

# Factbook 2019



OMV Aktiengesellschaft

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Cover picture: The picture depicts a mosaic of plastic waste. OMV and Borealis are pursuing the clear ambition of becoming a leading player in plastics recycling. The OMV Factbook 2019 was published in September 2020.

Note: OMV’s income statement was restructured as of 2017; for comparison purposes only, figures from previous periods are presented in the same structure; figures in tables and graphs throughout the document may not add up due to rounding differences.

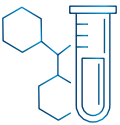
# Why Invest in OMV?



- ▶ Focus on low-cost gas projects in Upstream



- ▶ Top European refiner with strong position in Abu Dhabi



- ▶ Preparing for a low-carbon future by increasing the share of non-energy chemical products



- ▶ Well positioned to become a leading player in the circular economy



- ▶ Resilient cash generation thanks to integrated business model



- ▶ Progressive dividend policy: committed to delivering attractive shareholder returns

## Dear Investors and Analysts,

The COVID-19 pandemic has abruptly transformed people's lives and significantly worsened the economic environment. OMV has responded to this situation with targeted measures to safeguard the Company's economic stability and the secure supply of energy. The health and well-being of every employee is our top priority. I am grateful to be able to say that OMV is well positioned to weather these difficult circumstances. We have taken a number of decisive actions to reinforce OMV's financial strength. This includes reducing organic investments by around 30% in 2020, introducing a EUR 200 mn cost cutting program for this year, as well as postponing projects worth more than EUR 1.5 bn.

However, we will remain as transparent as ever, and this Factbook is a key element of it. It provides an overview of our operations, outlines OMV's performance in 2019, and covers our strategic plans.

Last year was another very successful one in terms of our operational and financial metrics and when it comes to the execution of our growth strategy.

In Upstream, we grew production volumes by 14% to 487,000 boe per day, while we cut our production costs once again, to USD 6.6 per barrel. This is a reduction of almost 6% compared to the previous year. In Downstream, we achieved a refinery utilization rate of 97%, a 20-year high and substantially above the European average of slightly above 80%.

In 2019, we delivered a clean CCS Operating Result of EUR 3.5 bn, and thus almost reached the record level of the year before. Both business segments contributed strongly, highlighting the importance of our integrated structure. Our operating cash flow proved its resilience, remaining around EUR 4 bn. In addition, our organic free cash was again strong, totaling EUR 2.1 bn. We will continue to reward our shareholders and will propose a dividend of EUR 1.75 per share for the business year 2019 to the Annual General Meeting, which will take place on September 29, 2020. Despite the extraordinarily challenging market environment we are currently experiencing, we stick to our dividend policy and keep our dividend at the same level as the year before.

When it comes to executing our strategy, we managed to achieve significant milestones in 2019. In early 2019, we closed our upstream partnership agreement with Malaysia's Sapura Energy. In July, we achieved our goal of taking our outstanding refining expertise beyond Europe by buying a 15% stake in ADNOC Refining in the United Arab Emirates. As ADNOC owns and operates one of the largest refinery complexes in the world, it offers a fantastic platform for OMV to participate in the attractive growth markets of the Asia-Pacific region.

In March of this year, we signed an agreement with Mubadala for an additional 39% share in Borealis. The acquisition will increase OMV's shareholding to 75% and will therefore give us a controlling interest in Borealis. This transaction fundamentally changes OMV's portfolio, transforming our company into a global integrated oil, gas, and chemical group. Borealis is a fantastic strategic fit: We will substantially increase our chemicals business and extend our value chain into polymers with this acquisition. This step not only enables us to participate in an attractive growth market but also positions OMV successfully for a low-carbon world. Borealis is a successful company with a strong earnings track record and consistently high cash flow generation. Borealis is just across the fence from operations at our major sites in Austria and Germany, we



**“OMV is well positioned to weather these difficult circumstances caused by the COVID-19 pandemic.”**

**Rainer Seele**  
Chairman of the Executive Board

see great potential for further operational integration and for applying best practices throughout the Group. Moreover, we expect to realize substantial synergies from the combined business, thus creating additional value. Last but not least, Borealis is a leader in waste management and recycling, which supports our ambition of becoming a leader in circular economy.

OMV's extension into the polymer value chain will enhance the Company's cash generation abilities when the Borealis transaction closes later this year. We will lay out the further details of our new financial and strategic goals at a Capital Markets Day next year. What is already clear now is that we will continue to reward our shareholders through our progressive dividend policy, which is very simple and straightforward: We want to increase the dividend every year or at least maintain it at the respective prior year level.

Since OMV has met its previous carbon intensity targets ahead of schedule, we have set ourselves new and more ambitious climate targets. OMV's Upstream and Downstream operations will be net free of emissions (Scope 1 and 2) by 2050 or sooner, with the intermediate goal of reducing the carbon intensity of operations by at least 30% by 2025. In addition, we want our entire product portfolio to consist of at least 60% zero- or low-carbon products by 2025. This new target will lower the carbon intensity of OMV's product portfolio (Scope 3) by a minimum of 6% versus 2010 levels.

I take great pride in what we have achieved at OMV during the past year. Our priorities for 2020 are to make sure that we stay physically and financially healthy as we transition through the COVID-19 pandemic. We will keep delivering on our promises, further increase cash flows and investor returns, and at the same time maintain a disciplined approach toward our capital structure.

I thank you for your interest in OMV and look forward to continuing our dialogue with you.

Best regards,

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



OMV is an international, integrated oil and gas company with a balanced portfolio.

# 1 – OMV GROUP

OMV produces and markets oil and gas, innovative energy, and high-end chemical solutions – in a responsible way. OMV has a balanced international Upstream portfolio, while its Downstream businesses feature European and Middle Eastern footprints and a worldwide chemical presence through the ownership in Borealis. In 2019, Group sales amounted to EUR 23 bn. With a year-end market capitalization of around EUR 16.4 bn, OMV is one of Austria's largest listed companies. The majority of OMV's roughly 20,000 employees work at its integrated European sites.

