100.00	
Neochim AD, Dimitrovgrad[6]	BFEBGR	AE	20.30	
Novealis Holdings LLC, Port Murray (BNOVUS)[6]	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[8]	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)[5]	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)[5]	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 Iletim A.S., Istanbul	OMVRM	C	100.00	
	OGI			100.00

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OMV Hungária Ásványolaj Korlátolt Felelösségü Társaság, Budapest (OHUN)	OMVRM	C	100.00	100.00
OMV Kraftwerk Haiming GmbH in Liqu., Haiming[5]	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[6]	BABSWE	AE2	50.00	
Rosier France S.A.S., Beaumetz-Les-Loges[6]	BROSBE	C	100.00	
Rosier Nederland B.V., Sas Van Gent[6]	BROSBE	C	100.00	
Rosier S.A., Moustier (BROSBE)[6]	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[6]	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[6]	BCHIFR	NAE	39.97	
	BAGRFR		9.93	
Société d'Intérêt Collectif Agricole par Actions Semplifiée de Gouaix (SICA de Gouaix), Paris[6]	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)[6, 7]	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[9]	OGG	AE2	15.53	15.53
Corporate and Other				
ASOCIATIA ROMANA PENTRU RELATIA CU INVESTITORII, Bucharest	PETROM	NAE	20.00	20.00
Diramic Insurance Limited, Gibraltar	OMV AG	C	100.00	100.00

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OMV Clearing und Treasury GmbH, Vienna	SNO	C	100.00	100.00
OMV Finance Services GmbH, Vienna (OFS)	SNO	C	100.00	100.00
OMV Finance Services NOK GmbH, Vienna	SNO	C	100.00	100.00
OMV Finance Solutions USD GmbH, Vienna	SNO	C	100.00	100.00
OMV Insurance Broker GmbH, Vienna	OMV AG	NC	100.00	100.00
OMV International Oil & Gas GmbH, Baar	OMV AG	C	100.00	100.00
OMV Petrom Global Solutions SRL, Bucharest	SNO	C	75.00	75.00
	PETROM		25.00	25.00
OMV Solutions GmbH, Vienna (SNO)	OMV AG	C	100.00	100.00
PETROMED SOLUTIONS SRL, Bucharest	PETROM	C	99.99	99.99
Petrom				
OMV PETROM SA, Bucharest (PETROM)[10]	OMV AG	C	51.01	51.01

[1] 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
[2] Economic share 99.99%
[3] Type of consolidation was changed compared to 2019.
[4] In liquidation
[5] Company name changed compared to 2019.
[6] Part of the acquisition of additional shares in Borealis AG
[7] Incorporated in Willmington
[8] 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.
[9] Economic share 10.78%
[10] 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/lossesand equity of such companies represent less than1% of the Group totals.

Material joint operations (IFRS 11)

Name	Nature of activities	Principal place of business	**% ownership 2020**	% ownership 2019
Nafoora – Augila[1]	Onshore development of hydrocarbons	Libya	100	100
Concession 103[1]	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

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

Other significant arrangements

Name	Nature of activities	Principal place of business	% ownership 2020	% ownership 2019
NC 115[1]	Onshore development and production of hydrocarbons	Libya	30	30
NC 186[1]	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

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

Oil and Gas Reserve Estimation and Disclosures (unaudited)

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

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

The regional structure is presented below[1]:

Romania and Black Sea	Bulgaria, Kazakhstan and Romania
Austria	Austria
Russia	Russia
North Sea	Norway
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[2]

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

Acquisitions

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. Futher, 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
Total	**29,449**	**30,041**	**27,097**
Accumulated depreciation	(17,117)	(15,484)	(13,961)
Net capitalized costs	**12,333**	**14,557**	**13,136**

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
Total	**501**	**489**	**451**
Accumulated depreciation	(76)	(67)	(35)
Net capitalized costs	**424**	**421**	**417**

