20,000 reasons why we're excited about tomorrow.

Annual Report 2019 of OMV Aktiengesellschaft

The energy for a better life. OMV

Contents

Dear Shareholders,

It is with great satisfaction that I can look back on an extraordinarily successful 2019.

OMV has achieved considerable progress in implementing its Strategy 2025. I wish to choose just two examples, from the large number of activities, that represent key milestones on the path towards growth, further internationalization, integration of business models, and portfolio diversification. With the acquisition of an interest in ADNOC Refining, completed in 2019, OMV not only significantly increased its refinery capacity, but also established a fully integrated business model in Abu Dhabi. Furthermore, a global trading joint venture co-founded by OMV will cover the growing demand in the Middle East, Africa, and above all Asia from Abu Dhabi. In the Upstream Business Segment OMV successfully completed the acquisition of a 50% share in newly established SapuraOMV in Malaysia and started producing gas for the Asian market, thus building a strong bridge to the world’s fastest-growing markets.

The successful operative and financial performance during the past year is the basis for the continued implementation of the strategic targets. In spite of an increasingly difficult market environment, OMV has been able to achieve its historically highest net income for the year after tax. OMV’s strong financial position is also reflected in the proposed record dividend of EUR 2.00 per share, by means of which you, dear shareholders, partake in OMV’s successes.

In the following, I would like to inform you about the Supervisory Board’s work during the 2019 financial year:

Composition of the Executive Board and Supervisory Board

A change regarding the composition of the Executive Board team occurred in the middle of last year. Manfred Leitner, who had been in charge of the Downstream Business Segment for eight years, resigned from his board position – which would otherwise have expired at the end of the year – for personal reasons with effect as of July. I wish to thank Manfred Leitner on behalf of the entire Supervisory Board. He has been instrumental in the development of the Downstream Business Segment, increased its efficiency, and led it into Europe’s premier league. Following significant growth, this business segment has now reached a size that made it necessary and strategically expedient to split it into the Refining & Petrochemical Operations and Marketing & Trading segments – because the oil and gas industry faces challenges that will have a significant impact on the refinery business. In view of these changes, it is crucial that both the production facilities and the sales and trading business receive the highest levels of attention and are led by top management personnel. With the appointment of Thomas Gangl as member of the Executive Board responsible for Refining & Petrochemical Operations as of July 2019, OMV gained not only a top-class expert in the refining and petrochemicals sector, but also a long-standing expert with profound knowledge of OMV and vital management experience on various levels of the company, which has helped to build his excellent reputation. The Supervisory Board is delighted that we were able to fill this position on the Executive Board from our own ranks, since this further confirms the excellent quality of our Company.

The Marketing & Trading segment will focus strongly on the changes in the energy market and the diverging dynamics on each continent. Until the final appointment of this newly created Executive Board function, Rainer Seele will take charge of this segment on an interim basis.

With the extension of Rainer Seele’s and Johann Pleininger’s Executive Board mandates in July respectively September 2019, the Executive Board affirmed the composition of the executive team for the coming years and thus satisfied an important prerequisite for the continuation of the Company’s success story.

» The successful operative and financial performance during the past year is the basis for the continued implementation of the strategic targets.

WOLFGANG C. BERNDT
Chairman of the Supervisory Board

The composition of the Supervisory Board was also comprehensively renewed. OMV's Annual General Meeting on May 14, 2019, elected a total of five new members – based on the proposal of ÖBAG – to the Supervisory Board: Thomas Schmid, Stefan Doboczky, Elisabeth Stadler, Christoph Swarovski, and Cathrine Trattner. The candidates were selected in compliance with legal requirements and on the basis of a large variety of criteria which, in addition to personal integrity, independence, and impartiality, included in particular professional qualifications and broad management experience. I, Wolfgang C. Berndt, was elected Chairman of the Supervisory Board at its constituent meeting held in the wake of the Annual General Meeting 2019, while Thomas Schmid was elected my first Deputy Chairperson and Alyazia Ali Al Kuwaiti my second Deputy Chairperson. There were no changes on the part of the employee representatives in 2019 compared with 2018.

Supervisory Board activities

The Supervisory Board carried out its activities during the financial year with great care and in accordance with the law, the Company's Articles of Association, and the Internal Rules. It oversaw the Executive Board's governance of OMV and advised it in decision-making processes on the basis of detailed written and verbal reports as well as constructive discussions between the Supervisory Board and the Executive Board. The Executive Board provided the Supervisory Board with regular, timely, and comprehensive reports on the Company's operations, on the general economic situation in its key markets, and the overall business environment, as well as on the opportunities and risks to OMV's business development.

The Supervisory Board's activities were particularly focused, firstly, on personnel matters relating to the Executive Board, and secondly, on the further implementation of the strategy in line with the sustainability targets. The training program for members of the Supervisory Board in 2018 was followed by another intensive training program in 2019, featuring three events for the entire Supervisory Board as well as several onboarding events, espe-cially for the new Supervisory Board members. Also, the annual self-evaluation by the Supervisory Board was performed, supported by an external advisor. The results will be the basis for activities and further trainings in 2020.

In 2018 and at the beginning of 2019, the Supervisory Board still dealt intensively with the acquisition of the 15% interest in ADNOC Refining and the related global trading joint venture, which was completed in mid-2019.

The Supervisory Board, and especially I as Chairman of the Supervisory Board, attach great importance to an intensive exchange with investors. At this year's Corporate Governance Roadshow I, together with Investor Relations, visited major institutional investors and proxy advisors in Frankfurt, Berlin, London, and Vienna to discuss the governance model, the remuneration of the Executive Board, and OMV's Sustainability Strategy.

At the end of the year, the decision to sell the Maari oil field represented a further step to optimize OMV's portfolio. Upon completion of this transaction OMV will be a pure gas producer in New Zealand. This underlines OMV's strategy to produce significantly more natural gas than oil in the future in order to reduce the carbon intensity of its product portfolio.

Activities of Supervisory Board committees

The **Presidential and Nomination Committee** placed particular focus on the preparation of the decisions regarding the appointment of Thomas Gangl and the extension of Rainer Seele's and Johann Pleininger's Executive Board mandates. In addition, it searched intensively for suitable candidates for the position of a new Executive Board member for Marketing & Trading. Furthermore, it focused on the issue of long-term Executive Board succession planning with special consideration of the diversity goals.

In 2019, the **Remuneration Committee** could build on the comprehensive evaluation of the Executive Board's remuneration system conducted in 2018. In order to meet the new requirements of the Austrian Stock Corporation Act in connection with the implementation of the amendments to the EU Shareholder Rights Directive, a remuneration policy for the Executive Board and the Supervisory Board was drawn up, which will be submitted by the Supervisory Board to the 2020 Annual General Meeting for voting for the first time. In the context of the development of the remuneration policy for the Executive Board, feedback from investors during the aforementioned Corporate Governance Roadshow was specifically considered. Thus, from 2020, the variable remuneration system also incorporates non-financial/ESG targets – concrete carbon reduction and a diversity target.

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

Meetings of the **Portfolio and Project Committee** are held regularly prior to the meetings of the Supervisory Board. The committee used its meetings in 2019 to prepare decisions regarding key investment and M&A projects on the basis of extensive information and intensive discussions. A strategy meeting with the Executive Board was held again in 2019, focusing on petrochemicals and sustainability, in particular carbon reduction and new technologies. Further details regarding the activities of the Supervisory Board and its committees can be found in the (consolidated) Corporate Governance Report.

Annual financial statements and dividends

Following a comprehensive audit and discussions with the auditor during meetings of the Audit Committee and the Supervisory Board, the Supervisory Board has approved the Directors' Report and the Consolidated Annual Report pursuant to section 96(1) of the Austrian Stock Corporation Act as well as the Annual Financial Statements and the 2019 Consolidated Annual Financial Statements pursuant to section 96(4) of the Austrian Stock Corporation Act. Both the Annual Financial Statements and the Consolidated Annual Financial Statements for 2019 received an unqualified opinion from the auditing company Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. The Supervisory Board also approved the (Consolidated) Corporate Governance Report audited by both the Supervisory Board and the Audit Committee as well as the (Consolidated) Report on Payments Made to Governments. The Supervisory Board found no issues during the audits. Following the audit, the Supervisory Board accepted the Executive Board's suggestion to jointly propose in the Annual General Meeting distributing a dividend of EUR 2.00 per share, which corresponds to an increase of EUR 0.25 over the previous year. The remaining amount of the net profit after the distribution will be carried forward to new account. The Supervisory Board will audit the separate consolidated non-financial report (Sustainability Report) individually, and this report will be published separately and after the Annual Report together with the corresponding Supervisory Board report.

Thus, the 2019 financial year was a very successful one in every respect. Regarding the overall portfolio, important positions were adopted, which will shape OMV's future lastingly. On behalf of the entire Supervisory Board, I would like to thank the Executive Board and all employees for their commitment and successful work in the 2019 financial year. I would like to give special thanks to OMV's shareholders for their continued trust as well as to all of OMV's customers and partners.

Vienna, March 11, 2020

For the Supervisory Board

Wolfgang C. Berndt m.p.

Consolidated Corporate Governance Report

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

Austrian law, the Articles of Association, the Internal Rules for the corporate bodies and the Austrian Code of Corporate Governance (ACCG) provide the core legal framework for OMV's corporate governance. OMV adheres to the ACCG issued by the Austrian Working Group for Corporate Governance. The code is publicly accessible at www.corporate-governance.at. OMV's compliance with the ACCG was last evaluated externally by independent advisors in 2018. The report on the evaluation is available at www.omv.com and confirms that OMV conformed to all of the compulsory "comply or explain" rules (the "C-rules") and also all of the recommended rules (the "R-rules"). As for C-rules 27 and 28, explanations concerning the variable remuneration plans are provided in the remuneration report as last year. The next external evaluation is scheduled to be carried out for the 2020 financial year.

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

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

Executive Board

Rainer Seele, *1960
Date of initial appointment: July 1, 2015
End of the current period of tenure: June 30, 2022
Chairman of the Executive Board, Chief Executive Officer and Chief Marketing Officer

Responsible for the overall management and coordination of the Group as well as Marketing & Trading

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

Functions in major subsidiaries of the OMV Group

Company	Function
OMV Petrom S.A.	President of the Supervisory Board
Borealis AG	Deputy Chairman of the Supervisory Board
OMV Refining & Marketing GmbH	Managing Director (since July 1, 2019)
OMV Gas & Power GmbH	Managing Director (since July 1, 2019)

Johann Pleininger, *1962

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

Chief Upstream Operations Officer

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

Member of the Supervisory Board of FK Austria Wien AG

Functions in major subsidiaries of the OMV Group

Company	Function
OMV Petrom S.A.	Member of the Supervisory Board (since August 10, 2019)
OJSC Severneftegazprom	Member of the Board of Directors
Sapura OMV Upstream Sdn. Bhd.	Deputy Chairman (since January 31, 2019)
OMV Exploration & Production GmbH	Managing Director
OMV Austria Exploration & Production GmbH	Chairman of the Supervisory Board

Reinhard Florey, *1965

Date of initial appointment: July 1, 2016
End of the current period of tenure: June 30, 2021
Chief Financial Officer

Responsible for Finance

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

Member of the Supervisory Boards of Wiener Börse AG and CEESEG Aktiengesellschaft

Functions in major subsidiaries of the OMV Group

Company	Function
OMV Petrom S.A.	Member of the Supervisory Board
OMV Petrom Global Solutions SRL	President of the Supervision Body
Central European Gas Hub AG	Deputy Chairman of the Supervisory Board (until June 12, 2019)

Thomas Gangl, *1971
Date of initial appointment: July 1, 2019
End of the current period of tenure: June 30, 2022
Executive Board member responsible
for Refining & Petrochemical Operations

Chief Downstream Operations Officer

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

Functions in major subsidiaries of the OMV Group

Company	Function
OMV Petrom S.A.	Member of the Supervisory Board (since July 1, 2019)
Borealis AG	Member of the Supervisory Board (since July 3, 2019)
OMV Refining & Marketing GmbH	Managing Director (since July 1, 2019)

Manfred Leitner, *1960
Date of initial appointment: April 1, 2011
As of June 30, 2019, Manfred Leitner resigned as Executive Board member responsible for the Business Segment Downstream.

After receiving a degree in commerce from the Vienna University of Economics and Business Administration, Manfred Leitner joined OMV in 1985. After working for two years in the Finance Department of the Exploration & Production business unit, he became Head of Finance at OMV's branch in Tripoli, Libya. Following his return to Austria, he was in charge of the Controlling Department within Exploration & Production until 1997. He then moved to the Refining & Marketing Business Segment, where he led the Planning and Controlling Department until 2002. He was Senior Vice President for Downstream Optimization & Supply from 2003 until 2011.

Functions in major subsidiaries of the OMV Group

Company	Function
OMV Petrom S.A.	Member of the Supervisory Board (until June 30, 2019)
Borealis AG	Member of the Supervisory Board (until July 3, 2019)
OMV Supply & Trading Limited	Chairman of the Supervisory Board (until June 30, 2019)
OMV Gas & Power GmbH	Managing Director (until June 30, 2019)
OMV Refining & Marketing GmbH	Managing Director (until June 30, 2019)
Central European Gas Hub AG	Chairman of the Supervisory Board (until June 12, 2019)
GAS CONNECT AUSTRIA GmbH	Chairman of the Supervisory Board (until June 30, 2019)
OMV Gas Storage GmbH	Chairman of the Supervisory Board (until March 25, 2019)
OMV Gaz İletim A.Ş.	Chairman of the Board of Directors (until June 28, 2019)
OMV Enerji Ticaret A.Ş.	Chairman of the Board of Directors (until June 28, 2019)

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

Remuneration report
The remuneration report gives an overview of the overall remuneration packages provided to Executive Board members and explains the remuneration guidelines. OMV differentiates between fixed and variable compensation elements but also between monetary and non-monetary components.

Executive Board remuneration guidelines 2019

Compensation Element	Description	Purpose & Link to Strategy	Shareholder Alignment
Base Salary	Salary levels take into account the responsibilities and performance of each member of the Executive Board, the situation of OMV, and common levels of remuneration at European Oil & Gas companies of comparable size as well as comparable Austrian companies. Compensation is set at a competitive level.	Provide a fixed level of earnings reflecting the scale and complexity of the business and the roles and responsibilities of each Executive Board member, ensuring competitiveness with the market.	Competitive compensation to attract, retain and motivate the most qualified managers in the Oil & Gas industry to lead the Company in the best interests of shareholders.
Annual Bonus (Cash Bonus and Equity Deferral)	Performance is measured based on annual criteria. The award is defined as a Target Annual Bonus in euros, in the Executive Board service contracts and is capped at 180% (150% +/– 20% Sustainability Multiplier). 2/3 of the Annual Bonus is paid in cash and 1/3 is allocated in shares (Equity Deferral) that are required to be held for three years after vesting.	Provide variable compensation based on annual financial and non-financial performance criteria that are relevant to OMV's strategy and the Oil & Gas industry. Performance is measured against financial targets and sustainability criteria, including indicators pertaining to health, safety, security and environment.	Performance criteria are closely linked to OMV's strategy, ensure pay for performance and foster an equity culture. The Equity Deferral serves – in addition to LTIP – as a long-term compensation instrument for the members of the Executive Board, promoting retention and alignment with shareholder interests at OMV. Payouts are subject to clawback provisions.
Long-Term Incentive Plan	A Performance Share Plan is employed. The number of shares that vest depends on the achievement of financial performance criteria as well as the relative Total Shareholder Return. The number of shares awarded is capped at 200% of the Target Long-Term Incentive in euros, as stated in the Executive Board service contracts. The Supervisory Board has the discretion to adjust the overall target achievement through a HSSE malus (HSSE = Health, Safety, Security, and Environment)..	Promote medium- and long-term value creation at OMV. Performance is measured against key criteria linked to OMV's strategy and shareholder return. The plan also seeks to prevent inappropriate risk-taking as well as long-term retention and ownership of Executive Board members.	Align interests of Executive Board and shareholders, ensure pay for performance and foster an equity culture by granting OMV shares subject to performance criteria focusing on financial and operational performance and increase in value compared to other European Oil & Gas companies. Details on the criteria are reported in the Annual Report. Grants are subject to malus and clawback provisions.
Benefits	Executive Board members receive a company car and are eligible for accident insurance. No additional health coverage aside from the Austrian public health system.	Provide benefits in line with common market practice to attract and retain Executive Board members.	Part of a competitive compensation package to attract and retain the most qualified Executive Board members.
Retirement Benefits	Defined contribution pension schemes are granted using a pension fund. Available capital in the pension fund determines the pension level. Retirement age is the Austrian statutory retirement age.	The rules governing defined contribution retirement benefits are systematically in line with those offered to OMV employees, ensuring that compensation packages are aligned with common market practice in Austria.	A pension fund is used to limit the risks borne by OMV. Pension benefits depend solely on the available capital in the pension fund. Annuitization into a life-long pension is in accordance with the pension fund's approved business plan.