CLEAN CCS OPERATING RESULT  
(IN 2018: €3.6 BN)

€ 3.5 bn

CASH FLOW FROM OPERATING ACTIVITIES BEFORE  
NET WORKING CAPITAL EFFECTS (IN 2018: €4.2 BN)<sup>1</sup>

€ 4.3 bn

CLEAN CCS NET INCOME ATTRIBUTABLE  
TO STOCKHOLDERS (IN 2018: €1.6 BN)

€ 1.6 bn

LOST-TIME INJURY RATE  
(IN 2018: 0.30 PER MN H WORKED)

0.34 per mn h  
worked

ORGANIC FREE CASH FLOW BEFORE DIVIDENDS  
(IN 2018: €2.5 BN)

€ 2.1 bn

DIVIDEND PER SHARE<sup>2</sup>  
(IN 2018: €1.75)

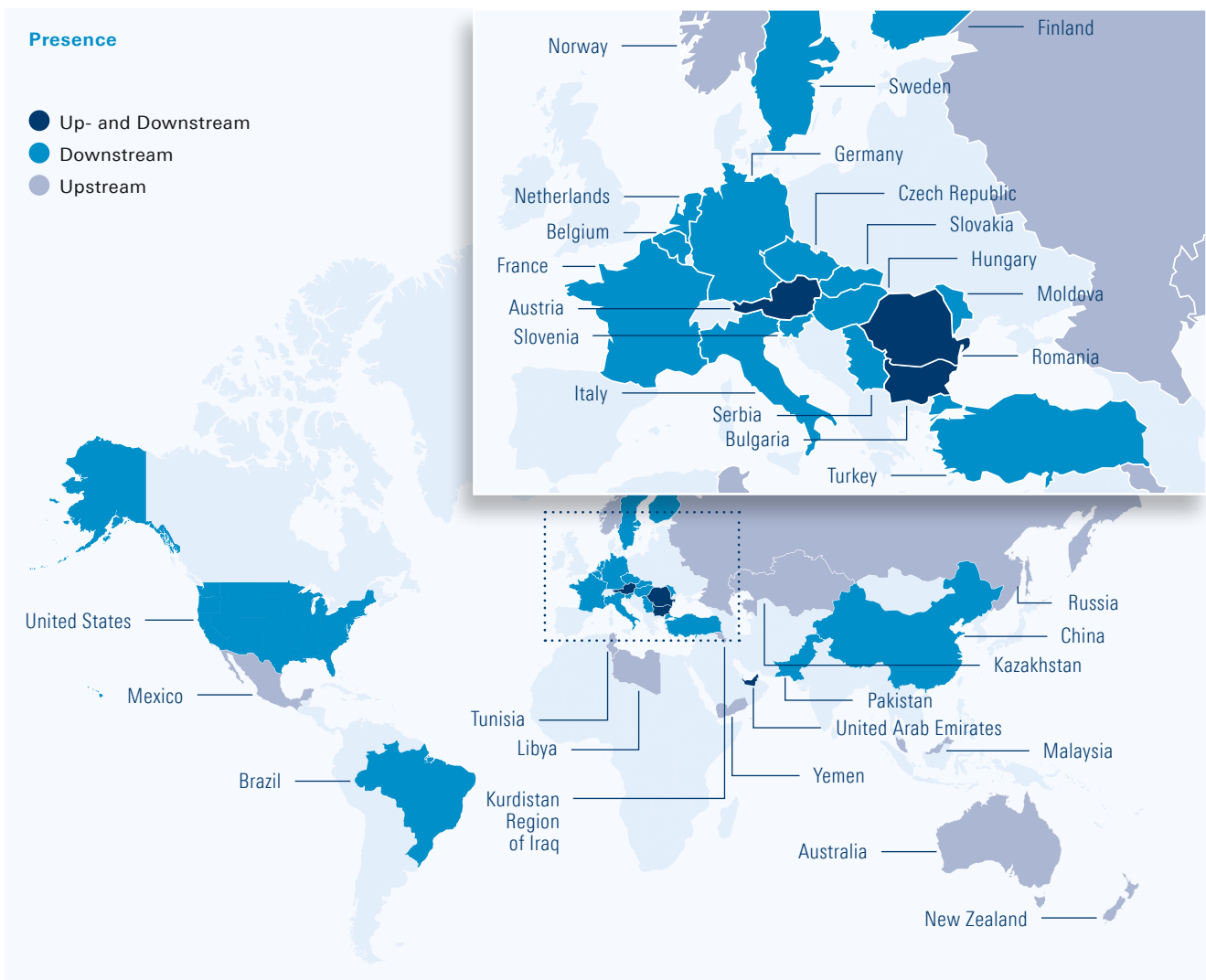
€ 1.75

<sup>1</sup> As of Q1/19, the definition of sources of funds changed and now also includes net changes in short-term provisions. To ensure comparability, figures from the 2018 reference period were adjusted.

<sup>2</sup> 2019: as proposed by the Executive Board and the Supervisory Board; subject to confirmation by the Annual General Meeting on September 29, 2020

# OMV at a Glance

OMV is an international integrated oil and gas company. Upstream carries out operations in Central and Eastern Europe, the Middle East and Africa, the North Sea, Russia, and the Asia-Pacific region. In 2019, production stood at 487 kboe/d. Downstream covers the Group’s refining, marketing, chemical, and natural gas activities. In March 2020, OMV signed an agreement to increase its shareholding in Borealis to 75%. This transaction makes OMV the number one producer of ethylene and propylene in Europe and one of the top ten polyolefin producers world-wide.