b) Costs incurred

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

Costs incurred

In EUR mn

	Romania and Black Sea	Austria	Russia	North Sea	Middle East and Africa	New Zealand and Australia	Malaysia	Total
				2020				
Subsidiaries								
Acquisition of proved properties	—	—	—	—	—	—	—	**—**
Acquisition of unproved properties	—	—	—	—	—	—	—	**—**
Exploration costs	51	25	—	55	17	46	32	**227**
Development costs	330	20	—	187	163	60	19	**778**
Costs incurred	**380**	**45**	**—**	**242**	**180**	**106**	**51**	**1,005**
Equity-accounted investments	**—**	**—**	**55**	**—**	**7**	**—**	**—**	**62**
				2019				
Subsidiaries								
Acquisition of proved properties	—	—	—	1	—	1	604	**605**
Acquisition of unproved properties	—	—	—	—	12	—	683	**695**
Exploration costs	93	53	—	121	32	40	20	**360**
Development costs	411	58	—	174	222	65	90	**1,021**
Costs incurred	**504**	**112**	**—**	**296**	**266**	**105**	**1,398**	**2,681**
Equity-accounted investments	**—**	**—**	**30**	**—**	**15**	**—**	**—**	**45**
				2018				
Subsidiaries								
Acquisition of proved properties	—	—	—	—	1,014	788	—	**1,801**
Acquisition of unproved properties	—	—	—	—	321	386	—	**707**
Exploration costs	118	61	—	99	12	9	—	**300**
Development costs	412	59	—	210	196	10	—	**887**
Costs incurred	**531**	**120**	**—**	**309**	**1,542**	**1,193**	**—**	**3,695**
Equity-accounted investments	**—**	**—**	**9**	**—**	**12**	**—**	**—**	**21**

c) Results of operations of oil and gas producing activities

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

Results of operations of oil and gas producing activities

In EUR mn

	Romania and Black Sea	Austria	Russia	North Sea	Middle East and Africa	New Zealand and Australia	Malaysia	**Total**
				2020				
Subsidiaries								
Sales to unaffiliated parties [1]	57	(25)	389	569	102	228	209	**1,529**
Intercompany sales	1,203	186	—	269	365	102	—	**2,125**
	1,260	**161**	**389**	**838**	**467**	**330**	**209**	**3,654**
Production costs	(472)	(77)	—	(144)	(125)	(77)	(24)	**(920)**
Royalties	(180)	(40)	—	—	(67)	(34)	(4)	**(325)**
Exploration expenses[2]	(179)	(96)	—	(56)	(298)	(201)	(67)	**(896)**
Depreciation, amortization, impairments and write-ups	(538)	(223)	(74)	(309)	(226)	(384)	(126)	**(1,880)**
Other costs[3]	(63)	(16)	(343)	(135)	(14)	(23)	(26)	**(619)**
	(1,432)	**(452)**	**(417)**	**(644)**	**(730)**	**(719)**	**(246)**	**(4,641)**
Results before income taxes	**(172)**	**(291)**	**(28)**	**194**	**(263)**	**(389)**	**(38)**	**(987)**
Income taxes [4]	25	107	5	(122)	118	107	(16)	**224**
Results from oil and gas production	**(148)**	**(184)**	**(23)**	**72**	**(145)**	**(282)**	**(53)**	**(763)**
Results of equity-accounted investments	**—**	**—**	**15**	**—**	**16**	**—**	**—**	**31**
				2019				
Subsidiaries								
Sales to unaffiliated parties [1]	94	19	550	891	527	335	171	**2,586**
Intercompany sales	1,909	324	—	379	822	191	—	**3,624**
	2,002	**343**	**550**	**1,270**	**1,348**	**526**	**171**	**6,210**
Production costs	(500)	(82)	—	(158)	(124)	(98)	(30)	**(991)**
Royalties	(250)	(62)	—	—	(103)	(65)	(16)	**(496)**
Exploration expenses[2]	(53)	(45)	—	(73)	(16)	(24)	(18)	**(229)**
Depreciation, amortization, impairments and write-ups	(553)	(119)	(91)	(414)	(233)	(199)	(73)	**(1,681)**
Other costs[3]	(93)	(29)	(429)	(132)	(45)	(20)	(13)	**(761)**
	(1,449)	**(336)**	**(520)**	**(777)**	**(520)**	**(407)**	**(149)**	**(4,159)**
Results before income taxes	**553**	**7**	**30**	**493**	**828**	**119**	**21**	**2,051**
Income taxes [4]	(88)	1	(5)	(402)	(675)	(25)	(28)	**(1,222)**
Results from oil and gas production	**465**	**8**	**24**	**91**	**153**	**94**	**(7)**	**829**
Results of equity-accounted investments	**—**	**—**	**34**	**—**	**11**	**—**	**—**	**45**