Executive Board remuneration guidelines 2019

Compensation Element	Description	Purpose & Link to Strategy	Shareholder Alignment
Shareholding requirement	Shares equal to 200% of the Base Salary for the CEO, 175% for the Deputy CEO and 150% for other Executive Board members, which must be accumulated within five years after the respective initial appointment as Executive Board member.	Provide long-term alignment of interests by putting Executive Board members' personal assets at stake.	Align interests of Executive Board and shareholders by promoting the sustainable and long-term development of the Company and preventing inappropriate risk-taking.
Payout cap	In addition to the caps defined for the Annual Bonus and the Long-Term Incentive Plan, a cap on total annual compensation is applied for each Executive Board member.	Absolute caps to avoid unintended remuneration levels and ensure social acceptance of Executive remuneration payouts and limits the risk borne by OMV.	Align interests of Executive Board and shareholders by promoting the sustainable and long-term development of the Company and preventing inappropriate risk-taking.

The Executive Board members of OMV are employed under local Austrian terms and conditions, and salaries are therefore expressed in euros (gross). Their employment contracts are concluded with OMV Aktiengesellschaft and governed by Austrian law.

The remuneration of OMV's Executive Board members is aimed to be at competitive levels and includes a strong performance-related component. Competitive pay levels are ensured through regular external benchmarking against peer groups, such as European Oil & Gas companies and relevant Austrian industrial companies.

Long-term shareholder and stakeholder interests are reflected in performance-related remuneration, which includes both short- and long-term elements. The Executive Board's performance is assessed against financial and non-financial criteria. Specific projects related to the implementation of OMV's strategy are also taken into account.

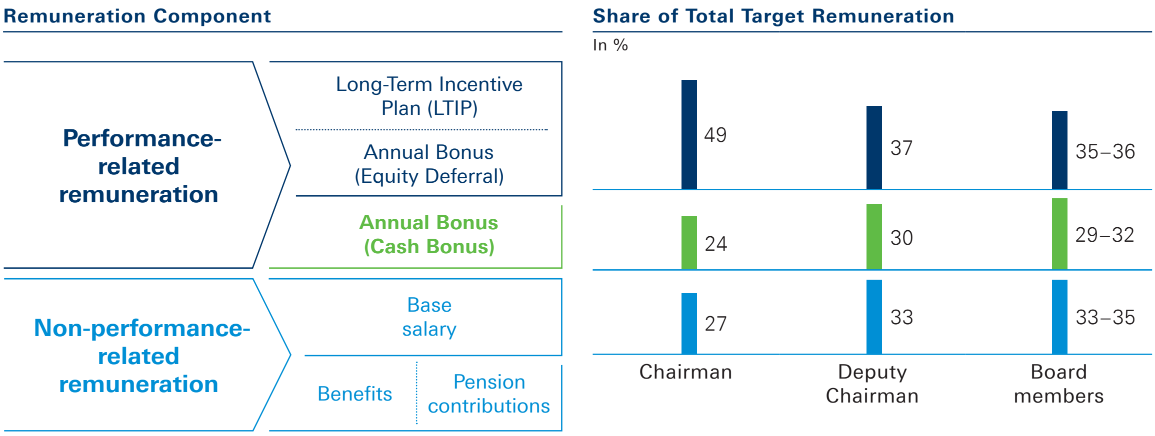
Pursuant to C-rules 27 and 28 of the ACCG, measurable performance criteria are defined in advance for the variable remuneration components. Given the industry-inherent volatility of commodity prices and market conditions, political country risks as well as increased safety exposure, the variable remuneration plans give the Supervisory Board and the Remuneration Committee, certain room for adjustments in line with the general practice in the Oil & Gas industry to amend the threshold, target and maximum levels in case of significant changes in major external factors (e.g. oil price) as well as to determine the achievement of certain criteria. Any adjustments are always in line with relevant factors and within disclosed maximum limits.

Structure of Executive Board Remuneration

The Executive Board remuneration consists of fixed and variable compensation elements as well as benefits. Each Executive Board member receives a remuneration package comprising a Base Salary, an Annual Bonus (a portion of which is paid out in OMV shares and required to be held for three years), a Long-Term Incentive Plan (LTIP), pension contributions and non-cash benefits.

The majority of Executive Board members' target compensation is granted in the form of variable compensation elements. For the financial year 2019, variable elements comprised between 65% and 73% of Executive Board members' target compensation (variance is due to higher target LTIP level for the Chairman). In line with Austrian law and requirements set forth by the ACCG, a majority of variable compensation is based on multiyear performance. For the financial year 2019, between 35% to 49% of the target compensation is oriented towards long-term performance, either through the LTIP or the deferred portion of the Annual Bonus (Equity Deferral) which required to be held for three years.

Overview of the Executive Board's compensation



Non-performance-related remuneration

Base salary

The fixed base remuneration of Executive Board members is paid monthly as a salary. The employment contracts stipulate payment of the fixed remuneration in 14 payments per year.

Benefits

Executive Board members receive a company car and are eligible for an accident insurance. Health coverage for Executive Board members is provided under the Austrian public social insurance system.

Pension contributions

All members of the Executive Board are entitled to defined contribution pension payments, thus limiting the risks borne by OMV. The Company pays the contributions into a pension fund (APK-Pensionskasse AG). The actual amount of the company pension depends on the amount of available capital in the pension fund. Annuitization is in accordance with the pension fund's approved business plan. The retirement age for all Executive Board members is the Austrian statutory retirement age.

Performance-related remuneration

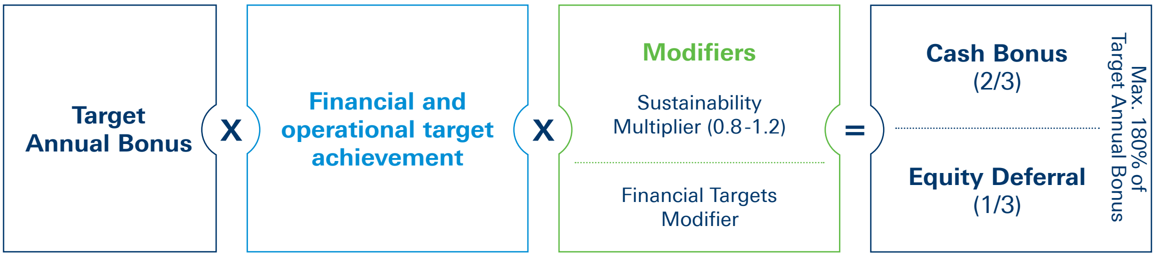
Annual bonus

The Annual Bonus rewards financial performance, operational excellence and sustainable corporate development at OMV. For each financial year, the Supervisory Board defines a set of performance criteria. At maximum, the payout can amount to 180% (150% +/–20% Sustainability Multiplier) of the Target Annual Bonus defined in the Executive Board service contracts.

The actual amount depends on the achievement of financial and operational targets. Additionally, the Sustainability Multiplier can be applied to the overall performance at the Supervisory Board's discretion based on a predefined set of criteria. In case of major changes in external factors (e.g. oil price) the Supervisory Board can adjust the target levels of the performance criteria. The performance criteria applied in the financial year 2019 are described in detail below.

The payout of the Annual Bonus is split between a Cash Bonus (2/3), which is paid in the following financial year, and an Equity Deferral (1/3), which is awarded in OMV shares to be held for a period of three years (holding period). The shares are awarded net of taxes in the following financial year and are to be transferred to a trustee deposit managed by OMV, for the duration of the holding period. The Equity Deferral serves – in addition to LTIP – as a long-term compensation instrument for the members of the Executive Board, promoting retention and alignment with shareholder interests at OMV.

Annual Bonus 2019



Performance criteria are agreed at the outset of the performance year and then assessed after the close of that year. The performance criteria for the financial year 2019 comprise the areas and adjustments set out in the table below.

Performance criteria – 2019 Annual Bonus (Cash Bonus and Equity Deferral)

Area	Criteria	Weighting
Financial	Reported Net Income	40%
	Clean CCS ROACE 3-year average (2017-2019)	40%
Operational target	NPV assessment of ongoing large investments including acquisitions based on annual change	20%
Sustainability Multiplier	Sustainability Multiplier with a value between 0.8 and 1.2 (corresponds to +/–20%) applicable to overall target achievement	+/–20% multiplier/ discretionary
Adjustment of financial targets	In case of major changes in external factors (e.g., oil price), the OMV Supervisory Board has the discretion to adjust the target levels of the performance criteria.	discretionary

The actual payout depends on the level of actual achievement of each performance criterion, which is determined by comparing achieved results against defined targets and expressed as a percentage. The actual achievements are validated by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. Payout occurs on a straight-line basis between the performance levels.

Level of vesting

Criteria	Performance	Vesting
All criteria	Maximum	150%
	Target	100%
	Threshold	50%
	Below threshold	0%

The Target Annual Bonus amount for each Executive Board member is defined as follows assuming target achievement of 100%:

Target variable remuneration – Annual Bonus 2019

In EUR

	Seele	Pleininger	Florey	Gangl[1]
Cash Bonus	1,000,000	700,000	675,000	245,000
Equity Deferral	500,000	350,000	337,500	122,500

[1] Pro-rated Target Annual Bonus 2019 as Mr. Gangl joined the Executive Board effective July 1, 2019

The actual target **achievements in 2019** resulted in a Total Actual Annual Bonus of 165.5%. The Cash Bonus component, 2/3 of the total, is to be paid in 2020. Under the Equity Deferral, the remaining 1/3 is to be awarded in the form of OMV shares and required to be held for a period of three years.

Performance scorecard – 2019 Annual Bonus (Cash Bonus and Equity Deferral)

Criteria		Threshold	Target	Maximum	Actual	Weighting	Vesting (% of target Value)
Reported Net Income, adjusted for mark-to-market valuation of unrealized hedges, excluding M&A activities	in EUR mn	1,770	2,080	2,390	2,146	40%	44.2%
Clean CCS ROACE 3-year average	in %	11.8%	12.3%	12.8%	12.5%	40%	47.5%
Operational target	in EUR mn	Decrease of non-market NPV by EUR (65) mn from baseline	No change in non-market NPV from base-line	Increase in non-market NPV by EUR +65 mn over baseline	262	20%	30%
Target achievement before financial targets modifier and Sustainability Multiplier							121.7%
Target achievement after financial targets modifier							142.7%
Sustainability Multiplier		0.8	1	1.2			1.16
Total vesting percentage							165.5%

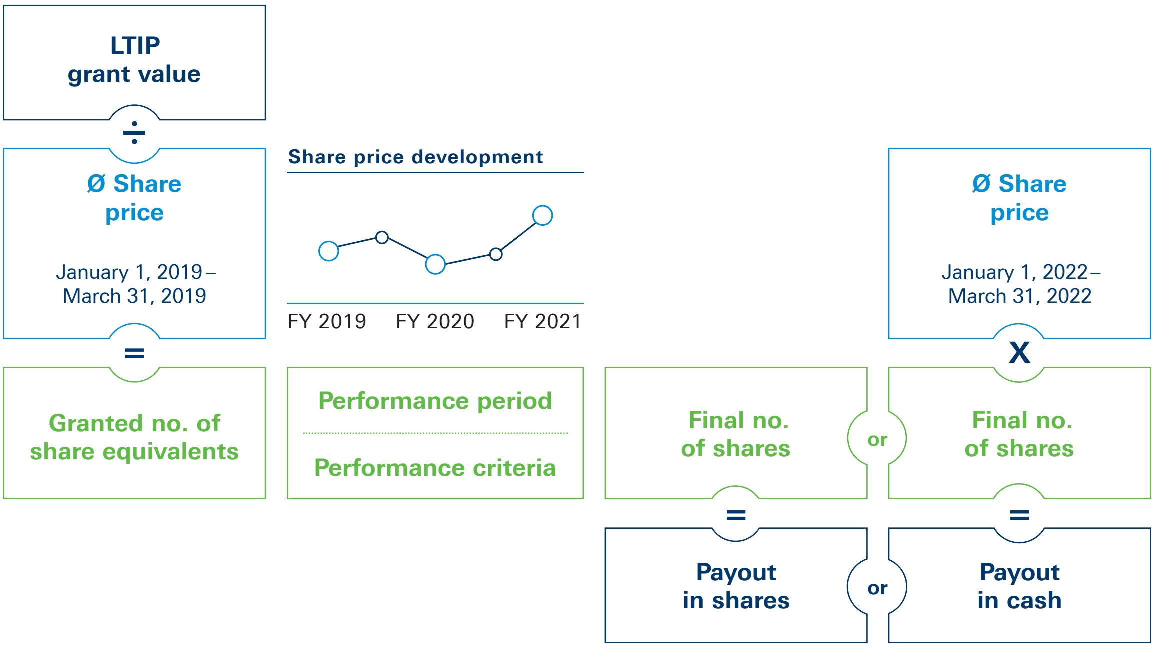
The targets for Reported Net Income and three-year average Clean CCS ROACE were achieved in the financial year 2019. The operational target, the NPV assessment of selected large investment projects, was achieved at maximum level. Taking into account substantial deterioration in the market environment as compared to the assumptions on which the Annual Bonus was based, the Supervisory Board made use of its discretionary power and lowered the target levels of the financial criteria, thereby adjusting the target achievement from 121.7% to 142.7%. A predefined set of criteria was used by the Supervisory Board in making its discretionary decision with respect to the Sustainability Multiplier. In particular, improvements in environment, safety and sustainability and the fact that there were no fatalities in 2019 were taken into consideration in amending the target achievement related to the Sustainability Multiplier by 1.16.

Long-Term Incentive Plan

The Long-Term Incentive Plan (LTIP) is a long-term compensation instrument for members of the Executive Board that promotes medium- and long-term value creation at OMV. The plan seeks to align the interests of management and shareholders by granting performance-based remuneration to management in the form of OMV shares, subject to performance against key performance criteria linked to the medium-term strategy and shareholder return. The plan also seeks to prevent inappropriate risk-taking. The grant is defined as a Target Long-Term Incentive, as stated in the Executive Board service contracts.

Executive Board members have received an annual grant since the plan's introduction in 2009. The LTIP 2019 was approved by the Annual General Meeting 2019.

Long-Term Incentive Plan (LTIP) 2019



Performance criteria are agreed at the beginning of the three-year performance period and assessed after the close of this period. Weightings for the respective criteria are also established at the outset of the performance period. For the LTIP 2019 (performance period: January 1, 2019, to December 31, 2021), the following performance criteria apply:

Performance criteria – LTIP 2019

Criteria	Weighting
Relative Total Shareholder Return (TSR)	50%
Free cash flow before dividends and excl. divestments and acquisitions 3-year average	50%

The actual LTIP amount depends on the **level of vesting** of each performance criterion, which is determined by comparing achieved results against defined targets and expressed as a percentage. The actual achievements are validated by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. Payments will vest on a straight-line basis between the performance levels/quartiles.

A HSSE malus (HSSE = Health, Safety, Security, and Environment) may be applied to overall target achievement. In situations where a severe health, safety and security or environmental breach has occurred, the Supervisory Board can re-examine the level of the LTIP payout and, depending on the extent of the infraction, reduce it at its discretion, if necessary to zero.

The LTIP 2019 vests on March 31, 2022. The vesting levels for each of the performance criteria are shown in the table below.

Relative TSR is measured against a well-balanced Upstream/Downstream peer group of twelve Oil & Gas companies (Shell, BP, Total, Eni, Equinor, Lundin Petroleum, Repsol, Galp Energia, MOL, Tupras, Neste Oil and PKN Orlen).

Level of vesting

Criteria	Performance	Vesting
Free cash flow before dividends and excl. divestments and acquisitions 3-year average	Maximum	200%
	Target	100%
	Threshold	50%
	Below threshold	0%
Relative TSR	Maximum: at or above 3rd quartile (≥75th percentile)	200%
	Target: at median (=50th percentile)	100%
	Threshold: at or below 1st quartile (≤25th percentile)	0%

The Target Long-Term Incentive amounts for each Executive Board member is defined as follows assuming vesting levels of 100%:

Target variable remuneration – LTIP 2019

In EUR

	Seele	Pleininger	Florey	Gangl[1]
LTIP 2019	1,500,000	500,000	387,500	177,500

[1] Pro-rated LTIP 2019 as Mr. Gangl joined the Executive Board effective July 1, 2019

The total vesting percentage for the LTIP 2017 is 96.6% of the maximum grant, and the corresponding transfer of shares or cash payment will be made in 2020. The actual achievements are reviewed by an independent expert.

Note 32 provides additional information on the Long-Term Incentive Plan and the Equity Deferral (MSP).