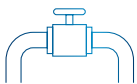


## OMV competitive advantages

- ▶ Integrated and balanced portfolio of Upstream and Downstream assets for resilient cash generation
- ▶ Geographically focused and low-cost Upstream assets
- ▶ High-quality assets and efficient operations in Downstream
- ▶ Borealis acquisition extends value chain into chemicals and opens up new high-growth markets
- ▶ Strong organic free cash flow generation
- ▶ Commitment to a circular economy and to a low-carbon future



**OMV: one company – two strong pillars**

<b>Upstream</b>		<b>Key Performance Indicators 2019 (change since 2015):</b> <ul style="list-style-type: none"> <li>▶ Production 487 kboe/d (+61%)</li> <li>▶ 1P reserves 1.33 bn boe (+30%)</li> <li>▶ Production cost USD 6.6/boe (-50%)</li> <li>▶ 3-year avg. RRR 166% (+93 p.p.)</li> </ul>	<b>5 core regions:</b> <ul style="list-style-type: none"> <li>▶ Central and Eastern Europe</li> <li>▶ Middle East and Africa</li> <li>▶ North Sea</li> <li>▶ Russia</li> <li>▶ Asia-Pacific</li> </ul>
	<hr/>		
<b>Downstream</b>	<b>Fuels</b> 	<b>Key Performance Indicators 2019 (change since 2015):</b> <ul style="list-style-type: none"> <li>▶ Refining capacity &gt; 500 kbb/d (+40%)</li> <li>▶ ~2,100 filling stations (+5%)<sup>1</sup></li> <li>▶ Refined product sales 21 mn t (+5%)<sup>1</sup></li> </ul>	<b>Locations:</b> <ul style="list-style-type: none"> <li>▶ Refinery locations in 4 countries</li> <li>▶ Fuel marketing in 10 countries</li> </ul>
	<b>Chemicals</b> 	<b>By increasing its shareholding in Borealis<sup>2</sup>, OMV will become:</b> <ul style="list-style-type: none"> <li>▶ Europe's #1 ethylene and propylene producer (4.7 mn t)</li> <li>▶ #8 global polyolefin producer (5.7 mn t)</li> <li>▶ Europe's #3 fertilizer producer (1.7 mn t)</li> </ul>	<ul style="list-style-type: none"> <li>▶ 17 plants in Europe, the Americas</li> <li>▶ Borouge JV (40%) in UAE and China</li> <li>▶ Baystar JV (50%) in the US</li> </ul>
	<b>Gas</b> 	<b>Key Performance Indicators 2019 (change since 2015):</b> <ul style="list-style-type: none"> <li>▶ Natural gas sales 137 TWh (+25%)</li> <li>▶ 30 TWh storage capacity</li> <li>▶ Natural gas trading volumes 963 TWh (+95%)</li> </ul>	<ul style="list-style-type: none"> <li>▶ Gas marketing in 7 countries</li> <li>▶ Power generation in Romania</li> </ul>

**Major shareholdings**

<b>51%</b> in the Romanian integrated oil and gas company OMV Petrom
<b>51%</b> in Gas Connect Austria, the gas pipeline network in Austria <sup>3</sup>
<b>50%</b> in the Malaysia-based E&P company SapuraOMV
<b>75%</b> in Borealis, one of the world's leading producers of polyolefins <sup>2</sup>
<b>15%</b> in ADNOC Refining and Trading JV

<sup>1</sup> Excluding Petrol Ofisi  
<sup>2</sup> OMV has agreed to acquire a 39% stake in Borealis from Mubadala, which will raise OMV's overall participation in the chemicals company to 75%. The closing of the transaction is expected in the fourth quarter of 2020.  
<sup>3</sup> OMV has entered exclusive negotiations with VERBUND about the sale of the 51% share in Gas Connect Austria.

**Sales per country and region**

In %



■ Austria	28
■ Romania	19
■ Germany	21
■ Rest of Europe	24
■ Rest of world	8

**Clean CCS Operating Result per business<sup>1</sup>**

In %



■ Fuels	26
■ Chemicals	15
■ Gas	5
■ Upstream	54

<sup>1</sup> Indicative figures, including a pro-rata adjustment for Corporate and Other and Consolidation

# Management Board and Corporate Governance

OMV follows a two-tier system with a transparent and effective separation of company management and supervision between the Executive Board and the Supervisory Board. The Executive Board members have joint responsibility. The individual areas of responsibility, the reporting and approval obligations, and the procedures are defined in the rules of procedure approved by the Supervisory Board.

## The OMV Executive Board



**Rainer Seele, \*1960**

Chairman of the Executive Board and Chief Executive Officer since July 2015

Experience at OMV: 5 years  
Key responsibilities: Strategy, Legal, Human Resources, HSSE, Corporate Affairs, International & Governmental Relations



**Johann Pleininger, \*1962**

Deputy Chairman of the Executive Board since July 2017 and Executive Board member since September 2015

Experience at OMV: 43 years  
Key responsibilities: Upstream (Exploration and Production)



**Reinhard Florey, \*1965**

Chief Financial Officer since July 2016

Experience at OMV: 4 years  
Key responsibilities: Finance, Investor Relations, Procurement, Treasury & Risk Management, Group IT and Digital Office, Global Solutions



**Thomas Gangl, \*1971**

Executive Board member since July 2019

Experience at OMV: 21 years  
Key responsibilities: Refining & Petrochemical Operations