Results of operations of oil and gas producing activities

In EUR mn

				2018				
Subsidiaries								
Sales to unaffiliated parties [1]	105	(194)	605	1,051	520	84	—	**2,172**
Intercompany sales	1,981	418	—	394	427	132	—	**3,351**
	2,086	**224**	**605**	**1,445**	**947**	**216**	**—**	**5,523**
Production costs	(509)	(86)	—	(156)	(72)	(50)	—	**(872)**
Royalties	(267)	(79)	—	—	(21)	(25)	—	**(392)**
Exploration expenses[2]	(58)	(33)	—	(50)	(26)	(8)	—	**(175)**
Depreciation, amortization, impairments and write-ups	(420)	(114)	(90)	(409)	(129)	(64)	—	**(1,226)**
Other costs[3]	(51)	(21)	(406)	(102)	(7)	(10)	—	**(598)**
	(1,304)	**(333)**	**(496)**	**(717)**	**(255)**	**(157)**	**—**	**(3,263)**
Results before income taxes	**781**	**(109)**	**109**	**729**	**691**	**59**	**—**	**2,261**
Income taxes [4]	(138)	26	(21)	(549)	(474)	(21)	—	**(1,178)**
Results from oil and gas production	**643**	**(83)**	**89**	**179**	**217**	**37**	**—**	**1,083**
Results of equity-accounted investments	**—**	**—**	**14**	**—**	**26**	**—**	**—**	**40**

[1] Includes hedging effects; Austria Region includes hedging effects of centrally managed derivatives (2020: EUR (37) mn, 2019: EUR 2 mn, 2018: EUR (219) mn).

[2] Including impairment losses related to exploration&appraisal

[3] Includes inventory changes

[4] Income taxes in North Sea and Middle East and Africa include corporation tax and special petroleum tax.

d) Oil and gas reserve quantities

Proved reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulation before the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain. Proved 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 and Black Sea	Austria	Russia	North Sea	Middle East and Africa	New Zealand and Australia	Malaysia	**Total**
Proved developed and undeveloped reserves – Subsidiaries								
January 1, 2018	**341.4**	**38.0**	**—**	**47.6**	**126.7**	**5.0**	**—**	**558.6**
Revisions of previous estimates	9.5	3.3	—	15.8	(1.8)	1.0	—	**27.7**
Purchases	—	—	—	—	100.3	6.3	—	**106.6**
Disposal	—	—	—	—	(2.4)	—	—	**(2.4)**
Extensions and discoveries	0.3	—	—	2.2	0.8	—	—	**3.3**
Production	(26.8)	(4.3)	—	(17.1)	(15.3)	(2.1)	—	**(65.6)**
December 31, 2018	**324.4**	**37.0**	**—**	**48.4**	**208.3**	**10.2**	**—**	**628.3**
Revisions of previous estimates	20.2	2.1	—	13.3	26.7	6.0	—	**68.4**
Purchases	—	—	—	—	—	—	9.5	**9.5**
Disposal	(3.4)	—	—	—	—	—	—	**(3.4)**
Extensions and discoveries	0.1	—	—	6.0	—	—	—	**6.1**
Production	(26.1)	(4.0)	—	(16.6)	(21.8)	(4.6)	(2.1)	**(75.2)**
December 31, 2019	**315.2**	**35.2**	**—**	**51.1**	**213.2**	**11.6**	**7.4**	**633.7**
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)**
December 31, 2020	**298.8**	**34.0**	**—**	**44.5**	**270.2**	**8.0**	**5.7**	**661.2**
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 and Black Sea	Austria	Russia	North Sea	Middle East and Africa	New Zealand and Australia	Malaysia	Total
Proved developed and undeveloped reserves - Subsidiaries								
January 1, 2018	**1,214.1**	**219.1**	**—**	**375.0**	**74.3**	**58.4**	**—**	**1,941.0**
Revisions of previous estimates	77.4	8.6	—	110.3	17.3	27.1	—	**240.7**
Purchases	—	—	—	—	—	166.1	—	**166.1**
Disposals	—	—	—	—	(26.6)	—	—	**(26.6)**
Extensions and discoveries	3.5	—	—	4.9	0.3	—	—	**8.8**
Production	(170.4)	(30.9)	—	(60.9)	(9.9)	(16.0)	—	**(288.1)**
December 31, 2018 [1]	**1,124.7**	**196.8**	**—**	**429.4**	**55.5**	**235.6**	**—**	**2,041.9**
Revisions of previous estimates	58.2	10.1	—	76.0	9.6	145.4	—	**299.3**
Purchases	—	—	—	—	—	—	351.2	**351.2**
Disposals	(6.3)	—	—	—	—	—	—	**(6.3)**
Extensions and discoveries	2.2	—	—	7.4	—	—	—	**9.5**
Production	(158.0)	(29.2)	—	(90.0)	(3.2)	(65.2)	(15.5)	**(360.9)**
December 31, 2019 [1]	**1,020.7**	**177.8**	**—**	**422.8**	**61.9**	**315.8**	**335.7**	**2,334.7**
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)**
December 31, 2020 [1]	**940.7**	**155.3**	**—**	**383.6**	**82.4**	**195.3**	**376.3**	**2,133.6**
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**