Performance scorecard – LTIP 2017

Criteria		Threshold	Target	Stretch	Actual	Weighting	Vesting (% of max. grant value)
Relative TSR vs. peers		at or below 1st quartile (≤25th percentile)	at median (=50th percentile)	at or above 3rd quartile (≥75th percentile)	at or above 3rd quartile	60%	60%
Free Cash Flow before dividends excl. divestments and acquisitions (3-year average)	in EUR mn	1,025	1,285	1,545	2,038	10%	10%
3-year average Lost Time Injury Rate		0.40	0.36	0.27	0.33	10%	8.1%
3-year average Reserve Replacement Rate (calculated on 1P reserves)		100%	125%	150%	166%	10%	10%
Performance of divestments & acquisitions		Based on pre-defined criteria			8.5%	10%	8.5%
Total vesting percentage						**100%**	**96.6%**

Shareholding requirements for members of the Executive Board

Executive Board members are required to accumulate an appropriate shareholding in OMV and hold these shares until retirement or departure from the Company. The shareholding requirement is defined as a percentage of the annual gross base salary: 200% for the Chairman of the Executive Board, 175% for the Deputy Chairman of the Executive Board and 150% for other Executive Board members. The shareholding must be accumulated and achieved within five years after the respective initial appointment as Executive Board member. All Executive Board members have already fulfilled at least a part of their shareholding requirement.

To the extent the shareholding requirement is not fulfilled, payments from the LTIP will be automatically made in the form of shares (net after tax deduction). If the shareholding requirement is already fulfilled, the payout can be made either in cash or shares. The base for the calculation of the LTIP 2019 shareholding requirement is the average closing price of the OMV share on the Vienna Stock Exchange over the three-month period from January 1, 2019, to March 31, 2019 (EUR 44.64).

Shareholding requirement and fulfillment for LTIP 2017

	Shareholding requirement		Fulfillment	
	In shares	As % salary	In shares[1]	As % requirement
Seele	62,876	200	91,974	146.28
Pleininger	32,153[2]	175	45,032	140.06
Florey	30,009	150	24,351	81.15
Gangl	3,966[3]	150	10,730	270.55

1 On Company trustee deposits
2 The stated shareholding requirement in number of shares results from the LTIP 2017 when Mr. Pleininger still had an obligation of 150% of his gross annual salary; since his appointment as Deputy CEO, a shareholding requirement of 175% applies
3 The stated shareholding requirement in number of shares results from the Senior Management LTIP 2017, when Mr. Gangl had an obligation of 75% of his grant level; since his appointment as Executive Board member, a shareholding requirement of 150% applies

Clawback

Both the Equity Deferral and the LTIP are subject to clawback regulations that, under certain circumstances, allow for an adjustment of outstanding compensation and/or reclaiming of compensation already paid out. In case of a clawback event, cash or company shares granted under Equity Deferral or LTIP will be reduced or may be clawed back upon request by the Supervisory Board. The following reasons are considered clawback events: correction of audited financial statements due to a mistake, material failure of risk management that leads to significant losses, and serious misconduct by individual Executive Board members that violates Austrian law. Furthermore, in the event any payout in cash or transfer of shares is based on an incorrect bonus calculation, Executive Board members are required to return or repay the compensation received on account such calculation errors.

Remuneration levels in 2019

Executive Board remuneration[1]

In EUR

Remuneration 2019	Seele	Pleininger	Florey	Gangl (since July 1, 2019)	Leitner (until June 30, 2019	Total
Fixed (base salary)	1,100,000	750,000	700,000	287,838	349,589	**3,187,427**
Fixed (functional allowance)	1,002,000[2]	0	0	0	0	**1,002,000**
Variable (Cash Bonus 2018)[3]	1,246,000	872,200	841,050	0	841,050	**3,800,300**
Benefits in kind (company car, accident insurance and reimbursed expenses)	12,816	13,001	44,613[4]	6,590	6,382	**83,403**
Total	**3,360,816**	**1,635,201**	**1,585,663**	**294,428**	**1,197,021**	**8,073,130**
Variable (Equity Deferral 2018; in shares)	14,431	10,101	9,741	0	9,741	**44,014**
Fixed/variable ratio[5]	19/81[6]	23/77	27/73	100/0	11/89	**21/79**
LTIP 2016 (cash)[7]	0	1,264,963	0	0[8]	1,609,984	**2,874,947**
LTIP 2016 (in shares)[7]	60,971	0	14,595	0	0	**75,566**

1 There are discrepancies between individual items and totals due to rounding differences.
2 Rainer Seele received a payment for the interim responsibility for "Marketing and Trading" since July 1, 2019.
3 The variable components relate to target achievement in 2018, for which variable compensation was paid in 2019.
4 Including schooling costs and related taxes
5 Split of total compensation. Fixed includes base salary and benefits in kind; variable includes Cash Bonus, Equity Deferral ("share part of the Annual Bonus") and LTIP 2016
6 If payment for the interim role included, the fixed/variable ratio is 30/70
7 LTIP payout in cash or shares depending on fulfillment of the shareholding requirement
8 Thomas Gangl received a cash payment amounting to EUR 0.23 mn based on his Senior Manager LTIP 2016

As in the past, salaries are not subject to automatic consumer price inflation increases but instead will be reviewed on an annual basis together with the performance of the Executive Board members.

Pension fund contributions

In EUR

Seele	275,000
Pleininger	187,500
Florey	175,000
Gangl[1]	71,875
Leitner[2]	87,500
Total	**796,875**

[1] Pro-rated pension fund contribution; Mr. Gangl joined the Executive Board effective July 1, 2019.
[2] Pro-rated pension fund contribution; Mr. Leitner resigned as member of the Executive Board effective June 30, 2019.

Termination-related benefits

Manfred Leitner resigned as member of the Executive Board effective June 30, 2019, while his contract continued for six months beyond that date. He continued to receive payments (including benefits in kind) under his employment contract during this period.

Based on their former employment contracts as Executive Board members, Gerhard Roiss, David C. Davies, Jaap Huijskes, and Manfred Leitner received payments in 2019. David C. Davies, Jaap Huijskes and Gerhard Roiss received LTIP payments in 2019.

Payments to former Executive Board members

In EUR

	Davies	Huijskes	Roiss	Leitner[3] (since July 1, 2019
Remuneration entitlements for 2019 (bonus and LTIP)[1]	247,340	415,365	3,128,947	0
Payments for contractual obligations[2]	0	0	0	665,511
Total	**247,340**	**415,365**	**3,128,947**	**665,511**

[1] LTIP related to target achievement in 2016–2018
[2] Base salary, annual leave compensation payments, benefits in kind and pension fund contributions
[3] LTIP 2016 payments (in 2019) are reported in the table of Remuneration levels in 2019

In accordance with C-rule 27a of the ACCG, the employment contracts with members of the Executive Board provide that settlement payments in the event of premature termination of such contracts without a material breach shall not exceed the amount set forth in the ACCG (maximum of two years annual pay). For contracts concluded after July 2015, settlement payments in the event of termination within the contract period have been reduced to 18 months' pay and have been limited to fixed salary only. No settlement payment is made if the Executive Board member terminates the contract prematurely.

Directors' and Officers' (D&O) insurance

OMV has obtained a Directors' and Officers' liability insurance (D&O insurance) on a Group-wide basis. The expenses are borne by the Company. This insurance covers Executive Board members, Supervisory Board members and other OMV employees (officers). Coverage is provided for the statutory liability of insured persons for financial losses resulting from wrongful acts committed while acting within the scope of their function. For the current insurance period, the yearly premium (including taxes) for the entire OMV Group's D&O insurance amounts to approximately EUR 600,000.

Indemnity

The Executive Board and officers of direct and indirect subsidiaries of OMV Aktiengesellschaft, to the extent legally possible, are also indemnified against claims by third parties with respect to their actions exercised within the scope of their duties, except in cases of willful intent or gross negligence.

Remuneration principles within the OMV Group

In order to promote and support OMV's strategy optimally, OMV aims to ensure competitive compensation and benefits packages. OMV continuously monitors market trends and international best practices in order to attract, motivate and retain the best-qualified talent from around the world. OMV strives for long-lasting employment relationships. The base salaries are set in accordance with internationally accepted methods for determining market levels of remuneration and comply with the relevant legal regulations and collective agreements.

The principles applicable to Executive Board remuneration are applied to all employees in adapted form. In general, OMV's remuneration is designed to be highly competitive within relevant labor markets in the Oil & Gas business. This is ensured by conducting yearly salary reviews. Furthermore, the packages include a balanced and transparent mix of fixed and variable, monetary and non-monetary components. The base salaries are market oriented, fair and based on the position and expertise of the employee. In addition, OMV uses a variety of compensation elements to strengthen its position as an attractive employer in the Oil & Gas business, for example:

- Performance bonuses
- Long-Term Incentive Plans
- Company cars and car allowances

Beyond that, the benefits portfolio is customized for each of the countries in which OMV operates to meet the needs of the local employees. As an example, depending on local circumstances additional incentives may include the following:

- Retirement plans
- Subsidized canteen
- Health centers
- Kindergarten
- Summer Kids Camp
- Anniversary payments
- Recognition program – "thx!" ("Thank you for doing great!")

Selected employees at senior management levels of the Group (91 individuals) are eligible for the Long-Term Incentive Plan. This employee group is also eligible for bonus programs, as outlined below. In addition, the Executive Board grants a Transformation Bonus to selected employees at senior management level of the Group, which is dependent on the fulfillment of predefined KPIs. The successful target achievement led to a payout in 2018, another will potentially follow in 2021.

In 2019, approximately 4,300 managers and experts participated in a Management by Objectives (MbO) program that entitles the participants to a bonus if targets are reached. OMV also provides bonus schemes for other employee groups, which vary from country to country. Employee representatives are involved in designing these incentive schemes. In all these systems, bonus payments are dependent upon the achievement of financial and non-financial corporate targets, as well as individual targets agreed with each employee.

Supervisory Board

OMV's Supervisory Board consists of ten members elected by the General Meeting (shareholders' representatives) and five members delegated by the Group works council. One of the current shareholders' representatives was elected at the 2015 Annual General Meeting (AGM) and nine were elected at the 2019 AGM. The members of OMV's Supervisory Board in 2019 and their appointments to supervisory boards of other domestic or foreign listed companies as well as any management functions held are shown below.

Peter Löscher, *1957
Chairman (until May 14, 2019)
Seats: Sulzer AG (Chairman), Telefonica, S. A.

Wolfgang C. Berndt, *1942
Chairman (since May 14, 2019)
Seats: no seats in domestic or foreign listed companies

Thomas Schmid, *1975
Deputy Chairman (since May 14, 2019)
Seats: Verbund AG, Telekom Austria AG

Alyazia Ali Al Kuwaiti, *1979
Deputy Chairwoman
(Executive Director Upstream & Integrated, Mubadala Investment Company PJSC)
Seats: no seats in domestic or foreign listed companies

Mansour Mohamed Al Mulla, *1979
(Platform CFO Petroleum & Petrochemicals, Mubadala Investment Company PJSC)
Seats: Aldar Properties PJSC

Elif Bilgi Zapparoli, *1967
(until May 14, 2019)
(Global Co-Head Capital Markets & Co-Head of APAC Global Corporate and Investment Banking, Bank of America Merrill Lynch)
Seats: no seats in domestic or foreign listed companies

Stefan Doboczky, *1967
(since May 14, 2019)
(Chief Executive Officer Lenzing AG)
Seats: no seats in domestic or foreign listed companies

Helmut Draxler, *1950
(until May 14, 2019)
Seats: no seats in domestic or foreign listed companies

Marc H. Hall, *1958
(until May 14, 2019)
(Managing Director, R&EM – Restructuring & Energy Management e.U.)
Seats: no seats in domestic or foreign listed companies

Karl Rose, *1961
(Strategy Advisor, Abu Dhabi National Oil Company)
Seats: no seats in domestic or foreign listed companies

Elisabeth Stadler, *1961
(since May 14, 2019)
(Chief Executive Officer VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe)
Seats: voestalpine AG

Christoph Swarovski, *1970
(since May 14, 2019)
(Chief Executive Officer, Tyrolit AG)
Seats: no seats in domestic or foreign listed companies

Cathrine Trattner, *1976
(since May 14, 2019)
Seats: no seats in domestic or foreign listed companies

Gertrude Tumpel-Gugerell, *1952
Seats: Commerzbank AG, VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, AT&S Austria Technologie & Systemtechnik AG

Herbert Werner, *1948
(until May 14, 2019)
(Managing Director, HCW Verkehrsbetriebe GmbH; Managing Director, HCW Vermögensverwaltungs GmbH)
Seats: Ottakringer Getränke AG (Deputy Chairman)

Delegated by the Group works council (employee representatives)

Christine Asperger, *1964
Herbert Lindner, *1961
Alfred Redlich, *1966
Gerhard Singer, *1960
Angela Schorna, *1980

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

Diversity

The main considerations in selecting the members of the Supervisory Board are relevant knowledge, personal integrity and experience in executive positions. Furthermore, aspects of diversity of the Supervisory Board with respect to the internationality of the members, the representation of both genders, and the age structure are taken into account. The Supervisory Board includes six women and two non-Austrian nationals. The members of the Supervisory Board are aged between 39 and 77.

Independence

The Supervisory Board has defined the criteria that constitute independence (resolutions dated March 21, 2006, and March 25, 2009). In addition to the guidelines set out in Annex 1 of the ACCG, the Supervisory Board has established the following criteria with regard to its members elected by the General Meeting:

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

All members elected by the General Meeting except Helmut Draxler and Herbert Werner, with regard to the duration of their terms, have declared their independence from the Company and its Executive Board during the 2019 financial year and up to the time of making such declarations (C-rule 53 of the ACCG). Under C-rule 54 of the ACCG, Peter Löscher, Wolfgang C. Berndt, Elif Bilgi Zapparoli, Stefan Doboczky, Helmut Draxler, Marc H. Hall, Karl Rose, Elisabeth Stadler, Christoph Swarovski, Cathrine Trattner, Gertrude Tumpel-Gugerell and Herbert Werner have made declarations to the effect that they were not shareholders with a stake of more than 10% or represented such shareholders' interests during the financial year 2019 and up to the time of making such declarations. Peter Löscher, Marc H. Hall and Gertrude Tumpel-Gugerell were nominated for election as Supervisory Board members by the nomination committee of Österreichische Bundes- und Industriebeteiligungen GmbH ("ÖBIB")[1] and, subsequently (after being so proposed by the Presidential and Nomination Committee and the Supervisory Board), they were elected as Supervisory Board members. Wolfgang C. Berndt, Thomas Schmid, Stefan Doboczky, Karl Rose, Elisabeth Stadler, Christoph Swarovski and Cathrine Trattner were nominated for the election as Supervisory Board members by Österreichische Beteiligungs AG[1], which must comply with the strict independence and incompatibility criteria of the Austrian Corporate Governance Code when nominating or appointing persons as members of the Supervisory Boards of its affiliated companies and ensure that they exercise their activities on the Supervisory Boards of the affiliated companies independently of their own interests or those of legal entities closely associated with them.

Position and committee memberships in 2019[1]

Name	**Supervisory Board and Committees 2019[1]**					**Remuneration for 2018[2]**	**for 2019[3]**	**Term of office**
	SB	PNC	PPC	AC	RC	in EUR	in EUR	
Peter Löscher	C	C	DC	M	C	80,000	36,712	May 18, 2016, to May 14, 2019
Wolfgang C. Berndt	C	C	M	M	C	44,000	65,517	May 26, 2010, to 2020 AGM
Thomas Schmid[4]	DC	DC	DC	M	DC	–	44,934	May 14, 2019, to 2024 AGM
Alyazia Ali Al Kuwaiti	DC	DC	DC	DC	DC	44,600	91,250	May 22, 2018, to 2024 AGM
Mansour Mohamed Al Mulla	M	M	M	–	–	24,438	50,000	May 22, 2018, to 2014 AGM
Elif Bilgi Zapparoli	M	–	–	–	–	20,000	9,178	May 13, 2009, to May 14, 2019
Stefan Doboczky	M	–	–	–	–	–	12,657	May 14, 2019, to 2022 AGM
Helmut Draxler	M	–	–	M	M	40,000	14,684	October 16, 1990, to May 14, 2019
Marc H. Hall	M	–	M	–	–	30,000	11,013	May 18, 2016, to May 14, 2019
Karl Rose	M	–	C	–	–	34,000	34,000	May 18, 2016, to 2024 AGM
Elisabeth Stadler	M	–	–	DC	–	–	20,252	May 14, 2019, to 2022 AGM
Christoph Swarovski	M	–	–	–	M	–	18,986	May 14, 2019, to 2022 AGM
Cathrine Trattner	M	–	–	M	–	–	23,732	May 14, 2019, to 2022 AGM
Gertrude Tumpel-Gugerell	M	–	–	C	M	67,110	53,912	May 19, 2015, to 2020 AGM
Herbert Werner	M	–	–	M	–	30,000	11,013	June 4, 1996, to May 14, 2019
Christine Asperger	M	M	–	–	–	–[5]	–[5]	Since January 1, 2013[6]
Herbert Lindner	M	–	M	M	–	–[5]	–[5]	Since June 1, 2013[6]
Alfred Redlich	M	M	M	–	–	–[5]	–[5]	Since June 1, 2013[6]
Angela Schorna	M	–	–	M	–	–[5]	–[5]	Since March 23, 2018[6]
Gerhard Singer	M	–	M	M	–	–[5]	–[5]	Since September 26, 2016[6]

[1] Abbreviations: SB = Supervisory Board, PNC = Presidential and Nomination Committee, PPC = Portfolio and Project Committee, AC = Audit Committee, RC = Remuneration Committee. C = Chairman/Chairwoman; DC = Deputy Chairman/Chairwoman; M = Member; AGM = Annual General Meeting; Members of the Supervisory Board whose term ended in the business year 2018 are not listed herein.
[2] Meeting fees in the amount of EUR 400/meeting, as well as any applicable reimbursement of withholding tax, are not included therein.
[3] Based on remuneration as adopted by the 2019 AGM; subject to approval by the 2020 AGM
[4] In accordance with the employment contract as CEO of ÖBAG, Thomas Schmid transferred his remuneration to ÖBAG.
[5] Members delegated to the Supervisory Board by the Group works coun cil do not receive remuneration but just attendance expenses.
[6] Delegation by the Group works council is for an indefinite period of time; however, the employee representatives may be recalled at any time by the delegating body.