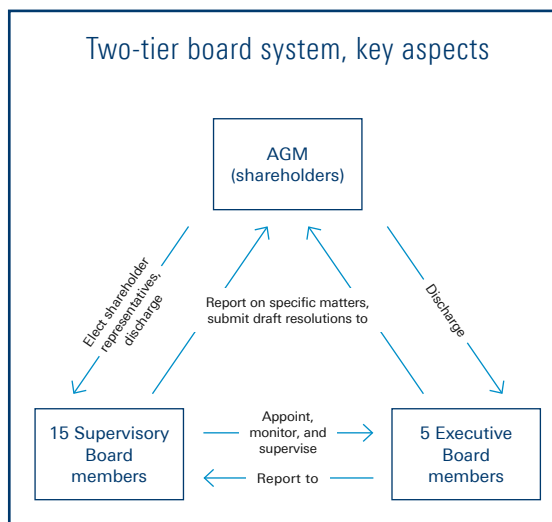
**Elena Skvortsova, \*1970**

Executive Board member since June 2020

Joined OMV in June 2020  
Key responsibilities: Marketing & Trading

## The OMV Supervisory Board

The Supervisory Board appoints the Executive Board and supervises the management’s conduct of business. It consists of ten shareholder representatives elected at the Annual General Meeting (AGM) and five employee representatives delegated by the Group Works Council. Nine of the current shareholders’ representatives were elected at the 2019 AGM. The main considerations in selecting the members of the Supervisory Board are relevant knowledge and experience in executive positions. In addition, 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 current Supervisory Board includes six women and two non-Austrian nationals.



Shareholder representatives (status: May 2019)	Position in Supervisory Board as well as other current functions <sup>1</sup>	Term of office
<b>Wolfgang C. Berndt</b>	Chairman	May 26, 2010, to 2020 AGM
<b>Thomas Schmid</b>	Deputy Chairman; Chairman of the Supervisory Board, Verbund AG	May 14, 2019, to 2024 AGM
<b>Alyazia Ali Al Kuwaiti</b>	Executive Director Upstream & Integrated, Mubadala Investment Company PJSC Seats: no seats in domestic or foreign listed companies	May 22, 2018, to 2024 AGM
<b>Mansour Mohamed Al Mulla</b>	Platform CFO Petroleum & Petrochemicals, Mubadala Investment Company PJSC Seats: Aldar Properties PJSC	May 22, 2018, to 2024 AGM
<b>Stefan Doboczky</b>	Chief Executive Officer Lenzing AG Seats: no seats in domestic or foreign listed companies	May 14, 2019, to 2022 AGM
<b>Karl Rose</b>	Strategy Advisor, Abu Dhabi National Oil Company Seats: no seats in domestic or foreign listed companies	May 18, 2016, to 2024 AGM
<b>Elisabeth Stadler</b>	Chief Executive Officer, VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe Seats: voestalpine AG	May 14, 2019, to 2022 AGM
<b>Christoph Swarovski</b>	Chief Executive Officer, Tyrolit AG Seats: no seats in domestic or foreign listed companies	May 14, 2019, to 2022 AGM
<b>Cathrine Trattner</b>	–	May 14, 2019, to 2022 AGM
<b>Gertrude Tumpel-Gugerell</b>	Seats: Commerzbank AG, VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, AT&S Austria Technologie & Systemtechnik AG	May 19, 2015, to 2020 AGM

<sup>1</sup> Includes the appointments to supervisory boards of other domestic or foreign listed companies. This overview is based on information received by the Supervisory Board members as of May 2019.

Employee representatives (status: May 2019)	Position and committee memberships	Term of office
<b>Christine Asperger</b>	Chairwoman of the Employees Works Council of OMV Austria Exploration & Production GmbH and the Group Works Council	Since January 1, 2013
<b>Herbert Lindner</b>	Chairman of the Employees Works Council of OMV Refining & Marketing GmbH	Since June 1, 2013
<b>Alfred Redlich</b>	Chairman of the Employees Works Council of OMV Gas & Power GmbH	Since June 1, 2013
<b>Angela Schorna</b>	Chairwoman of the Employees Works Council of OMV Aktiengesellschaft	Since March 23, 2018
<b>Gerhard Singer</b>	Chairman of the Employees Works Council of OMV Exploration & Production	Since September 26, 2016

# Market Environment

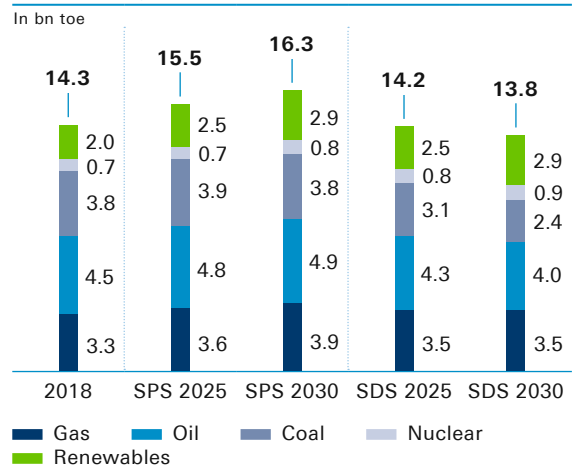
The world's energy demand continues to be met predominantly by traditional energy sources. However, the COVID-19 pandemic caused an economic shock leading to substantial downturns in growth across all sectors. Depending on the intensity and speed of recovery, global demand is expected to rebound and continue to increase as the global population will need to be supplied with sufficient energy. Oil and gas will remain the main source of energy, accounting for more than half of global primary energy demand at least until 2030.

The COVID-19 pandemic has created the most serious global crisis seen in decades. The energy sector has been severely affected by the restrictions imposed in an attempt to manage and contain the situation. These measures have had a significant impact on transportation, trade, and economic activity across the globe. Current forecasts indicate that countries in full lockdown will experience an average 25% decrease in energy demand during this period. Oil demand was hit the hardest by severe constraints in mobility and is currently estimated to decrease by 9 mn bbl/d (~9%) throughout 2020. Natural gas demand has proved to be more resilient, since it was less affected by restrictions and benefits from a low-price environment.