[1] 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							
	Romania and Black Sea	Austria	Russia	North Sea	Middle East and Africa	New Zealand and Australia	Malaysia	**Total**
	2020							
Subsidiaries								
Future cash inflows	12,167	1,513	2,497	2,628	9,914	928	959	**30,607**
Future production and decommissioning costs	(7,748)	(1,159)	(2,276)	(1,857)	(3,907)	(1,257)	(450)	**(18,654)**
Future development costs	(1,632)	(297)	—	(373)	(698)	(226)	(24)	**(3,249)**
Future net cash flows, before income taxes	**2,787**	**58**	**220**	**399**	**5,308**	**(554)**	**486**	**8,704**
Future income taxes	(69)	—	(60)	(1)	(2,954)	199	(104)	**(2,990)**
Future net cash flows, before discount	**2,718**	**58**	**160**	**397**	**2,354**	**(355)**	**382**	**5,714**
10% annual discount for estimated timing of cash flows	(1,038)	(5)	1	(40)	(696)	153	(103)	**(1,727)**
Standardized measure of discounted future net cash flows	**1,680**	**53**	**161**	**357**	**1,659**	**(202)**	**279**	**3,987**
Equity-accounted investments	**—**	**—**	**100**	**—**	**233**	**—**	**—**	**333**
	2019							
Subsidiaries								
Future cash inflows	19,932	2,554	3,402	4,432	12,597	1,972	1,246	**46,135**
Future production and decommissioning costs	(9,156)	(1,704)	(2,779)	(2,196)	(3,398)	(1,785)	(461)	**(21,480)**
Future development costs	(2,081)	(370)	—	(527)	(563)	(325)	(36)	**(3,901)**
Future net cash flows, before income taxes	**8,696**	**479**	**622**	**1,709**	**8,637**	**(138)**	**749**	**20,754**
Future income taxes	(819)	(21)	(125)	(959)	(5,188)	101	(178)	**(7,191)**
Future net cash flows, before discount	**7,877**	**458**	**497**	**750**	**3,448**	**(37)**	**570**	**13,563**
10% annual discount for estimated timing of cash flows	(3,918)	(47)	(117)	(286)	(1,025)	184	(126)	**(5,334)**
Standardized measure of discounted future net cash flows	**3,960**	**411**	**381**	**464**	**2,424**	**147**	**444**	**8,230**
Equity-accounted investments	**—**	**—**	**101**	**—**	**136**	**—**	**—**	**238**

Standardized measure of discounted future net cash flows

In EUR mn

	Subsidiaries and equity-accounted investments							
	Romania and Black Sea	Austria	Russia	North Sea	Middle East and Africa	New Zealand and Australia	Malaysia	**Total**
	2018							
Subsidiaries								
Future cash inflows	20,818	3,436	3,673	5,477	12,932	1,843	—	**48,179**
Future production and decommissioning costs	(9,738)	(1,933)	(2,902)	(1,982)	(3,154)	(1,734)	—	**(21,443)**
Future development costs	(1,921)	(401)	—	(166)	(613)	(69)	—	**(3,171)**
Future net cash flows, before income taxes	**9,158**	**1,102**	**771**	**3,329**	**9,164**	**40**	**—**	**23,564**
Future income taxes	(846)	(92)	(155)	(2,117)	(5,422)	61	—	**(8,571)**
Future net cash flows, before discount	**8,312**	**1,010**	**616**	**1,212**	**3,742**	**101**	**—**	**14,993**
10% annual discount for estimated timing of cash flows	(4,036)	(413)	(140)	(120)	(1,145)	166	—	**(5,689)**
Standardized measure of discounted future net cash flows	**4,275**	**597**	**476**	**1,092**	**2,597**	**267**	**—**	**9,304**
Equity-accounted investments	**—**	**—**	**166**	**—**	**152**	**—**	**—**	**318**

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
Subsidiaries			
Beginning of year	**8,230**	**9,304**	**6,300**
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[1]	(232)	108	(168)
End of year	**3,987**	**8,230**	**9,304**
Equity-accounted investments	**333**	**238**	**318**

[1] 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