1 With effect from February 20, 2019 Österreichische Bundes- und Industriebeteiligungen GmbH was transformed into a joint-stock company (Aktiengesellschaft) and renamed Österreichische Beteiligungs AG.

Working practices of the Supervisory Board

The Supervisory Board fulfills its duties – in particular supervising the Executive Board and advising it on strategy – by discussing the Company's situation and objectives during board meetings. Decisions are also taken at these meetings, except in urgent cases where resolutions can be taken by circular vote. Four committees ensures that best possible use is made of the Supervisory Board members' expertise. Brief descriptions of these committees are given below (see also the Report of the Supervisory Board for an overview of the individual committees' main activities in 2019). In 2019, eight meetings of the Supervisory Board and 24 Committee meetings were held. In several of these meetings, the Executive Board and the Supervisory Board discussed OMV strategy. With exception of Elif Bilgi Zapparoli, no member of the Supervisory Board attended fewer than half of the meetings.

Attendance of Supervisory Board and Committee meetings in 2019 was as follows:

Attendance of Supervisory Board and Committee Meetings in 2019[1]

Name	SB	PNC	PPC	AC	RC
Peter Löscher[2]	3/3	3/3	2/2	3/3	2/2
Wolfgang C. Berndt	8/8	5/5	1/1	7/7	6/6
Thomas Schmid[3]	5/5	5/5	1/1	4/4	4/4
Alyazia Ali Al Kuwaiti	5/8	6/8	2/3	7/7	5/6
Mansour Mohamed Al Mulla	7/8	7/8	3/3		
Elif Bilgi Zapparoli	1/3				
Stefan Doboczky[3]	4/5				
Helmut Draxler[2]	2/3			3/3	2/2
Marc H. Hall[2]	3/3		2/2		
Karl Rose	7/8		2/3		
Elisabeth Stadler[3]	4/5			2/4	
Christoph Swarovski[3]	4/5				3/4
Cathrine Trattner[3]	5/5			4/4	
Gertrude Tumpel-Gugerell	7/8	3/3	2/2	7/7	6/6
Herbert Werner[2]	3/3			3/3	
Christine Asperger	8/8	8/8			
Herbert Lindner	5/8		3/3	5/7	
Alfred Redlich	8/8	8/8	3/3		
Angela Schorna	8/8			7/7	
Gerhard Singer	8/8		2/3	7/7	

[1] Abbreviations: SB = Supervisory Board, PNC = Presidential and Nomination Committee, PPC = Portfolio and Project Committee, AC = Audit Committee, RC = Remuneration Committee
[2] Until May 14, 2019
[3] Since May 14, 2019

Pursuant to C-rule 36, the Supervisory Board shall discuss the efficiency of its activities annually, in particular its organization and work procedures (self-evaluation). In the 2019 financial year, the Supervisory Board initiated a thorough self-evaluation of its activities with external support, the results of which will be extensively discussed within the Supervisory Board in the first half of 2020.

Presidential and Nomination Committee

This committee is empowered to take decisions on matters of urgency. The Supervisory Board may transfer other duties and powers of approval to the Presidential and Nomination Committee on an ad hoc or permanent basis. In its capacity as the Nomination Committee, this body makes proposals to the Supervisory Board for the appointment or replacement of Executive Board members and deals with succession planning. It also makes recommendations to the General Meeting for appointments to the Supervisory Board. There were eight meetings of the Presidential and Nomination Committee in 2019, in which discussions focused on Executive and Supervisory Board matters.

Audit Committee

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

Auditors

The Supervisory Board monitors the auditors' independence and reviews a breakdown of the audit fees and fees for additional services besides auditing activities. In 2019, the auditors Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. (including their network in the meaning of section 271b Code of Commerce) received EUR 3.15 mn for the annual audit, EUR 0.71 mn for other assurance services, EUR 0.09 mn for tax advisory services and EUR 0.29 mn for other engagements.

Portfolio and Project Committee

This committee supports the Executive Board in preparing complex decisions on key issues where necessary and reports on these decisions and any recommendations to the Supervisory Board. In 2019, three meetings of the Portfolio and Project Committee were held.

Remuneration Committee

This committee deals with all aspects of the remuneration of Executive Board members and with their employment contracts. The committee's membership does not include employee representatives. The committee is empowered to conclude, amend and terminate Executive Board members' employment contracts and to take decisions on the awarding of bonuses (variable remuneration components) and other such benefits to them. The Remuneration Committee met six times during 2019. Executive Board members were invited to attend parts of some of the meetings of the Remuneration Committee.

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

In 2019 hkp/// group was also appointed by OMV and by OMV Petrom. They provided advice to OMV, in relation to governance processes between OMV and OMV Petrom, and to OMV Petrom, in relation to remuneration issues of Executive and Supervisory Board members of OMV Petrom. hkp/// group did not advise the OMV Executive Board in matters relating to remuneration, ensuring independence with respect to the Austrian Code of Corporate Governance.

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

There were no transactions requiring approval in accordance with section 95 (5) (12) Stock Corporation Act. The Internal Rules of the Supervisory Board contain detailed procedures for the treatment of conflicts of interest on the part of Supervisory Board members.

Remuneration

In accordance with the Articles of Association, the AGM resolves the remuneration of the Supervisory Board members elected by the General Meeting for the previous financial year. The 2019 AGM adopted the remuneration scale for the 2018 financial year as shown in the table below.

Remuneration for Supervisory Board members

In EUR[1]

Chairman/Chairwoman	30,000
Deputy Chairman/Chairwoman	25,000
Ordinary member	20,000
Committee Chairman/Chairwoman	14,000
Committee Deputy Chairman/Chairwoman	12,000
Ordinary Committee member	10,000

[1] Meeting fees in the amount of EUR 400/meeting, as well as any applicable reimbursement of withholding tax, are not included therein.

The amounts for the 2018 financial year were disbursed to the Supervisory Board members concerned in 2019; these were exclusive of expenses (travel and attendance expenses).

In 2019, the Supervisory Board members' remuneration (for the 2018 financial year and including reimbursement for withholding tax as applicable) amounted to EUR 0.51 mn, attendance expenses for EUR 0.10 mn and travel expenses for EUR 0.14 mn.

Employee participation

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

Rights of minority shareholders

- General Meeting: An Extraordinary General Meeting must be convened at the request of shareholders holding not less than 5% of the shares.
- Agenda items must be included at the request of shareholders holding not less than 5% of the shares.
- Shareholders holding not less than 1% of the shares may submit resolution proposals on all agenda items. Such resolution proposals must be posted on the website upon request of the respective shareholders.
- Shareholders holding not less than 10% of the shares may require an extraordinary audit in the event of grounds for suspicion of irregularities, or gross violations of the law or the Articles of Association.

- All shareholders having duly provided evidence of their shareholding are entitled to attend General Meetings, ask questions and vote.
- Election of the Supervisory Board: If elections for two or more positions to the Supervisory Board are held at the same General Meeting, separate votes must be held for each position. If elections for three or more seats on the Supervisory Board are held at the same General Meeting, and if prior to the vote on the last position to be assigned it is found that at least one-third of all the votes have been cast in favor of the same person but he or she has not been elected, then this person must be declared as Supervisory Board member.

Women's Advancement and Diversity Concept

Diversity is an enormous strength that OMV actively builds on now, and in the future. Consequently OMV strives to continuously develop new initiatives and measures that promote diversity and equal opportunities. OMV is committed to its Group diversity strategy focusing on gender and internationality. As a company active in an industry with a strong technical focus, it is particularly challenging for OMV to achieve a satisfactory gender balance in all fields of business activity. OMV is committed to supporting women's advancement to managerial positions. The strategic objective is to achieve the best diversity mix at the senior management level. The aim is to increase the proportion of women in Senior Leadership roles, from 19.6% currently to 25% by 2025 through a number of initiatives such as mentoring, succession planning, specific trainings as well as initiatives to promote a healthy work/life balance.

The proportion of women in the Group as a whole has risen to 26% (2018: 25%), 19.6% of whom are in management and executive positions. OMV reached a notable share of 47% of female participants in our new Leadership Refresher program for managers who have been with the Group for several years. In OMV's Upstream integrated graduate development program for technical skill pools, the proportion of women was 27% in 2019 (2018: 25%). The topic of diversity has been incorporated into all Leadership Development programs and embedded into the OMV People Strategy.

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

By using gender-neutral language in OMV's job advertisements and publishing all job advertisements internally, together with the constant monitoring of equality with regard to gender, age, employee background, seniority as well as salaries, OMV is ensuring fair treatment and contributing to equal opportunities among men and women at all career stages.

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

OMV's Head Office in Vienna has two company kindergartens attended by children of OMV employees. In order to spark girls' interest in technical careers early on, OMV again participated in Vienna's Girls' Day.

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

Currently, there is no women on the Executive Board of OMV. The Executive Board members of OMV Aktiengesellschaft are between 48 and 59 years old, are from two different nationalities, and have acquired extensive international management experience.

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

At present, the Supervisory Board of OMV includes six women, corresponding to a share of 40%. Particular focus will be given to a further strengthening of industry-specific expertise and the internationality of Super-visory Board members in line with the company's strategic orientation. With members aged between 39 and 77 years, the Supervisory Board's age structure is balanceded.

External evaluation of Corporate Governance

An external evaluation of OMV's compliance with the provisions of the ACCG is performed biennially. For 2018, OMV engaged Mathias Ettel of the law firm Berger Ettel Rechtsanwälte. The official questionnaire of the Austrian Working Group for Corporate Governance was used for the evaluation, and the result was that OMV is in full compliance with the Austrian Corporate Governance Code including all non-compulsory recommendations. The report of the evaluation is available for download on OMV's website (www. omv.com).

Vienna, March 11, 2020

The Executive Board

Rainer Seele m.p. Johann Pleininger m.p. Reinhard Florey m.p. Thomas Gangl m.p.

Directors’ report – operational review

Business developments in 2019

Sales for the financial year 2019 were EUR 208.96 mn (2018: EUR 213.50 mn). As OMV Aktiengesellschaft is a holding company, most of the sales consist of group charges and corporate service charges billed to the subsidiaries.

The **Operating Result** was EUR (68.21) mn (2018: EUR (70.84) mn).

The **Financial Result** in 2019 was EUR 1.092,44 mn (2018: EUR 502.86 mn). The financial items of OMV Aktiengesellschaft as a holding company mainly consist of the dividends and other income from investments in the operating companies, net of losses taken over from affiliated companies and impairments of participations. Net income from investments increased significantly to EUR 1,150.25 mn (2018: EUR 608.97 mn). The dividend of OMV Petrom amounting to EUR 163.84 mn was higher than last year (2018: EUR 124.18 mn).

The contribution of the companies in the **Upstream** segment excluding OMV Petrom amounted to EUR (2.04) mn, above the level of 2018 (EUR (3.86) mn).

The contribution of the companies in the **Downstream** segment excluding OMV Petrom was higher than the previous year, at EUR 896.11 mn (2018: EUR 469.85 mn). Investment income from the Downstream Oil segment excluding OMV Petrom increased substantially to EUR 1,147.91 mn (2018: EUR 607.35 mn). The investment income contribution from the Downstream Gas segment excluding OMV Petrom for profit pooling decreased significantly to EUR (251.80) mn (2018: EUR (137.51) mn) compared to the previous year.

There were no dividends distributed by the Downstream Gas segment, as in the previous year.

A key **investment item** in 2019 was a capital injection to OMV Refining & Marketing GmbH in connection with its investments in Abu Dhabi.

The **cash flow** from operating activities for 2019 amounted to EUR 1,142.97 mn (2018: EUR 1,966.89 mn), the cash flow from investing activities to EUR (2,297.43) mn (2018: EUR (2,081.59) mn) and the cash flow from financing activities to EUR (199.41) mn (2018: EUR (290.26) mn).

Net income for the year amounted to EUR 1.124,80 mn (2018: EUR 411.38 mn).

Total assets increased to EUR 19,270.82 mn (2018: EUR 18,383.31 mn).

At balance sheet date, **stockholders’ equity** stood at EUR 5,769.60 mn (2018: EUR 5,220.76 mn). The equity ratio as of December 31, 2019, was 29.94% (2018: 28.40%).

The ratio of **fixed assets** to total assets was 84.06% at balance sheet date (2018: 77.53%).

Return On Equity was 20.47% (2018: 7.82%).

In 2019, the average **number of employees** at the holding company was 705 (2018: 623).

For definitions of these ratios, readers are referred to the glossary of abbreviations and definitions, which is an integral part of the Directors’ report.

Treasury Shares

As at balance sheet date, a total of 372,613 own shares (EUR 372,613 thousand), or 0.11% of the capital stock, were held.

For details relating to the acquisition of treasury shares please refer to the chapter "Information required by section 243a Unternehmensgesetzbuch (Austrian Commercial Code)".

During the reporting period, 169,538 shares, equivalent to 0.05% of the capital stock, with a value of EUR 4,573 thousand were used for share-based compensations. The difference of EUR 2,713 thousand between this amount and the historic repurchase value was written to the capital reserve.

Corporate Governance report

The corporate Governance report is integrated into the Annual Report and additional details are available on OMV's website: www.omv.com>Investors>Annual Reports.

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

1. The capital stock amounts to EUR 327,272,727 and is divided into 327,272,727 bearer shares of no par value. There is only one class of shares.

2. There is a consortium agreement in place between the two core shareholders, Österreichische Beteiligungs AG (ÖBAG)[1] and Mubadala Petroleum and Petrochemicals Holding Company L.L.C (MPPH)[2], which provides for coordinated behavior and certain limitations on transfers of shareholdings.

3. ÖBAG holds 31.5% and MPPH holds 24.9% of the capital stock.

4. All shares have the same control rights.

5. Employees who are shareholders directly exercise their voting rights at the Annual General Meeting.

6. The Company's Executive Board must consist of two to six members. The Company's Supervisory Board must consist of at least six members elected by the Annual General Meeting and of the members nominated under section 110 (1) of the Arbeitsverfassungsgesetz (Austrian Labor Constitution Act). Resolutions concerning the dismissal of members of the Supervisory Board pursuant to section 87 (8) of the Aktiengesetz (Austrian Stock Corporation Act) require a simple majority of the votes cast.
   To approve capital increases pursuant to section 149 of the Austrian Stock Corporation Act and alterations of the Articles of Association (except those concerning the Company's objects), simple majorities of the votes and capital represented in adopting the resolution are sufficient

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

(i) adjust fractional amounts or

(ii) satisfy stock options or long term incentive plans (including matching share plans for employees, senior employees and members of the Executive Board/management boards of the Company or one of its affiliates), or other employees' stock ownership plans.

[1] With effect as of February 20, 2019 Österreichische Bundes- und Industriebeteiligungen GmbH was transformed into a joint-stock company and renamed as Österreichische Beteiligungs AG.

[2] With effect as of February 13, 2019 all shares in OMV previously held by International Petroleum Investment Company were transferred to Mubadala Petroleum and Petrochemicals Holding Company L.L.C.

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

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

7.c) On May 14, 2019 the Annual General Meeting authorized the Executive Board to repurchase bearer shares of no par value of the Company up to a maximum of 5% of the Company's nominal capital in accordance with section 65 (1) (8) Austrian Stock Corporation Act, over a period of 15 months from the date of adoption of the resolution by the General Meeting, for a minimum consideration per share being at the utmost 30% lower than the average, unweighted stock exchange closing price over the preceding ten trading days and a maximum consideration per share being at the utmost 20% higher than the average, unweighted stock exchange closing price over the preceding ten trading days, whereby any repurchases have to be exercised in such a way that the Company does not hold more than 1,300,000 treasury shares at any time. Such repurchases may take place via the stock exchange or a public offering or by other legal means and for the purpose of share transfer programs, in particular Long Term Incentive Plans including Matching Share Plans, Equity Deferrals or other stock ownership plans. The Executive Board was further authorized to cancel stock repurchased or already held by the Company without further resolution of the General Meeting and the Supervisory Board was authorized to adopt amendments to the Articles of Association resulting from the cancellation of shares. The authorization can be exercised as a whole or in parts and also in several tranches by the Company, by a subsidiary (Section 189a Number 7 Commercial Code) or by third parties for the account of the Company and shall be exercised always in such a manner that it is to the benefit and in the best interest of the Company.