The COVID-19 pandemic is currently evolving and is expected to have a significant impact in 2020, resulting in possible changes in future energy market outlooks. Current estimates based on the IEA Stated Policies Scenario (SPS) 2019 forecast a continued increase in global energy demand, which is expected to rise by 14% by 2030, primarily due to GDP and population growth. Oil and gas demand continues to grow and will account for more than 50% of global energy demand, with the main growth stemming from natural gas. The IEA Sustainable Development Scenario (SDS) outlines a major transformation of the global energy system that aims to achieve among other goals the Paris Agreement climate target of keeping the global temperature increase below 2°C. In this scenario, global energy demand is expected to decline by 4% by 2030. However, oil and gas will retain a significant share of the market in this environment and still account for more than half of global energy consumption up to 2030.

In the IEA Stated Policies Scenario 2019 assumed as the base case, oil will remain the main source of primary energy in the next decade, accounting for a share of about 30% and a compound annual growth rate of 0.7% up to 2030. The increase in consumption will mainly stem from countries in Asia, the Middle East, and Africa. The growth in demand for crude oil is the result of increased demand for petrochemical products and the transportation sector in these emerging markets. While demand for crude oil products is projected to develop negatively in saturated markets such as North America and Northwest Europe, global growth in demand beyond 2030 will come from the emerging markets in Asia, Africa, and the Middle East.

## Global energy consumption<sup>1</sup>



Source: IEA World Energy Outlook, November 2019, Stated Policies Scenario (SPS) and Sustainable Development Scenario (SDS)

<sup>1</sup> The energy market outlook is based on the IEA World Energy Outlook 2019 published in November 2019 and does not factor in the impact of the COVID-19 pandemic.

The growth in natural gas will be supported by a decarbonization policy and stricter emissions standards. Gas demand will grow at an annual rate of 1.4% up to 2030. Demand for power generation as the main gas-consuming sector will expand further throughout the world, including Europe, replacing power generation from coal.

The upturn in worldwide demand for petrochemical products is tied to the general performance of the economy. The petrochemicals market is expanding and will also be an important consumer of oil and gas. Olefins such as ethylene, propylene, and butadiene are major building blocks for the chemical industry. Their derivatives, for example, polyolefins, offer unique properties and economic benefits such as low material costs as well as easy and fast processing. Petrochemicals are increasingly used as a substitute for other energy-intensive materials due to their advantageous qualities. They are essential for various industries such as packaging, construction, transportation, healthcare, pharmaceuticals, and electronics. This growth will be primarily driven by the Asia-Pacific region, following economic development in the region. Demand in mature markets such as Europe, North America, and Japan will continue to stay healthy and develop in line with GDP.

# OMV Strategy 2025

The OMV Strategy 2025 introduced in spring 2018 builds on the proven concept of integration. Based on a balanced growth strategy in Upstream and Downstream, OMV aims to participate in attractive growth opportunities outside Europe. OMV has already achieved important milestones, which led to significant portfolio changes in Upstream as well as in Downstream. OMV strives to substantially increase the clean CCS Operating Result to at least EUR 5 bn by 2025.

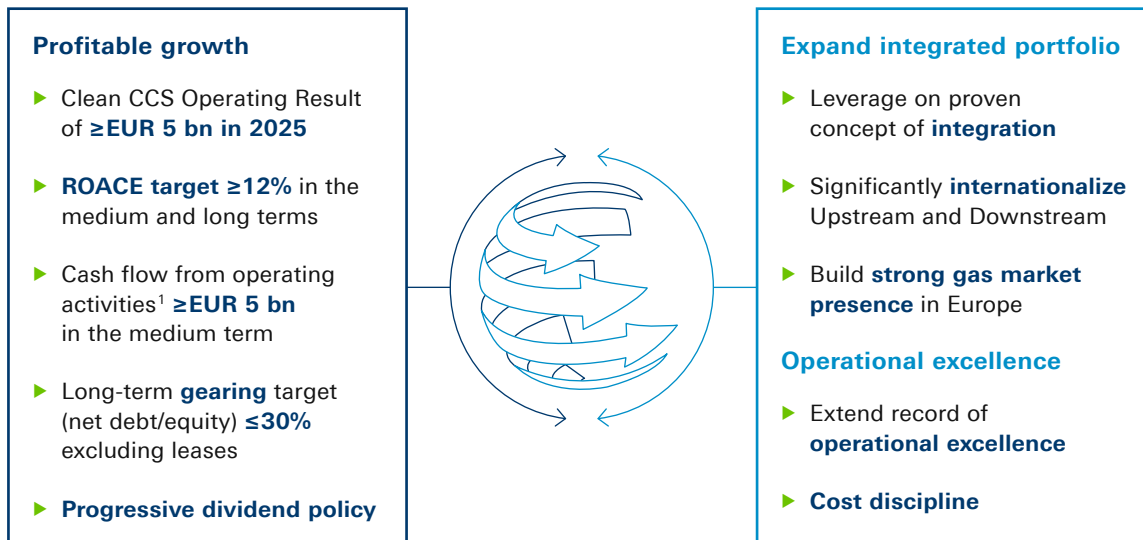
## OMV set to become bigger and more valuable

The OMV Strategy 2025 builds on the proven concept of integration, which ensures strong cash flows and resilience. OMV aims to grow both the Upstream and the Downstream business. In Upstream, we are targeting growth in production and reserves in defined core regions. In Downstream, OMV's processing capacities and geographical reach will be expanded considerably.

Moreover, OMV will build a strong gas market presence in Europe. We will continue to improve our performance and extend our record of operational excellence. OMV strives to increase the clean CCS Operating Result to at least EUR 5 bn by 2025. Strategic partnerships will remain an important lever for accessing attractive projects.

Following the recent agreement for increasing the share in Borealis to 75%, OMV decided to implement a substantial divestment program, from which it expects proceeds of EUR 2 bn by the end of 2021.

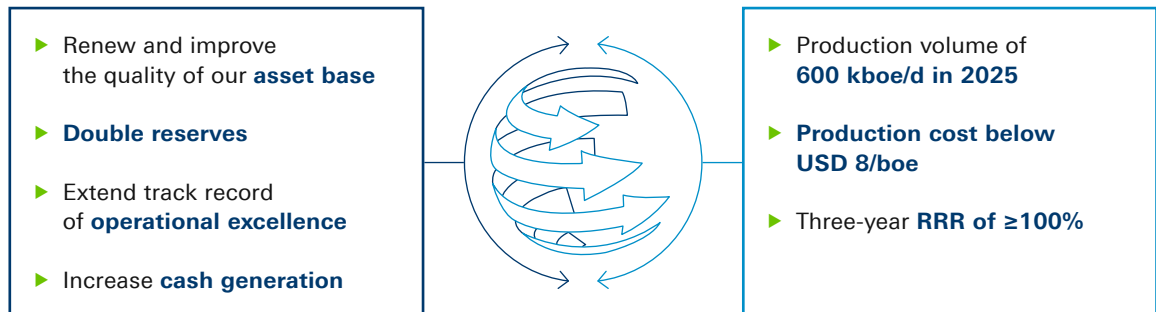
### OMV Strategy 2025 – in a nutshell



<sup>1</sup> Excluding net working capital effects

## Upstream strategy

### Upstream strategy 2025



OMV's Upstream business generates profitable growth from its high-quality portfolio, while remaining focused on cash generation. Production is targeted to reach 600 kboe/d in 2025. Well over 50% of production will be natural gas to improve long-term carbon efficiency and adapt to the changing mix in global energy demand. To ensure a sustainable portfolio, OMV aims for a Reserve Replacement Rate of more than 100% (three-year average) and an average reserve life of eight to ten years in the long term, which nearly doubles OMV's 1P reserves to more than 2 bn boe by 2025. Growth is focused on five core regions: Central and Eastern Europe, Middle East and Africa, the North Sea, Russia, and Asia-

Pacific. Average production costs will be below USD 8/boe. Strict cost management, prudent capital discipline, and a focus on profitability are of the utmost importance. Through its active portfolio management, the Group has built a strong project pipeline which will help achieve the production target by 2025. In particular, Upstream projects include ramping up production in Abu Dhabi and Malaysia and establishing a sizeable presence in Russia. Organically, the Group aims to develop the Neptun Deep offshore gas project in Romania. In addition, OMV is in negotiations with Gazprom for taking over a 24.98% stake in the Achimov 4A/5A field. The negotiations are expected to be completed in June 2022.

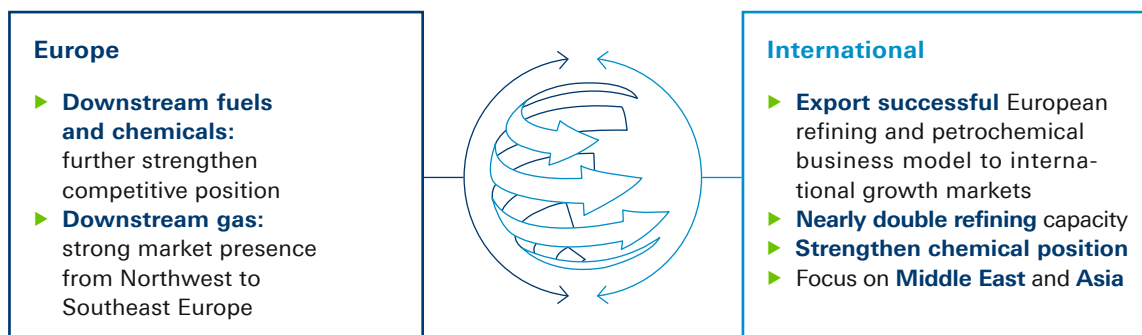
## Strategic achievements

### Highlights 2019

<ul style="list-style-type: none"> <li>▶ Clean Operating Result of EUR 2.0 bn</li> <li>▶ Production increased to 487 kboe/d</li> <li>▶ Gas production grew to 57% of the total portfolio</li> <li>▶ Three-year average Reserve Replacement Rate improved to 166%</li> <li>▶ 1P reserves base rose to 1.3 bn boe</li> </ul>	<ul style="list-style-type: none"> <li>▶ Production costs reduced to USD 6.6/boe</li> <li>▶ Developed Asia-Pacific into a core region</li> <li>▶ Increased footprint in the Middle East and Africa region</li> </ul>
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## Downstream strategy

### Downstream strategy 2025



### Downstream – fuels and chemicals

OMV intends to further strengthen the competitive position of its European refining assets to reflect expected demand changes and shift to higher-value products. By 2025, up to EUR 1 bn will be invested in the refineries in Austria, Germany, and Romania, with more than 50% of this amount to be used to expand OMV’s petrochemical position in the refineries. The three refinery sites will continue to be operated as one integrated refinery system, optimizing asset utilization and maximizing margins through the exchange of intermediate products. A strong integration between the refineries and the sales channels will ensure resilience and a long-term refinery utilization rate of over 90%, which is well above the average in Europe.

In Retail, OMV aims to increase fuel sales in the premium and discount segments. The focus of the premium retail network is on increasing the market share of the MaxxMotion premium product as well as developing additional customer-oriented service and shop offerings. As part of the divestment program announced in March 2020, OMV aims to divest its German retail network due to a limited integration with the nearby refinery.

Outside Europe, in the 2025 strategy set forth in 2018, OMV aimed to export its successful European refining and petrochemical business model to growth markets in Asia and Middle East, nearly double its refining capacity, and increase its petrochemical capacity. We have already achieved important milestones.