8. OMV has issued perpetual hybrid notes the amount of EUR 2,000 mn which are subordinated to all other creditors. According to IFRS, the proceeds of the hybrid notes in the amount of EUR 1,987 mn are fully treated as equity because the repayment of the principal and the payments of interest are solely at the discretion of OMV.

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

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

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

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

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

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

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

10. There are no agreements between the Company and members of the Executive Board and Supervisory Board or employees regarding the payment of compensation in the event of a public takeover bid.

11. The most important elements of the internal control and risk management system regarding the accounting process are the following: Governance for the internal control system is defined by internal corporate regulations (ICS Directive and its Annexes). Corporate Internal Audit controls the compliance with these principles and requirements through regular audits, based on the annual audit plan approved by the Audit Committee of the Supervisory Board, or through ad hoc audits.
The results of those audits are presented to the Audit Committee of the Supervisory Board. For the main "end-to-end" processes (e.g. purchase-to-pay, order-to-cash), Group-wide Minimum Control Requirements are defined. Based on a defined time plan, the implementation and the effectiveness are being monitored. The establishment of Group-wide standards for the preparation of annual and interim financial statements by means of the corporate IFRS Accounting Manual is also regulated by an internal corporate regulation. The Group uses a comprehensive risk management system. The essential processes of the financial reporting system have been identified and analyzed. In addition, the effectiveness of the risk management system is regularly evaluated by external auditors. The results of the evaluation are reported to the Audit Committee of the Supervisory Board.
12. In accordance with section 267a (6) of the Commercial Code, a separate consolidated non-financial report will be issued.

Risk Management

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

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

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

Enterprise Wide Risk Management

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

The main purpose of the OMV Group's EWRM process is to deliver value through risk-based management and decision-making. The assessment of financial, operational, and strategic risks helps the Group leverage business opportunities in a systematic manner. This ensures that OMV's value grows sustainably. Since 2003, the EWRM system has helped enhance risk awareness and improve risk management skills across the entire organization, including subsidiaries in more than 20 countries. The OMV Group is constantly enhancing the EWRM process based on internal and external requirements.

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

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

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

Financial Risk Management

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

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

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

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

In the Downstream business, OMV is especially exposed to volatile refining margins and inventory risks. Corresponding hedging activities are undertaken in order to mitigate those risks. Those include margin hedges as well as stock hedges. In addition, Emission Compliance Management ensures a balanced position of emission allowances by selling the surplus or covering the gap.

Management of interest rate risk

To balance the Group's interest rate portfolio, loans can be converted from fixed to floating rates and vice versa according to predefined rules. OMV regularly analyzes the impact of interest rate changes on interest income and expense from floating rate deposits and borrowings. Currently the effects of changes in interest rates are not considered to be a material risk.

Management of credit risk

Significant counterparty credit risks are assessed, monitored, and controlled at the Group and segment level using predetermined credit limits for all counterparties, banks, and security providers. The procedures are governed by guidelines at the OMV Group and OMV Petrom level.

Operational risks

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

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

OMV puts a special focus on five Sustainability Strategy areas: HSSE, Carbon Efficiency, Innovation, Employees, Business Principles, and Social Responsibility. OMV Executive Board members regularly (at least quarterly) discuss present and upcoming environmental, climate, and energy-related policies and regulations; related developments in the fuels and gas market; the financial implications of CO2 emissions-trading obligations; the status of innovation project implementation; and progress on achieving sustainability-related targets. OMV focuses on assessing the potential vulnerabilities of the company to climate change (e.g., water deficiency, droughts, floods, landslide), the impact of the company on the environment, and the mitigation actions that will ensure a successful transition to a low carbon environment (e.g., carbon emission reduction, compliance with new regulatory requirements).

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

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

Strategic risks

OMV operates and has financial investments in countries that are subject to political uncertainties, in particular Libya, Kazakhstan, Yemen, Russia, Malaysia, and Tunisia. Possible political changes may lead to disruptions and limitations in production or an increased tax burden, restrictions on foreign ownership, or even nationalization of property. However, OMV has extensive experience in managing the political environment in emerging economies. Political developments in all markets where OMV operates are observed continually. Country-specific risks are assessed before entering new countries. In addition, the potential impact of a hard Brexit scenario on OMV Group companies was analyzed. The analysis showed that no significant impact is expected.

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

OMV regularly evaluates the Group’s exposure to climate-change-related risks in addition to the market price risk from European Emission Allowances. Such risks comprise the potential impact from acute or chronic events like more frequent extreme weather events or systemic changes to our business model due to a changing legal framework or substitution of OMV’s products due to changing consumer behavior. OMV recognizes climate change as a key global challenge. We thus integrate the related risks and opportunities into the development of the Company’s business strategy. Measures that we implement to manage or mitigate such risks are set out in the relevant sections of this report, particularly in Sustainability and Strategy.

Sustainability & HSSE (Health, Safety, Security and Environment)

In the era of energy transition, the goal of OMV's business is to provide "oil & gas at its best." The growing demand for energy and accelerating climate change pose immense challenges for the energy sector. The key lies in finding the balance between climate protection efforts, affordable energy, and reliable supply. This means producing and using oil and gas as sensibly and responsibly as possible to safeguard the energy supply. We pledge to conduct our business responsibly by protecting the environment, aiming to be an employer of choice, and creating long-term value for our customers, shareholders, and society.

In line with the sustainable approach to the business, OMV has developed the Sustainability Strategy 2025 as an integral part of OMV's Corporate Strategy 2025. The Strategy includes 15 measurable targets set in the five focus areas: Health, Safety, Security, and Environment (HSSE), Carbon Efficiency, Innovation, Employees, as well as Business Principles and Social Responsibility. For a lower-carbon future, OMV will invest up to EUR 500 mn by 2025 in innovative energy solutions such as ReOil® and Co-Processing and will implement carbon efficiency measures.

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

In 2019, the combined Lost-Time Injury Rate (LTIR) for OMV employees and contractors was 0.34 (2018: 0.30), and our combined Total Recordable Injury Rate (TRIR) was 0.95 (2018: 0.78). We had no work-related fatalities.

OMV is strongly committed to climate change mitigation and responsible resource management, and has set targets to reduce its carbon footprint. The principal targets are to reduce the carbon intensity of OMV's overall operations by 19% by 2025 and to reduce the carbon intensity of products by 4% by 2025, both compared with 2010. This will be achieved by improving energy efficiency across all operations, implementing GHG emission reduction projects, and increasing the share of natural gas and petrochemical products in our product portfolio.

Research and Development

OMV Aktiengesellschaft is not performing research and development projects itself, but coordinates the group-wide research and development projects.

Outlook for OMV Group

Market environment

For 2020, OMV expects the average Brent oil price to amount to USD 60/bbl (2019: USD 64/bbl). The average realized gas price is anticipated to be lower in 2020 compared to the previous year (2019: EUR 11.9/MWh).

Group

In 2020, organic CAPEX (including capitalized exploration and appraisal expenditure and excluding acquisitions) is projected to come in at EUR 2.4 bn (2019: EUR 2.3 bn).

Upstream

OMV expects total production to be around 500 kboe/d in 2020 (2019: 487 kboe/d), depending on the security situation in Libya. Organic CAPEX for Upstream (including capitalized exploration and appraisal expenditure and excluding acquisitions) is anticipated to come in at around EUR 1.6 bn in 2020 (2019: EUR 1.6 bn). In 2020, the exploration and appraisal expenditure is expected to total EUR 350 mn (2019: EUR 360 mn).

Downstream

In 2020, the refining indicator margin is expected to be above USD 5/bbl (2019: USD 4.4/bbl). The petrochemical margins are anticipated to come in slightly below EUR 400/t (2019: EUR 433/t). Total refined product sales are forecasted to be on a similar level to 2019 in 2020 (2019: 20.9 mn t). In OMV's markets, retail and commercial margins are predicted to be slightly lower in 2020 than those in 2019. There is no major turnaround planned for our refineries in Europe in 2020. Therefore, the utilization rate of the European refineries is expected to be around 95% (2019: 97%).
Natural gas sales volumes in 2020 are projected to be above 2019 levels (2019: 137 TWh). Natural gas sales margins will likely at least reach the prior-year level.

The outbreak of coronavirus (COVID-19) and the efforts to contain it are expected to affect the global economy and, as a result, to have an impact on prices and demand of oil products and crude oil; however, as it is not possible to quantify it at this moment, such impact is not included in the outlook above.

Vienna, March 11, 2020

The Executive Board

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

Reinhard Florey m.p.
Chief Financial Officer

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

Thomas Gangl m.p.
Chief Downstream Operations Officer

Auditor's Report[1]

Report on the Financial Statements

Audit Opinion

We have audited the financial statements of

OMV Aktiengesellschaft, Vienna

These financial statements comprise the balance sheet as of December 31, 2019, the income statement for the fiscal year then ended and the notes.

Based on our audit the accompanying 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 Company as of December 31, 2019 and its financial performance for the year then ended in accordance with Austrian Generally Accepted Accounting Principles.

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 Financial Statements" section of our report. We are independent of the Company in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

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

Key Audit Matter	How our audit addressed the key audit matter
Recoverability of the carrying value of shares in and loans to affiliated companies The carrying value of shares in affiliated companies amounted to € 9,904 million at December 31, 2019 after an impairment charge of € 367 million in 2019, which was mainly distribution-related. The carrying value of loans to affiliated companies amounted to € 6,227 million. Impairment assessments of shares in and loans to affiliated companies require significant judgement 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. OMV's disclosures about shares in and loans to affiliated companies are included in Note "Accounting and valuation policies", Note 1 (Fixed assets), Note 12 (Financial income and expenses) and the Statement of fixed assets.	We assessed and tested management's assessment of the recoverability of the carrying value of shares in and loans to affiliated companies. Specifically our work included, but was not limited to, the following procedures: ▶ Review and evaluation of management's assessment of the existence of impairment indicators; ▶ Comparison of the assumptions (forecasted revenues, expenses, capital expenditure and changes in working capital) used within the future cash flow models to approved budgets and business plans; ▶ Involvement of our valuation specialists to evaluate discount rates.

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

Management is responsible for the preparation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles, for them to present a true and fair view of the assets, the financial position and the financial performance of the Company and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 Company'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 Company'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 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 Company to cease to continue as a going concern;

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

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

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

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

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

Opinion

In our opinion, the director's report for the Company 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 financial statements.

Statement

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report and the annual financial report (but does not include the financial statements, the director's report and the auditor's report thereon). From the other information we received the "Consolidated Corporate Governance Report" and the "Consolidated Report on the Payments Made to Government" prior to the date of this auditor's report. The annual report and the annual financial report including the remaining other information is estimated to be provided to us after the date of the auditor's report. Our opinion on the 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 financial statements, our responsibility is to read the other information, as soon as it is available, and, in doing so, to consider whether – based on our knowledge obtained in the audit – the other information is materially inconsistent with the financial statements or otherwise appears to be materially misstated.

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

Additional information in accordance with Article 10 EU regulation

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

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

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

Responsible Austrian Certified Public Accountant

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

Vienna, March 11, 2020

Ernst & Young
Wirtschaftsprüfungsgesellschaft m. b. H.

Gerhard Schwartz m.p.
Wirtschaftsprüfer/Certified Public Accountant

Alexander Wlasto m.p.
Wirtschaftsprüfer/Certified Public Accountant

Financial Statements
Balance sheet as of December 31, 2019

Assets

	Note	in EUR	in EUR 1,000
		2019	2018
A. Fixed assets	1		
I. Intangible assets			
1. Concessions, industrial property rights and similar rights and benefits and licenses derived therefrom		**22,561,923**	13,943
II. Tangible assets			
1. Land and buildings on third party land		2,079,257	2,406
2. Other fixtures and fittings, tools and equipment		9,811,357	8,114
		11,890,614	**10,520**
III. Financial assets			
1. Shares in affiliated companies		9,904,265,292	8,187,092
2. Loans to affiliated companies		6,227,058,744	6,007,883
3. Participating interests		26,624,460	26,624
4. Securities (loan stock rights) held as fixed assets		4,506,435	4,506
5. Other loans		1,724,509	1,735
		16,164,179,439	**14,227,842**
		16,198,631,976	**14,252,304**
B. Current assets			
I. Receivables and other assets	2		
1. Trade receivables		809,763	31
thereof with a remaining maturity of more than one year		–	–
2. Receivables from affiliated companies		2,018,430,165	1,684,425
thereof with a remaining maturity of more than one year		–	–
3. Receivables from companies in which the Company has a participating interest		4,594	5
thereof with a remaining maturity of more than one year		–	–
4. Other receivables and assets		23,755,496	49,103
thereof with a remaining maturity of more than one year		–	–
		2,043,000,018	**1,733,564**
II. Securities and interests			
1. Other securities		160,799,503	183,265
III. Cash on hand, checks, cash at banks		**832,983,750**	**2,186,851**
		3,036,783,271	**4,103,679**
C. Prepaid expenses and deferred charges		**35,401,321**	**27,330**
D. Deferred tax assets	3	–	–
		19,270,816,568	**18,383,314**

Liabilities

	Note	in EUR	in EUR 1,000
		2019	2018
A. Shareholders' equity	4		
I. Nominal capital called up and paid in			
Nominal capital subscribed		327,272,727	327,273
Nominal amount of treasury shares		(372,613)	(542)
		326,900,114	**326,731**
II. Capital reserves			
1. Appropriated reserve		1,741,968,584	1,739,256
2. Unappropriated reserve		333,728	334
		1,742,302,311	**1,739,590**
III. Capital reserve for share based payments		**8,654,859**	**13,712**
IV. Revenues reserves			
1. Unappropriated reserve		2,718,195,588	2,419,733
2. Reserve for treasury shares		372,613	542
		2,718,568,201	**2,420,275**
V. Unappropriated income		**973,171,501**	**720,449**
thereof income brought forward		148,374,101	309,070
		5,769,596,985	**5,220,757**
B. Provisions	5		
1. Provisions for severance payments		14,031,350	13,975
2. Provisions for pensions		47,123,231	53,047
3. Provisions for taxes		232,383,219	318,719
4. Other provisions		46,963,176	49,925
		340,500,976	**435,667**
C. Liabilities	6		
1. Bonds		7,800,000,000	7,000,000
thereof with a remaining maturity of less than one year		500,000,000	500,000
thereof with a remaining maturity of more than one year		7,300,000,000	6,500,000
2. Amounts due to banks		462,561,195	480,973
thereof with a remaining maturity of less than one year		119,050,319	98,607
thereof with a remaining maturity of more than one year		343,510,876	382,366
3. Trade payables		27,637,815	26,768
thereof with a remaining maturity of less than one year		27,637,815	26,654
thereof with a remaining maturity of more than one year		—	114
4. Payables to affiliated companies		4,613,671,892	4,940,200
thereof with a remaining maturity of less than one year		4,613,671,892	4,940,200
5. Payables to companies in which the Company has a participating interest		—	9
thereof with a remaining maturity of less than one year		—	9
6. Other liabilities		256,231,115	278,940
thereof with a remaining maturity of less than one year		221,451,055	236,459
thereof with a remaining maturity of more than one year		34,780,060	42,481
thereof taxes		158,909,847	173,964
thereof with a remaining maturity of less than one year		158,909,847	173,964
thereof social security payables		1,682,248	1,245
thereof with a remaining maturity of less than one year		1,682,248	1,245
thereof with a remaining maturity of less than one year		5,481,811,081	5,801,929
thereof with a remaining maturity of more than one year		7,678,290,936	6,924,961
		13,160,102,017	**12,726,890**
D. Deferred Income		**616,590**	—
		19,270,816,568	**18,383,314**

Income statement

Income statement

	Note	in EUR	in EUR 1,000
		2019	2018
1. Sales	7	**208,961,328**	**213,495**
2. Other operating income	8		
a) Income from the disposal of fixed assets		738,430	—
b) Income from the reversal of provisions		269,124	3,338
c) Other		1,075,617	893
		2,083,171	**4,231**
3. Expenses for materials and purchased services	9		
a) Expenses for materials		(844,537)	(486)
b) Expenses for purchased services		(40,681,198)	(42,336)
		(41,525,735)	**(42,822)**
4. Personnel expenses	10		
a) Salaries		(102,658,414)	(85,872)
b) Social benefits		(25,513,880)	(68,091)
thereof expenses for pensions		(2,377,479)	(47,570)
aa) thereof expenses for severance payments and contributions to staff provision funds		(2,742,992)	(3,260)
bb) thereof expenses for statutory social security, payroll-related taxes and mandatory contributions		(19,686,278)	(16,631)
		(128,172,294)	**(153,963)**
5. Depreciation and amortization			
a) of fixed intangible and tangible assets		(9,363,144)	(8,253)
6. Other operating expenses	11		
a) thereof taxes not included in Taxes on income		(1,009,270)	(768)
b) Other		(99,184,113)	(82,763)
		(100,193,383)	**(83,531)**
7. Subtotal of items 1 to 6 (Operating Result)		**(68,210,057)**	**(70,841)**
8. Income from investments		**1,768,873,821**	**1,450,340**
thereof affiliated companies		1,737,790,125	1,411,371
9. Income from loans held as financial assets		**170,077,687**	**130,597**
thereof affiliated companies		170,073,062	130,592
10. Other interest and similar income		**338,645,288**	**266,731**
thereof affiliated companies		59,849,716	38,349
11. Income from the disposal and write-up of financial assets		**3,285,282**	**5,965**
thereof write-up		3,285,282	5,965
12. Expenses arising from financial assets		**(628,984,965)**	**(842,956)**
thereof impairments		(368,394,875)	(705,449)
thereof affiliated companies		(620,191,109)	(842,956)
13. Interest and similar expenses		**(559,456,919)**	**(507,816)**
thereof concerning affiliated companies		(85,021,487)	(71,574)
14. Subtotal of items 8 to 13 (Financial result)	12	**1,092,440,193**	**502,861**
15. Profit before taxation (subtotal of lines 7 and 14)		**1,024,230,136**	**432,019**
16. Taxes on income	13	**100,567,263**	**(20,640)**
thereof deferred taxes		(16,104)	(5,563)
17. Profit after taxation		**1,124,797,399**	**411,379**
18. Release of capital reserves		—	**185**
19. Appropriation to revenue reserves		**(300,000,000)**	**(185)**
20. Income brought forward from previous years		**148,374,101**	**309,070**
21. Unappropriated retained income		**973,171,501**	**720,449**

Notes

The accounts of **OMV Aktiengesellschaft**, Vienna, as of December 31, 2019 have been drawn up in accordance with the current version of the Austrian Commercial Code (ACC) as amended and in compliance with the general standard to provide a true and fair view of the assets, liabilities, financial position and earnings of the company.