Building on its strong expertise as one of Europe’s leading refiners, in 2019, OMV acquired a 15% share in ADNOC Refining, which operates the fourth-largest refinery in the world located on the doorstep of attractive growth markets in the Asia-Pacific region. OMV entered the partnership as a world-class refining operator with commercial expertise and a proven track record in Europe in maximizing the integrated margin along the value

chain. For the first time in its history, OMV has established a strong integrated position outside Europe. ADNOC Refining’s project pipeline in the coming years includes attractive investment opportunities to further optimize and expand the value chain, which will be carefully evaluated.

On March 12, 2020, OMV signed an agreement increasing its share in Borealis from 36% to 75% and thus obtaining a controlling interest in a major global polyolefin producer. This agreement is transformative for the OMV Group.

Borealis is the second-largest polyolefin producer in Europe and among the top ten producers globally. The company ranks third among European fertilizer producers. Borealis has a strong European footprint and is active in the Middle East and Asia-Pacific through Borouge, a joint venture with ADNOC, and in North America through Baystar, a joint venture with Total.

This transaction substantially increases OMV’s chemicals business. OMV will become the largest producer of olefins in Europe and one of the largest polyolefin producers worldwide, ranking second in Europe and eighth globally. Extending the value chain into polymers will enable OMV to not only participate in an attractive growth market but will also improve the Group’s natural hedge against cyclicity.

With Borealis in its portfolio, OMV will gain a strong pipeline of attractive growth projects in progress: a propane dehydrogenation plant in Kallo, Belgium; a new polyethylene unit in Bayport, US; a steam cracker in Port Arthur, US; and a new polypropylene plant in Ruwais, Abu Dhabi.

OMV expects to realize synergies amounting to EUR 700 mn from the combined business by 2025, thus generating additional value.

Integrating Borealis into OMV’s portfolio is a decisive step for positioning the Company successfully for the future. Chemicals play a crucial role in the energy transition. This transaction will enable OMV to shift its portfolio toward products that are also in demand in a low-carbon world.

Borealis is a leader in waste management and mechanical recycling, complementing OMV’s efforts in chemical recycling. Investments up to EUR 1 bn for innovative sustainable solutions are planned until 2025, to support OMV’s long-term target to become a leader in circular economy.

## Strategic achievements

### Highlights 2019

- ▶ Strong contribution to Group financials with a clean CCS Operating Result of EUR 1.7 bn
- ▶ Built strong refining and petrochemical position in UAE by acquiring 15% in ADNOC Refining, which operates the fourth-largest refinery in the world, and a new trading joint venture, ADNOC Global Trading
- ▶ Increased share of refinery production sold through captive sales channels to 49% with the help of storage tank acquisitions and larger number of discount filling stations
- ▶ Achieved refinery utilization rate of 97%
- ▶ Plastic to oil, ReOil®: facility for production of synthetic crude oil from waste plastic developed from the R&D phase into a pilot project integrated into OMV’s refinery

### Borealis – world-leading polyolefin producer

- ▶ In 2020, OMV signed a transformative agreement for increasing its share in Borealis to 75%.
- ▶ Borealis is a chemical company and a leading provider of innovative solutions in the fields of polyolefins, base chemicals, and fertilizers.
- ▶ OMV strengthens forward integration along the value chain, increasing its natural hedge.
- ▶ Gaining access to attractive growth businesses and markets
- ▶ Increase cash generation immediately and substantially
- ▶ Benefit from operational integration and synergies
- ▶ Become a technology leader in the circular economy

OMV to become the leading integrated supplier of natural gas in Europe

## Downstream – gas

European demand for natural gas is expected to remain stable until 2030, with upside potential of 40 bcm primarily resulting from a switch from coal to natural gas for power generation. In the same period, European natural gas production will decline rapidly, causing an increasing supply gap that needs to be filled. In this environment, OMV aims to become the leading integrated provider of natural gas and energy solutions with a strong market presence from Northwest to Southeast Europe. By 2025, OMV gas sales will grow to more than 20 bcm, thereby capturing a 10% market share in Germany, Europe’s largest gas market. OMV will increasingly market natural gas from its own Upstream production as well as import gas volumes. OMV’s integrated position in the

European market will be strengthened by rising equity gas volumes from projects in Norway and Romania and long-term supply contracts with Gazprom. With an increasing supply gap in Europe, larger volumes of natural gas will be imported. The Nord Stream 2 pipeline will secure and increase consistent and reliable long-term gas supplies to Europe and the Central European Gas Hub in Baumgarten, Austria.

In March 2020, OMV entered into exclusive negotiations with Austria-based VERBUND for the possible sale of a 51% stake in Gas Connect Austria in order to exit the regulated gas transportation business. Gas Connect Austria constructs and operates high-pressure natural gas pipelines in Austria and markets transportation capacities in Austria and abroad.

## Strategic achievements

### Highlights 2019

- ▶ Gas sales in Germany and the Netherlands significantly increased, reaching an average market share of 4% in Germany and more than 2% in the Netherlands in 2019
- ▶ Successful market entry in Belgium
- ▶ Growing cooperation with Gazprom on LNG aiming for 1.2 bcm in 2020
- ▶ Record volumes of 754 TWh traded at CEGH



## Finance strategy

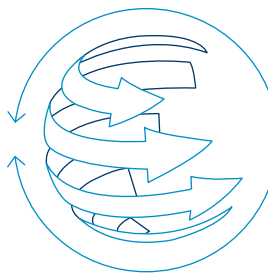
OMV's value-driven finance strategy aims to enable growth, boost performance, and reward shareholders. Growth will be achieved thanks to a robust financial base, with solid long-term targets forming the foundation of OMV's finance strategy. Growth will be supported by a strong financial framework focused on returns and cash flow.

OMV's growth is based on both organic and inorganic investments. In recent years, a number of acquisitions in Upstream and Downstream substantially strengthened the portfolio and its profitability. In 2020, OMV plans to make annual organic investments of around EUR 1.7 bn. Until 2025, annual organic investments are expected to average between EUR 2.0 bn and EUR 2.5 bn, excluding Borealis.