The valuation of assets and liabilities is based on the principle of individual valuation assuming going concern.

Taking into account the principle of prudence, the company only reported the profits realized at the balance sheet date. All identifiable risks and impending losses are taken into account.

As the parent company of the OMV Group, OMV Aktiengesellschaft also prepares separate consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs). The consolidated financial statements are deposited at the Vienna Commercial Court (Commercial Register Number FN 93363z) and are published on the Internet.

The detailed disclosures are shown in the notes to the accounts. The total cost format is used for the presentation of the income statement.

The annual financial statements were prepared in euro (EUR). The presentation in the notes is in EUR 1,000 as well as EUR thousand, which may result in rounding differences.

Accounting and valuation policies

Intangible and **tangible assets** are capitalized at cost and amortized/depreciated on a straight-line basis.

Depreciation is based on the following useful economic lives:

Category	Useful life
Intangible assets	4–5 years
Buildings on third party land	15 years
Machines and mechanical systems	4–10 years
Other fixtures and fittings, tools and equipment	4–10 years

In accordance with the relevant fiscal law provisions, a whole year's depreciation is recognized for **additions** in the first half of the year, and half a year's depreciation for additions in the second half.

Sustained and material **impairments** of fixed assets in excess of scheduled depreciation are recognized by write-downs.

Low-value assets up to EUR 400 are capitalized and fully written off in the year of acquisition, and are shown as additions and disposals in the statement of fixed assets.

Financial assets are carried at acquisition cost less any material impairment. Securities held as fixed assets are carried at the lower of cost or market value at the last trade date of the year. If the reasons for a previous impairment no longer apply, a write-up in the amount of the increase in value is made.

Accounts receivable and other assets are stated at cost. Non-interest bearing receivables with maturities of over one year are discounted. Foreign currency receivables are stated at the lower of cost or fair value on the balance sheet date. All recognizable risks are accounted for by valuation allowances.

Securities and shares are stated at the lower of cost or fair value on the balance sheet date.

On the balance sheet **deferred taxes** are reported either under deferred tax assets or provisions for taxes and in the income statement under the item Taxes on income. A tax group was formed with effect from January 1, 2005, under section 9 KStG (Corporate Tax Act), with OMV Aktiengesellschaft as the top-tier corporation. Due to group taxation, tax group members that make profits pay OMV Aktiengesellschaft tax contributions equal to the corporate tax attributable to those profits. If a tax group member makes an annual tax loss, OMV Aktiengesellschaft pays it a tax contribution of 25% of the transferred tax loss or the applicable corporate tax rate if different. OMV Aktiengesellschaft retains the profits and losses of 14 of its domestic subsidiaries on the basis of profit and loss pooling agreements. With 16 companies, OMV Aktiengesellschaft has a tax pooling agreement based on the liability method. 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).

The treatment of deferred tax is based on the balance sheet liability method. Recognition of deferred tax assets and liabilities is mandatory if there are temporary differences between the carrying amounts for statutory accounting and tax purposes. In principle, a fiscal option for recognizing tax loss carryforwards as deferred tax assets exists.

The nominal value of the **treasury shares** acquired is openly deducted from the capital stock in accordance with section 229 paragraph 1a ACC. The difference between the nominal amount and the acquisition cost is offset against the revenue reserves.

OMV Aktiengesellschaft 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. In contrast, participants in defined benefit plans are promised pensions at certain levels. Defined benefit pension obligations are accounted for by setting up provisions for pensions, or by means of payments to an external pension fund. The risks associated with these defined benefit pension plans remain with OMV.

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 takes future increases in remuneration into account. The actuarial gains and losses for the current financial year are disclosed under personnel expenses or other operating income, depending on the overall development of the provision.

Expenses from accrued interests for pension, severance and jubilee provisions together with income from pension plan assets are disclosed as part of financial income and expense.

Payments for defined contribution plans are reported as expenses for pensions.

Provisions for personnel reduction schemes are recognized with the settlement amount if a detailed plan has been approved by management prior to balance sheet date, and an irrevocable commitment is thereby established.

Provisions and long-term liabilities are measured at the settlement amounts, and projected cost increases are therefore taken into account. Provisions with recognition periods of more than one year are discounted at the market interest rate.

All risks recognizable and uncertain liabilities are provided for according to the best estimate and reported under **other provisions**.

Liabilities are stated at the settlement amount. Foreign currency liabilities are valued at the higher of cost or amount repayable on balance sheet date.

The **currency hedges** concluded both with banks and with affiliates (on behalf of the affiliates) form valuation units from OMV Aktiengesellschaft's perspective. They are therefore not disclosed in the books of OMV Aktiengesellschaft but in the affiliates' financial statements.

Long Term Incentive (LTI) plans

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

For share-based payments the grant date fair values are spread as expenses over the three years performance period with a corresponding increase in shareholders' equity. In case of assumed cash-settlements a provision is made for the expected future costs of the LTI plans at statement of financial position date based on fair values. A discount rate of 3.5% was used for the provision calculations.

Long Term Incentive Plans

	2019 plan	2018 plan	2017 plan	2016 plan
Start of plan	1/1/2019	1/1/2018	1/1/2017	1/1/2016
End of performance period	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Vesting date	3/31/2022	3/31/2021	3/31/2020	3/31/2019
End of holding period	—	—	—	—
Shareholding requirement				
Executive Board Chairman	200% of annual gross base salary	200% of annual gross base salary	200% of annual gross base salary	200% of gross base salary
Executive Board Deputy Chairman	175% of annual gross base salary	175% of annual gross base salary	175% of annual gross base salary	175% of gross base salary
Other Executive Board members	150% of annual gross base salary	150% of annual gross base salary	150% of annual gross base salary	150% of gross base salary
Senior managers	75% of the respective Target Long Term Incentive	75% of the respective Target Long Term Incentive	75% of the respective Target Long Term Incentive	75% of annual gross base salary
Expected shares as of December 31, 2019	**295,037 shares**	**169,883 shares**	**379,120 shares**	—
Maximum shares as of December 31, 2019	**372,732 shares**	**278,266 shares**	**422,937 shares**	—
Fair value of plan (in EUR 1,000) as of December 31, 2019 [1]	**14,988**	**8,763**	**19,889**	—
Provision (in EUR 1,000) as of December 31, 2019	**2,179**	**2,827**	**9,527**	—
Estimated tax payments related to equity settled transactions (in EUR 1,000) [2]	**711**	**97**	**482**	—

[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.

The following table refers to OMV Group:

Personal investment held in shares

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

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

Equity Deferral

One part (2/3) of the bonus is paid out in cash (Cash Bonus), whereas the other part (1/3) is allocated in shares (Equity Deferral). The Equity Deferral (equity part of the Annual Bonus, previously OMV Share Part of the Annual Bonus) serves as a long-term compensation vehicle for the members of the Executive Board that promotes retention and shareholder alignment in OMV, combining the interests of management and shareholders via a long-term investment in restricted shares. The holding period of the Equity Deferral part is 3 years from vesting. The plan also seeks to prevent inadequate risk-taking.

The Annual Bonus is capped at 180% of the target Annual Bonus (until 2017: 200% of the annual gross salary). One third of the Annual Bonus (until 2017: 50% of the granted Annual Bonus) is granted in shares. The determined bonus achievement is settled per March 31 following the period end whereby at the statement of financial position date the target achievements and the share price is estimated (the latter on basis of market quotes). In case of major changes in external factors the Supervisory Board can adjust the threshold/target/maximum levels (but not the criteria as such or 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.

Total expense

In 2019 expenses related to share based payment transactions were as follows.

Expenses related to share base payment transactions

In EUR 1,000

	2019	2018
Total expenses arising from share based payment transactions	**13,304**	**6,740**
thereof cash settled	10,739	3,874
thereof equity settled	2,565	2,866

Notes to the balance sheet

1 Fixed assets

Movements in fixed assets in 2019 are shown in the statement of fixed assets. The Land and buildings item includes land valued at EUR 665 thousand (2018: EUR 722 thousand).

Commitments arising from the use of off-balance sheet tangible assets were as follows:

Commitments arising from the use of off-balance sheet tangible assets

In EUR 1,000

	2019	2018
Maturing in one year	4,187	2,830
Maturing in the next five years	10,059	9,882

Loans with maturities of up to one year amounted to EUR 580,323 thousand (2018: EUR 192,069 thousand), thereof EUR 534,309 thousand will be refinanced in 2020.

Loans

In EUR 1,000

	2019	2018
Domestic		
OMV Exploration & Production GmbH	4,678,191	4,120,000
OMV Finance Services GmbH	534,309	389,863
OMV Austria Exploration & Production GmbH	332,000	332,000
OMV Gas & Power GmbH	—	300,000
OMV Refining & Marketing GmbH	300,000	300,000
GAS CONNECT AUSTRIA GmbH	153,000	153,000
OMV (Tunesien) Production GmbH	79,289	115,855
BSP Bratislava-Schwechat Pipeline GmbH	1,646	1,646
EGW Heimstätte GmbH	78	89
Foreign		
OMV Hungária Ásványolaj Korlátolt Felelösségü Társaság	30,254	31,155
OMV New Zealand Ltd	117,897	263,837
OMV Gas Marketing & Trading Hungaria Kft	2,118	2,174
Total	**6,228,783**	**6,009,619**

During the reporting period, OMV Aktiengesellschaft granted an additional loan to OMV Exploration & Production GmbH in the amount of EUR 396,637 thousand and a loan in the amount of USD 350,000 thousand. OMV Finance Services GmbH received a further loan in the amount of EUR 144,446 thousand.

In the reporting period following loans were repaid: OMV Gas & Power GmbH EUR 300,000 thousand, OMV Exploration & Production GmbH EUR 150,000 thousand, OMV (Tunesien) Production GmbH USD 43,778 thousand and OMV New Zealand Limited NZD 250,000 thousand.

2 Accounts receivable and other assets

Accounts receivable and other assets

In EUR 1,000

	2019		2018	
	≤1 year	>1 year	≤1 year	>1 year
Trade Receivables	810	—	31	—
Receivables from affiliated companies	2,018,430	—	1,684,425	—
thereof trade	30,471	—	22,354	—
thereof financing	43,803	—	62,758	—
thereof profit pooling	1,557,355	—	1,267,895	—
thereof other	386,802	—	331,418	—
Receivables from associated companies	5	—	5	—
thereof trade	5	—	5	—
Other receivables and assets	23,755	—	49,103	—
Total	**2,043,000**	**—**	**1,733,564**	**—**

The deferred purchase price in the amount of EUR 20,000 thousand which results from the sale of OMV Petrol Ofisi Holding Anonim Şirketi in 2017 and was included in the position other receivables has been repaid in the business year, the residual receivable thereof was impaired in the business year and amounts to EUR 18,263 thousand (2018: EUR 27,057 thousand). The item also includes EUR 4,150 thousand (2018: EUR 1,661 thousand) in corporate tax prepayments.
The Other receivables and assets item includes material income due after balance sheet date. The most important amounts comprise revenues from previous years sales of investments of EUR 18,263 thousand (2018: EUR 47,057 thousand).

3 Deferred tax assets

Deferred taxes essentially result from different valuation rules and distribution standards. Due to insufficient taxable profits in future, no deferred tax income was recognized in the reporting period. The fiscal option to recognize deferred tax assets relating to loss carry forwards is not exercised.

4 Stockholders´equity

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

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

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

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

Capital reserves 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.

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

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

On May 14, 2019 the Annual General Meeting authorized the Executive Board to repurchase bearer shares of no par value of the Company up to a maximum of 5% of the Company's nominal capital in accordance with section 65 paragraph 1 number 8 Austrian Stock Corporation Act, over a period of 15 months from the date of adoption of the resolution by the General Meeting, for a minimum consideration per share being at the utmost 30% lower than the average, unweighted stock exchange closing price over the preceding ten trading days and a maximum consideration per share being at the utmost 20% higher than the average, unweighted stock exchange closing price over the preceding ten trading days, whereby any repurchases have to be exercised in such a way that the Company does not hold more than 1,300,000 treasury shares at any time. Such repurchases may take place via the stock exchange or a public offering or by other legal means and for the purpose of share transfer programs, in particular long term incentive plans including matching share plans, equity deferrals or other stock ownership plans. The Executive Board was further authorized to cancel stock repurchased or already held by the Company without further resolution of the General Meeting and the Supervisory Board was authorized to adopt amendments to the Articles of Association resulting from the cancellation of shares. The authorization can be exercised as a whole or in parts and also in several tranches by the Company, by a subsidiary (Section 189a Number 7 Commercial Code) or by third parties for the account of the Company and shall be exercised always in such a manner that it is to the benefit and in the best interest of the Company.

The nominal value of the **treasury shares** acquired is openly deducted from the capital stock in accordance with section 229 paragraph 1a ACC. The difference between the nominal amount and the acquisition cost is offset against the revenue reserves.

Changes in **treasury shares** were as follows:

Treasury shares

In EUR 1,000

	Number of shares	Cost
January 1, 2018	**772,230**	**8,485**
Disposals	(230,079)	(2,525)
December 31, 2018	**542,151**	**5,960**
Disposals	(169,538)	(1,860)
December 31, 2019	**372,613**	**4,100**

The **number of shares in issue** developed as follows:

Number of shares in issue

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

5 Provisions

Provisions for employee benefits are recognized in accordance with the projected unit credit method. The indexed pension commitments to employees of OMV Aktiengesellschaft were transferred to an external pension fund managed by APK-Pensionskasse AG. The defined benefit plans are generally based on years of service and the employee's average compensation over the last five calendar years of employment.

These pension plans are non-contributory. Changes in the funding of defined benefit plans and in provisions for jubilee payments were as follows:

Development defined benefit plans and jubilee payments

In EUR 1,000

	2019			2018		
	Pensions	Severance payments	Jubilee payments	Pensions	Severance payments	Jubilee payments
Present value of funded obligations	105,578	—	—	102,788	—	—
Market value of plan assets	(58,456)	—	—	(49,741)	—	—
Provision for funded obligations	**47,122**	**—**	**—**	**53,047**	**—**	**—**
Present value of unfunded obligations	—	14,031	4,857	—	13,975	4,312
Provision for unfunded obligations	**—**	**14,031**	**4,857**	**—**	**13,975**	**4,312**
Provision as of January 1	**53,047**	**13,975**	**4,312**	**17,059**	**7,641**	**2,066**
Expense for the year	331	1,082	764	23,010	1,845	654
Payments to funds	(6,255)	—	—	—	—	—
Benefits paid	—	(1,043)	(305)	—	(1,301)	(264)
Group transfer	—	17	86	12,978	5,790	1,856
Provision as of December 31	**47,123**	**14,031**	**4,857**	**53,047**	**13,975**	**4,312**
Interest cost	2,115	231	84	2,380	315	105
Current service cost	—	526	273	—	548	247
Expected return on plan assets	(1,668)	—	—	(1,923)	—	—
Recognized actuarial (gains)/losses	(116)	325	407	22,553	982	302
Expenses of defined benefit plans for the year	**331**	**1,082**	**764**	**23,010**	**1,845**	**654**

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

Assumptions for calculation

	2019			2018		
	Pensions	Severance	Jubilees	Pensions	Severance	Jubilees
Capital market interest rate	1.80%	1.40%	1.60%	2.10%	1.70%	2.00%
Future increases in salaries	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Future increases in pensions	2.00%	—	—	2.00%	—	—
Long-term rate of return on plan assets	3.50%	—	—	3.50%	—	—

The biometrical basis for the calculation of provisions for pensions, severance and jubilee entitlements is provided by AVÖ 2018 P – Rechnungsgrundlagen für die Pensionsversicherung (Computational Framework for Pension Insurance) – Pagler & Pagler, using the variant for salaried employees. The effects of prior year's change in the biometric actuarial basis (conversion from AVÖ 2008 to AVÖ 2018) were recorded in full in the 2018 period expense and are included in the table above in the recognized actuarial gains/losses. Essentially, this led to an increase in pension provisions of EUR 5,532 thousand in 2018.

Employee turnover was estimated based on age or years of service respectively. The expected retirement age used for calculations is based on the earliest possible retirement age according to ASVG regulations.

Applying AFRAC position paper No. 27, "Personnel provisions (ACC)", the average of the discount rate at the applicable balance sheet date and those at the six previous balance sheet dates was used to calculate the pension, severance payment and jubilee payment provisions on the basis of the average residual maturity of the total obligation.

Allocation of plan assets as of December 31

	2019		2018	
	VRG IV Austria	VRG VI Austria	VRG IV Austria	VRG VI Austria
Asset category				
Equity securities	26.22%	26.42%	22.14%	21.81%
Debt securities	59.08%	59.01%	62.21%	62.48%
Cash and money market investments	7.55%	7.03%	6.76%	6.70%
Other	7.15%	7.54%	8.89%	9.01%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**

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

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

The actual returns of the individual VRGs can deviate from the target returns on the plan assets, due to differences in the allocation, the developments of the capital markets and costs. The performance of the VRG IV was in 2019 13.2% and the performance of the VRG VI was 13.3% mainly due to significantly improved performance on debt and equity securities market.

In 2020, defined benefit related contributions for 2019 to APK-Pensionskasse AG of EUR 2,500 thousand (2018: EUR 49,500 thousand) are planned.

Other provisions largely consist of the following:

Other provisions

In EUR 1,000

	2019	2018
Personnel provisions	42,886	38,608
Sundry provisions	4,077	11,317
Total	**46,963**	**49,925**

Personnel provisions include a provision for the Long Term Incentive Plan amounting to EUR 14,533 thousand (2018: EUR 14,612 thousand). Provisions with a residual term of more than one year were discounted at an interest rate of 3.5%.

The provisions for taxes item comprises a corporate income tax provision for the recapture of losses by foreign tax group members at top-tier corporate level in the amount of EUR 28,274 thousand (2018: EUR 28,274 thousand) as well as a provision for future tax contribution liabilities arising from the transfer of losses incurred by domestic tax group members in the amount of EUR 204,109 thousand (2018: 290,445 thousand).

6 Liabilities

Liabilities

In EUR 1,000

	2019		2018	
	≤1 year	>1 year	≤1 year	>1 year
Bonds	500,000	7,300,000	500,000	6,500,000
Amounts due to banks	119,050	343,511	98,607	382,366
Accounts payable from trade	27,638	—	26,654	114
Accounts payable to affiliates	4,613,672	—	4,940,200	—
thereof trade	4,327	—	5,636	—
thereof financing	2,795,082	—	3,410,338	—
thereof clearing	1,374,824	—	1,143,795	—
thereof profit pooling	251,796	—	137,508	—
thereof other	187,642	—	242,923	—
Liabilities to associated companies	—	—	9	—
Other liabilities	221,451	34,780	236,459	42,481
thereof taxes	158,910	—	173,964	—
thereof social security expenses	1,682	—	1,245	—
Total	**5,481,811**	**7,678,291**	**5,801,929**	**6,924,961**

In 2019, OMV Aktiengesellschaft issued an additional Eurobond with an aggregate size of EUR 1,000,000 thousand, in two tranches of EUR 500,000 thousand each as well as a private placement in the amount of EUR 300,000 thousand.

The EUR 500,000 thousand Eurobond issued in 2013 was redeemed in November 2019.

On December 7, 2015, OMV issued additional hybrid notes with an aggregate size of EUR 1,500,000 thousand, in two tranches of EUR 750,000 thousand each. Tranche 1 bears a fixed interest coupon of 5.250% until, but excluding, December 9, 2021 and tranche 2 bears a fixed interest coupon of 6.250% until, but excluding, December 9, 2025.

On June 19, 2018, OMV issued another hybrid bond with a size of EUR 500,000 thousand. The hybrid bears a fixed interest rate of 2.875% until, but excluding, June 19, 2024.

Accounts payable to affiliates from financing include short-term loans (money market transactions) from various subsidiary companies as part of the liquidity management of the group.

Bonds issued

	Nominal	Coupon	Repayment
International corporate bond	EUR 500,000,000	4.375% fixed	02/10/2020
	EUR 500,000,000	4.25% fixed	10/12/2021
	EUR 750,000,000	2.625% fixed	09/27/2022
	EUR 500,000,000	0.75% fixed	12/04/2023
	EUR 500,000,000	0.00% fixed	07/03/2025
	EUR 1,000,000,000	1.00% fixed	12/14/2026
	EUR 750,000,000	3.5% fixed	09/27/2027
	EUR 500,000,000	1.875% fixed	12/04/2028
	EUR 500,000,000	1.00% fixed	07/03/2034
Privat placement	EUR 300,000,000	variable	06/11/2021
Hybrid bond	EUR 750,000,000		
	EUR 750,000,000		
	EUR 500,000,000		
Total	**EUR 7,800,000,000**		

Other liabilities include interest expenses for bonds of EUR 53,330 thousand (2018: EUR 51,817 thousand) and personnel reduction expenses of EUR 40,414 thousand (2018: EUR 48,862 thousand). These items will be payable after the balance sheet date.

Liabilities with maturities of more than one year include the following liabilities with maturities of more than five years: bond liabilities amounting to EUR 5,250,000 thousand (2018: EUR 4,250,000 thousand) and liabilities for personnel reduction plans amounting to EUR 14,850 thousand (2018: EUR 18,734 thousand).

Notes to the income statement

7 Sales

Sales

In EUR 1,000

	2019	2018
Domestic	175,312	181,357
Foreign	33,649	32,138
Total	**208,961**	**213,495**

The sales consist of corporate service charges paid by Group companies and of revenues generated by operational activities performed for Group companies as well as services for group companies in the areas of IT, Finance, Human Recources, Facility Management and Occupational Health.

8 Other operating income

Other operating income

In EUR 1,000

	2019	2018
Income from the disposal of fixed assets other than financial assets	738	—
Income from the reversal of provisions	269	3,338
Other	1,076	893
Total	**2,083**	**4,231**

Other operating income includes income from the reversal of the provision for personnel in the amount of EUR 269 thousand (2018: EUR 3,338 thousand). The position other mainly includes employee deductible for office canteen, various bonuses and compensation for supervisory board functions.

9 Expenses for materials and purchased services

Expenses for materials and purchased services

In EUR 1,000

	2019	2018
Cost of materials	845	486
Cost of purchased services	40,681	42,336
Total	**41,526**	**42,822**

The expenses for purchased services mainly include services provided by third parties for ongoing activities amounting to EUR 16,049 thousand (2018: 16,170 thousand) and other services provided by OMV Petrom Global Solutions SRL amounting to EUR 11,222 thousand (2018: EUR 15,320). External software services in the amount of EUR 10,065 (2018: EUR 8,241 thousand) were purchased in the reporting period.

10 Personnel expenses

The item Salaries includes expenses for share based payments for which we refer to table "Expenses related to share base payment transactions" in the section Long Term Incentive (LTI) plans and Equity Deferral part of the annual bonus. Expenses related to provisions for jubilee payments amount to EUR 680 thousand (2018: EUR 549 thousand).

Expenses for severance payments, payments to occupational pension funds and expenses for pensions

In EUR 1,000

	2019	2018
Expenses for severance payments	1,543	2,225
Payments to employee benefit funds	1,200	1,034
Defined contribution personnel expense	3,588	4,153
Defined benefit personnel expense	(1,211)	43,417
Total	**5,120**	**50,829**

Expenses for personnel reduction programs are included in the position Expenses for severance payments amounting to EUR 692 thousand (2018: EUR 695) as well as in the position Defined benefit personnel expense with an income amounting to EUR 1,209 thousand (2018: expense EUR 20,683 thousand).

The income in the position Defined benefit personnel expenses consists both of the discontinuation of obligations and of changes in parameters. The breakdown of expenses for severance payments and pensions is as follows:

Expenses for severance payments and pensions

In EUR 1,000

	2019		2018	
	Severance	Pensions	Severance	Pensions
Current and former members of Executive Board	251	725	188	813
Senior executives	174	486	281	1,108
Other employees	1,993	1,282	1,808	23,096
Actuarial (gains) and losses	325	(116)	982	22,553

11 Other operating expenses

Other operating expenses

In EUR 1,000

	2019	2018
Taxes not shown under item 16 (Taxes on income)	1,009	768
Other	99,184	82,763
Total	**100,193**	**83,531**

The tax item largely concerns fees paid to Austrian Financial Market Authority. Other expenses include: EUR 25,390 thousand in services delivered by OMV Group companies (2018: EUR 16,586 thousand), EUR 16,472 thousand in advertising expenditure (2018: EUR 12,131 thousand), EUR 32,051 thousand in legal and consultancy fees (2018: EUR 31,183 thousand), EUR 2,569 thousand in various third-party services (2018: EUR 3,160 thousand), EUR 1,729 thousand insurance expense (2018: EUR 2,154 thousand), EUR 5,195 thousand in communication expenses (2018: EUR 5,142 thousand) and EUR 2,969 thousand in maintenance (2018: EUR 2,818 thousand).

12 Financial income and expenses

Income from investments amounting to EUR 1,768,874 thousand (2018: EUR 1,450,340 thousand) includes EUR 1,557,355 thousand (2018: EUR 1,267,895 thousand) from profit-pooling arrangements, EUR 180,435 thousand in dividends from affiliated companies (2018: EUR 143,476 thousand) and EUR 31,084 thousand (2018: EUR 38,970 thousand) from other investment income. As of the balance sheet date, there were profit and loss pooling agreements with the following companies: OMV Solutions GmbH, OMV Refining & Marketing GmbH, OMV Insurance Broker GmbH and OMV Gas & Power GmbH.

Income from financial assets includes a write-up to financial assets amounting to EUR 3,285 thousand (2018: EUR 5,965 thousand).

The expenses arising from financial assets include EUR 251,796 thousand (2018: EUR 137,508 thousand) in expenses arising from profit pooling agreements, a EUR 364,786 thousand distribution-related impairment of the participation value of OMV Solutions GmbH (2018: EUR 700,000 thousand), an impairment loss related to OMV AUSTRALIA PTY LTD in the amount of EUR 2,041 thousand (2018: EUR 3,864 thousand) as well as an impairment related to the prior year's sale of OMV Petrol Ofisi Holding Anonim Şirketi in the amount of EUR 8,794 thousand (2018: EUR nil).

13 Taxes on income

Taxes on income

In EUR 1,000

	2019	2018
Current taxes	(100,583)	15,077
Deferred taxes	16	5,563
Total	**(100,567)**	**20,640**

Current taxes comprise EUR 35,202 thousand tax expense from previous years (2018: income EUR 3,859 thousand) and EUR 135,786 thousand corporate tax income (2018: expense EUR 18,937 thousand) attributable to the top-tier corporation in consequence of the formation of a tax group under section 9 Corporate Tax Act, after the tax contributions charged. Tax income from current year includes a release of provision of EUR 86,336 thousand (2018: EUR 66,626 thousand) recognized for future tax contribution liabilities arising from the transfer of losses incurred by domestic tax group members.

The reported deferred tax expense amounting to EUR 16 thousand (2018: EUR 5,563 thousand) resulted from the valuation allowance of neutral adjustments.

Supplementary information

14 Interest rate risk management and derivatives

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

Interest rate swaps are used from time to time to convert fixed rate debt into floating rate debt, and vice versa. In 2015 the last interest rate hedge expired, and afterwards no further interest rate derivatives were concluded.

Where necessary, the Company hedges its own and Group companies' foreign currency risks. OMV Aktiengesellschaft has entered into hedges with banks, and transferred them to Group companies. As of December 31, 2019, the main exposures were related to the EUR-USD, EUR-GBP, EUR-HUF, EUR-RON as well as the USD-RON exchange rates. Foreign currency transactions are used to hedge the period until December 2020.

As of December 31 the value of transactions used to hedge foreign currency risk for Group companies, which is not recognized in the balance sheet of OMV Aktiengesellschaft due to the formation of valuation units, was as follows:

Currency derivatives: Forwards

In EUR 1,000

	2019				2018			
		Fair value				Fair value		
	Notional value	positive	negative	Carrying value	Notional value	positive	negative	Carrying value
Currency forwards	831,737	18,781	(18,749)	—	1,359,876	16,785	(16,726)	—

The effectiveness of the hedging relationship is measured retrospectively based on the correlation between the exchange rate of the hedging instrument and the exchange rate of the underlying hedged transaction. The exchange rate difference of the underlying transaction is settled by the exchange rate difference of the hedging instrument. Prospectively, the effectiveness is measured by checking the correspondence of the critical terms between the underlying transaction and the hedging transaction (critical term match).

Without hedge accounting, provisions for onerous contracts amounting to the negative fair value would have to be recognized based on the so-called "imparity realization principle" in the amount of EUR 18,749 thousand (2018: EUR 16,726 thousand).

For a M&A Transaction the EURUSD exchange risk was hedged in 2018 via an option. OMV Aktiengesellschaft bought an EUR Put / USD Call Option for a group company with a strike of EURUSD 1.135, value date January 30, 2019, to protect the hedged amount of USD 270 mn against a stronger USD. The option premium of EUR 2,440 thousand has been charged to the group company in the prior year.

OMV Aktiengesellschaft employs currency swaps for liquidity management purposes.

As of December 31 the value of transactions used to hedge foreign currency risks for OMV Aktiengesellschaft was as follows:

Currency derivatives: FX Swaps

In EUR 1,000

	2019			2018		
	Notional value	Fair value	Carrying value	Notional value	Fair value	Carrying value
FX Swap EUR-NZD	—	—	—	263,973	1,052	—
FX Swap NZD-USD	153,126	(1,142)	(1,397)	—	—	—
FX Swap EUR-NOK	500,630	9,935	—	656,272	(5,343)	(5,343)
FX Swap EUR-AUD	23,418	307	—	—	—	—
FX Swap EUR-RUB	287,686	8,371	—	109,501	(5,463)	(5,463)
FX Swap EUR-USD	426,212	(2,059)	(2,059)	65,407	95	—

The fair value of the derivative instruments reflects the estimated amounts that OMV would pay or receive if the positions were closed at balance sheet date. Quotations from banks or appropriate pricing models are used to estimate the fair value of financial instruments at balance sheet date. These models apply the forward rates/forward prices and exchange rates ruling at balance sheet date, as well as volatility indicators for the price calculations. Recognition is under other provisions.

15 Governing bodies, employees and related parties

The **average number of employees** was:

Average

	2019	2018
Salaried employees	705	623
Total	**705**	**623**

The **remuneration received** by the Executive Board was made up as follows:

Remuneration received by the Executive Board

In EUR 1,000

	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	**3,361**	**1,635**	**1,586**	**294**	**1,554**	—	—	—	**8,430**
Fixed (base salary)	1,100	750	700	288	**700**	—	—	—	**3,538**
Fixed (functional allowance)	1,002 [2]	—	—	—	—	—	—	—	**1,002**
Variable (cash bonus) [1]	1,246	872	841	—	841	—	—	—	**3,800**
Benefits in kind	13	13	45 [3]	7	**13**	—	—	—	**90**
Post employment benefits	**275**	**188**	**175**	**72**	**175**	—	—	—	**884**
Pension fund contributions	275	188	175	72	175	—	—	—	**884**
Termination benefits	—	—	—	—	**221** [4]	—	—	—	**221**
Shared based benefits	**3,596**	**1,754**	**1,165**	—	**2,081**	**247**	**415**	**3,129**	**12,387**
Variable (Equity Deferral 2018)	698	489	471	—	471	—	—	—	**2,129**
Variable (LTIP)	2,898	1,265	694	—	1,610	247	415	3,129	**10,258**
Remuneration received by the Executive Board	**7,232**	**3,576**	**2,926**	**366**	**4,031**	**247**	**415**	**3,129**	**21,923**

[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 & Trading" since July 1, 2019.
[3] Including schooling costs and related taxes.
[4] Manfred Leitner received an annual leave compensation payment amounting to EUR 221 thousand.
[5] Thomas Gangl joined the Executive Board effectively July 1, 2019.
[6] Manfred Leitner resigned from the Executive Board effectively June 30, 2019.
[7] David C. Davies resigned from the Executive Board effectively July 31, 2016.
[8] Jaap Huijskes resigned from the Executive Board effectively August 31, 2015.
[9] Gerhard Roiss resigned from the Executive Board effectively June 30, 2015.

Remuneration received by the Executive Board

In EUR 1,000

	2018								
	active members of the Executive Board as of December 31, 2018				former members of the Executive Board				
	Seele	Pleininger	Florey	Leitner	Davies [6]	Floren [7]	Huijskes [8]	Roiss [9]	Total
Short Term Benefits	**2,013**	**1,338**	**1,351**	**1,413**	**150**	**—**	**—**	**—**	**6,264**
Fixed (base salary)	1,100	750	700	700	—	—	—	—	**3,250**
Variable (cash bonus) [1]	900	575	600	700	150	—	—	—	**2,925**
Benefits in kind	13	13	51 [5]	13	—	—	—	—	**89**
Post Employment benefits	**275**	**188**	**175**	**175**	**—**	**—**	**—**	**—**	**813**
Pension fund contributions	275	188	175	175	—	—	—	—	**813**
Share based benefits [1]	**2,348**	**960**	**531**	**2,343**	**2,586**	**1,478**	**1,776**	**3,300**	**15,322**
Variable (Equity Deferral 2017) [2]	796	509	531	619	132	—	—	—	**2,587**
Variable (LTIP)	1,552 [3]	452 [4]	—	1,724	2,453	1,478	1,776	3,300	**12,735**
Total	**4,636**	**2,485**	**2,057**	**3,931**	**2,735**	**1,478**	**1,776**	**3,300**	**22,399**

1 The variable components relate to target achievement in 2017, for which bonuses were paid in 2018.
2 The Equity Deferral from the Annual Bonus was renamed from “Share part of the Annual Bonus” at the grant date.
3 Rainer Seele received pro-rated payout in shares before taxes for LTIP 2015 as he joined the Executive Board effectively July 1, 2015.
4 Johann Pleininger received pro-rated payout in shares before taxes and in addition cash payment amounting to EUR 516 thousand based on the senior manager LTIP 2015.
5 Including schooling costs, moving costs and related taxes.
6 David C. Davies resigned from the Executive Board effectively July 31, 2016.
7 Hans-Peter Floren resigned from the Executive Board effectively December 31, 2014.
8 Jaap Huijskes resigned from the Executive Board effectively August 31, 2015.
9 Gerhard Roiss resigned from the Executive Board effectively June 30, 2015.

The members of the Executive Board and the members of the Supervisory Board are covered by directors and officers liability insurance (D&O) and legal costs 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.

In 2019 remuneration expenses for the Supervisory Board amounted to EUR 602 thousand (2018: EUR 593 thousand).

OMV Aktiengesellschaft is the parent company of the OMV Group and acts as a holding company.

OMV Aktiengesellschaft also provides the other Group companies with corporate financial and management services. Due to the transfer of operational business activities from OMV Solutions GmbH in 2018 the company also provides operational services for the group.

The arm's length principle which is applied to transactions with related parties is constantly documented and monitored.

Regarding the expenses for services rendered by the auditor for the year just ended, OMV Aktiengesellschaft refers to the consolidated financial statements of OMV Group.

16 Contingent Liabilities under section § 199 and other obligations under section 237 ACC

Contingent liabilities are as follows:

Contingent Liabilities

In EUR 1,000

	2019	2018
Guarantees	**2,125,626**	**2,198,986**
thereof in favor of affiliated companies	2,125,205	2,198,846

The change in contingent liabilities mainly resulted from the granting of a guarantee for SapuraOMV Upstream (Americas) Sdn. Bhd in the amount of USD 50,000 thousand as well as the reduction of guarantees issued for: OMV Gas Marketing & Trading GmbH by EUR 35,202 thousand, OMV Supply & Trading Limited by USD 50,592 thousand and OMV Exploration & Production GmbH by USD 54,000 thousand.

The following **other financial commitments** are not reported under liabilities or contingent liabilities:

OMV Aktiengesellschaft has given an undertaking to OMV Clearing und Treasury GmbH, which runs the Group's clearing operations, to maintain its liquidity for the duration of its affiliation in the Group.

OMV Aktiengesellschaft has issued guarantees and letters of comfort on behalf of certain exploration, production and distribution companies in respect of the fulfillment of concession and license agreements and various other agreements of indeterminate amounts.

With a letter of financial support vis à vis OMV Gas Storage Germany GmbH, OMV Aktiengesellschaft has undertaken to provide adequate financial funding if necessary.

OMV Aktiengesellschaft has a joint liability for pension obligations assumed by Group companies, as well as for additional contributions to rectify shortfalls in the funding of obligations transferred to external pension funds and bridging payments to separated employees.

17 Dividend recommendation

Unappropriated income for the financial year 2019 amounted to EUR 973,172 thousand (2018: EUR 720,449 thousand).

For 2019, the Executive Board of OMV Aktiengesellschaft proposes a dividend of EUR 2.00 (2018: EUR 1.75) per eligible share, which is subject to confirmation by the Annual General Meeting. The dividend for 2018 was paid in May 2019 and amounted to EUR 572,075 thousand (2018: EUR 490,096 thousand).

18 Report on payments to governments

The consolidated report on payments to governments is integrated in the Group's annual report and is available on OMV's website: www.omv.com > Investors > Publications.

19 Subsequent events

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

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

Direct Investments by OMV Aktiengesellschaft (interest of at least 20%)

Direct Investments

	Currency	Equity as of 31 Dec. 2019	Net income/ loss in 2019	Equity interest in %
Domestic				
OMV Exploration & Production GmbH, Vienna [1]	in EUR 1,000	2,582,295	325,648	100
OMV Gas & Power GmbH, Vienna [1]	in EUR 1,000	544,002	(251,796)	100
OMV Insurance Broker GmbH, Vienna [1]	in EUR 1,000	45	18	100
OMV Refining & Marketing GmbH, Vienna [1]	in EUR 1,000	3,387,646 [3]	1,103,811	100
OMV Solutions GmbH, Vienna [1]	in EUR 1,000	1,516,709	53,526	100
Foreign				
Diramic Insurance Limited, Gibraltar	in EUR 1,000	100,974	2,885	100
OMV AUSTRALIA PTY LTD, Perth [1]	in AUD 1,000	(161,460)	(4,003)	100
OMV International Oil & Gas GmbH, Zug [2]	in CHF 1,000	1,423	504	100
OMV PETROM SA, Bucharest	in RON 1,000	32,350,950	3,563,590	51.01

[1] Tax group member under section 9 Corporate Tax Act
[2] Tax group member under section 9 Corporate Tax Act
[3] Including an equity injection in the amount of EUR 2,084,000 thousand

Supervisory Board

Wolfgang C. Berndt
Chairman

Thomas Schmid
Deputy

Alyazia Ali Al Kuwaiti
Deputy

Mansour Mohamed Al Mulla

Stefan Doboczky

Karl Rose

Elisabeth Stadler

Christoph Swarovski

Cathrine Trattner

Gertrude Tumpel-Gugerell

Delegated by the Works Council:
Angela Schorna
Christine Asperger
Herbert Lindner
Alfred Redlich
Gerhard Singer

In addition to internationally experienced board members and directors of the core shareholders, the Supervisory Board appointed in the Annual General Meeting is made up of highly qualified independent members, whereby OMV observes EU recommendations relating to independence.

Presidential and Nomination Committee:
Berndt (Chairman), Schmid (Deputy), Al Kuwaiti (Deputy), Al Mulla, Asperger, Redlich

Audit Committee:
Tumpel-Gugerell (Chairwoman), Stadler (Deputy), Al Kuwaiti (Deputy), Berndt, Schmid, Trattner, Lindner, Schorna, Singer

Project Committee:
Rose (Chairman), Schmid (Deputy) Al Kuwaiti (Deputy), Al Mulla, Berndt, Lindner, Redlich, Singer

Remuneration Committee:
Berndt (Chairman), Schmid (Deputy), Al Kuwaiti (Deputy), Swarovski, Tumpel-Gugerell

Executive Board

Rainer Seele

Chairman of the Executive Board
Chief Executive Officer and
Chief Marketing Officer

Reinhard Florey

Chief Financial Officer

Johann Pleininger

Deputy Chairman of the Executive Board
and Chief Upstream Operations Officer

Thomas Gangl

Chief Downstream Operations Officer

Vienna, March 11, 2020

The Executive Board

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

Reinhard Florey m.p.
Chief Financial Officer

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

Thomas Gangl m.p.
Chief Downstream Operations Officer

Statement of fixed assets in accordance with section 226 (1) ACC

Development of acquisition costs

In EUR 1,000

	As of Jan. 1, 2019	Additions
Intangible assets		
Concessions, industrial property rights and similar rights and benefits and licenses derived therefrom	17,044	13,781 [1]
Tangible assets		
Land and buildings on third party land	2,742	79
Other fixtures and fittings, tools and equipment	13,106	5,558
	15,848	**5,637**
Financial assets		
Shares in affiliated companies	10,965,565	2,084,000
Loans to affiliated companies	6,012,494	853,249
Participating interests	26,624	—
Securities (loan stock rights) held as fixed assets	4,506	—
Other loans	1,735	—
	17,010,924	**2,937,249**
	17,043,817	**2,956,667**

1 Including assets taken over from OMV Solutions GmbH: EUR 17 thousand (2018: EUR 7,630 thousand) intangible assets and EUR nil (2018: EUR 9,546 thousand) tangible assets

Disposals	As of Dec. 31, 2019	Depreciation and amortization as of Dec 31,2019 (cumulative)	Carrying value as of Dec. 31, 2019	Carrying value as of Dec. 31, 2018
—	30,825	8,263	22,562	13,943
57	2,764	685	2,079	2,406
256	18,408	8,596	9,811	8,114
314	**21,172**	**9,281**	**11,891**	**10,520**
—	13,049,565	3,145,300	9,904,265	8,187,092
635,791	6,229,952	2,893	6,227,059	6,007,883
—	26,624		26,624	26,624
—	4,506	—	4,506	4,506
11	1,725	—	1,725	1,735
635,802	**19,312,372**	**3,148,193**	**16,164,179**	**14,227,842**
636,116	**19,364,369**	**3,165,737**	**16,198,632**	**14,252,304**

Development of depreciation

In EUR 1,000

	As of Jan. 1, 2019	Depre-ciation	Impair-ments 2019	Write-up	Disposals	As of Dec. 31, 2019
Intangible assets						
Concessions, industrial property rights and similar rights and benefits and licenses derived therefrom	**3,102**	**5,162**	—	—	—	**8,263**
Tangible assets						
Land and buildings on third party land	337	348	—	—	—	685
Other fixtures and fittings, tools and equipment	4,992	3,853	—	—	249	8,596
	5,329	**4,201**	**—**	**—**	**249**	**9,281**
Financial assets						
Shares in affiliated companies	2,778,473	—	366,827		—	3,145,300
Loans to affiliated companies	4,610	—	1,568	3,285	—	2,893
Participating interests	—	—	—		—	—
Securities (loan stock rights) held as fixed assets	—	—	—		—	—
Other loans	—	—	—		—	—
	2,783,083	**—**	**368,395**	**3,285**	**—**	**3,148,193**
	2,791,514	**9,363**	**368,395**	**3,285**	**249**	**3,165,737**

Abbreviations and Definitions

A

ACC
Austrian Commercial Code

ACCG
Austrian Code of Corporate Governance

AGM
Annual General Meeting

B

bbl
Barrel (1 barrel equals approximately 159 liters)

bbl/d
Barrels per day

bcf
Billion standard cubic feet (60 °F/16 °C)

bcm
Billion standard cubic meters (32 °F/0 °C)

bn
Billion

boe
Barrel of oil equivalent

boe/d
Barrel of oil equivalent per day

C

CAPEX
Capital Expenditure

capital employed
Equity including non-controlling interests plus net debt

cbm
Standard cubic meters (32 °F/0 °C)

cf
Standard cubic feet (60 °F/16 °C)

CCS/CCS effects/inventory holding gains/(losses)
Current Cost of Supply; inventory holding gains and losses represent the difference between the cost of sales calculated using the current cost of supply and the cost of sales calculated using the weighted average method after adjusting for any changes in valuation allowances in case the net realizable value of the inventory is lower than its cost. In volatile energy markets, measurement of the costs of petroleum products sold based on historical values (e.g. weighted average cost) can have distorting effects on reported results (Operating Result, net income, etc.). The amount disclosed as CCS effect represents the difference between the charge to the income statement for inventory on a weighted average basis (adjusted for the change in valuation allowances related to net realizable value) and the charge based on the current cost of supply. The current cost of supply is calculated monthly using data from supply and production systems at the Downstream Oil level

CEE
Central and Eastern Europe

CEGH
Central European Gas Hub

CGU
Cash generating unit

Clean CCS Operating Result
Operating Result adjusted for special items and CCS effects. Group clean CCS Operating Result is calculated by adding the clean CCS Operating Result of Downstream Oil, the clean Operating Result of the other segments and the reported consolidation effect adjusted for changes in valuation allowances, in case the net realizable value of the inventory is lower than its cost

Clean CCS EPS
Clean CCS Earnings Per Share is calculated as clean CCS net income attributable to stockholders divided by weighted number of shares

Clean CCS net income attributable to stockholders
Net income attributable to stockholders, adjusted for the after tax effect of special items and CCS

Clean CCS ROACE
Clean CCS Return On Average Capital Employed is calculated as NOPAT (as a sum of current and last three quarters) adjusted for the after-tax effect of special items and CCS, divided by average capital employed (%)

Co&O
Corporate and Other

E

ECL
Expected credit losses

EPS
Earnings Per Share;
net income attributable to stockholders divided by total weighted average shares

EPSA
Exploration and Production Sharing Agreement

equity ratio
Equity divided by balance sheet total, expressed as a percentage

EU
European Union

EUR
Euro

F

FVOCI
Fair value through other comprehensive income

FVTPL
Fair value through the statement of profit or loss

FX
Foreign exchange

G

G2P
Gas-to-power

GDP
Gross Domestic Product

gearing ratio
Net debt divided by equity, expressed as a percentage

H

HSSE
Health, Safety, Security, and Environment

I

IASs
International Accounting Standards

IFRSs
International Financial Reporting Standards

K

kbbl/d
Thousand barrels per day

kboe
Thousand barrels of oil equivalent

kboe/d
Thousand barrels of oil equivalent per day

km^2
Square kilometer

KPI
Key Performance Indicator

KStG
Austrian Corporate Income Tax Act

L

LNG
Liquefied Natural Gas

LTIR
Lost-Time Injury Rate per million hours worked

M

min
Minute

mn
Million

MPPH
Mubadala Petroleum and Petrochemicals Holding Company L.L.C

MW
Megawatt

MWh
Megawatt hour

N

n.a.
Not available

NCI
Non-controlling interests

n.m.
Not meaningful

net assets
Intangible assets, property, plant and equipment, equity-accounted investments, investments in other companies, loans granted to equity-accounted investments, total net working capital, less provisions for decommissioning and restoration obligations

net debt
Interest-bearing debts including bonds and finance lease liabilities less liquid funds (cash and cash equivalents)

net income
Net operating profit or loss after interest and tax

NGL
Natural Gas Liquids; natural gas that is extracted in liquid form during the production of hydrocarbons

NOK
Norwegian krone

NOPAT
Net Operating Profit After Tax;
Net income
+ Net interest related to financing
– Tax effect of net interest related to financing
NOPAT is a KPI that shows the financial performance after tax, independent of the financing structure of the company.

NZD
New Zealand dollar

O

OCI
Other comprehensive income

OECD
Organisation for Economic Cooperation and Development

ÖBAG
Österreichische Beteiligungs AG

P

payout ratio
Dividend per share divided by earnings per share, expressed as a percentage

Pearl
Pearl Petroleum Company Limited

Q

Q1, Q2, Q3, Q4
First, second, third, fourth quarter of the year

R

ROACE
Return On Average Capital Employed; NOPAT divided by average capital employed expressed as a percentage

ROE
Return On Equity; net income/loss for the year divided by average equity, expressed as a percentage

ROFA
Return On Fixed Assets, EBIT divided by average intangible and tangible assets expressed as a percentage

RON
New Romanian leu

RRR
Reserve Replacement Rate; total changes in reserves excluding production, divided by total production

RUB
Russian ruble

S

sales revenues
Sales excluding petroleum excise tax

Special items
Special items are expenses and income reflected in the financial statements that are disclosed separately, as they are not part of underlying ordinary business operations. They are being disclosed separately in order to enable investors to better understand and evaluate OMV Group's reported financial performance

T

t
Metric ton

toe
Metric ton of oil equivalent

TSR
Total Shareholder Return

TWh
Terawatt hour

U

UAE
United Arab Emirates

USD
US dollar

Contact at Investor Relations:
OMV Aktiengesellschaft
Investor Relations
Trabrennstrasse 6–8
1020 Vienna, Austria
Tel. +43 1 40440-21600
Fax +43 1 40440-621600
investor.relations@omv.com
www.omv.com
www.twitter.com/omv
www.omv.com/socialmedia

In the interest of a fluid style that is easy to read, non-gender-specific terms have been used in the notes chapter of this annual report.

OMV Aktiengesellschaft
Trabrennstrasse 6–8
1020 Vienna
Austria
Tel +43 1 40440-0
www.omv.com
www.omv.com/socialmedia