As part of its growth strategy, OMV aims to increase the clean CCS Operating Result to at least EUR 5 bn by 2025. OMV's cash generation increased to more than EUR 4 bn in 2019 and has the potential to exceed EUR 5 bn in the medium term. OMV's profitable growth strategy aims for a ROACE of at least 12% in the medium to long term, positive free cash flow after dividends, and a growing clean CCS net income attributable to stockholders. At the same time, gearing (net debt/equity) excluding leases will be kept at or below 30% in the long term. A strong investment-grade rating is also part of OMV's financial framework.

OMV targets attractive shareholder returns and aims to increase dividends every year, or to at least maintain them at the respective previous year's level.

### Finance strategy 2025



**Profitable growth**

- ▶ **ROACE target**  $\geq 12\%$  mid- and long-term
- ▶ **Positive free cash flow** after dividends<sup>1</sup>
- ▶ **Growing clean CCS net income** attributable to stockholders
- ▶ Increase clean CCS Operating Result to at least EUR 5 bn by 2025
- ▶ Increase cash flow generation<sup>1</sup> to above EUR 5 bn in the medium term
- ▶ Long-term **gearing (net debt/equity) of  $\leq 30\%$**  excluding leases
- ▶ **Attractive shareholder return** with a progressive dividend policy
- ▶ Maintain a strong investment-grade rating

<sup>1</sup> Before acquisition

### OMV's capital allocation priorities

01	<b>Organic CAPEX</b>
02	<b>Debt reduction</b>
03	<b>Dividends</b>
04	<b>Acquisitions</b>

### Strategic achievements

**Highlights 2019**

- ▶ Clean CCS Operating Result at EUR 3.5 bn
- ▶ Clean CCS net income attributable to stockholders of EUR 1.6 bn
- ▶ Cash generation<sup>1</sup> of EUR 4.3 bn
- ▶ Clean CCS ROACE of 11%
- ▶ Dividend per share of EUR 1.75 proposed<sup>2</sup>
- ▶ Strong balance sheet maintained with a gearing (net debt/equity) of 22% excluding leases, despite the payment for the major acquisition of a 15% share in ADNOC Refining and Trading JV
- ▶ Following the ADNOC Refining transaction, strong ratings were confirmed for OMV

<sup>1</sup> Cash flow from operating activities excluding net working capital effects

<sup>2</sup> As proposed by the Executive Board and the Supervisory Board; subject to confirmation by the Annual General Meeting on September 29, 2020

# Innovation & Technology

OMV actively explores new solutions and technologies for delivering affordable and carbon-efficient products in a responsible way. Introducing innovative solutions in our business means seizing the opportunity for increasing production efficiency and expanding into new market areas. By 2025, up to EUR 1 bn will be invested in innovative solutions that contribute to the energy transition and to the circular economy.

## OMV's innovation & technology portfolio – selected project highlights



### Optimized drilling, production, and reserves Increased and enhanced oil recovery

OMV is among the best in the world in terms of achieving high recovery rates in mature fields. While the international average recovery rate for crude oil is about 40%, OMV succeeded in pushing recovery rates above 55% in the super-mature Matzen field in Austria by using water injections. OMV applies various enhanced oil recovery methods with a special focus on intelligent water injection projects under the Smart Oil Recovery 3.0 program (SOR 3.0). This enables OMV to ultimately increase oil recovery by up to 15 percentage points in selected fields and thus extend field life. In total, SOR 3.0 produced more than 300 kboe of incremental oil for OMV by the end of 2019. In addition, OMV has started to implement SOR 3.0 in Romania.

### Artificial lift

Close cooperation between OMV experts and external research institutes has yielded impressive results in artificial lift methods, including measurable reductions in power consumption and downtime for sucker rod pumps. Equipping nearly 6,500 wells with artificial lift systems resulted in measurable reductions in power consumption and downtime for sucker rod pumps. Consequently, the number of well interventions decreased by around 20% in Austria, reducing associated HSSE risks accordingly.

### Material management

Extending the lifetime and reliability of materials and facilities is a priority for OMV and ensures safe, sustainable, and cost-efficient hydrocarbon production. OMV implemented extensive corrosion control and material selection programs for optimum equipment performance and maximum service life, saving more than EUR 450 mn over the past

20 years. With the recent increase in sour crude, pipelines and processing equipment degrade faster than usual. OMV is investigating new technologies, such as nanotechnology coatings, to improve material resistance and reliability. This approach has also had a major positive impact on health, environmental, and safety issues. Additionally, OMV developed a polymer lining for tubing patented in 16 countries. Lined tubing is tubing where cross-linked polyethylene pipes are inserted in order to protect the tubing from abrasion and corrosion.



### ReOil® – chemical recycling

OMV's ReOil® proprietary thermal cracking technology was developed to meet the European Commission's targets for the Circular Economy Package and fulfill the future packaging recycling quota. A highlight in 2019 was obtaining ISCC PLUS certification using the mass balancing methodology. OMV's ReOil® pilot plant at the Schwechat refinery is already recycling polyolefin plastics into synthetic crude.

More information on ReOil® can be found in **Circular Economy: Plastics Recycling** in the Downstream section.



### Sustainable refinery Biofuels – Co-Processing

The term "Co-Processing" means "working together." This technology enables us to process bio feedstocks (e.g., domestic rapeseed oil, used cooking oils, algae-based oil) together with fossil-based materials in an existing refinery hydrotreating plant during the fuel refining process. Co-Processing makes a significant contribution to increasing the share of biofuels in the transportation sector.

**Benefits of Co-Processing:**

- ▶ Greenhouse gas emissions at least 65% lower than from fossil-based diesel
- ▶ Ability to blend an unlimited amount into conventional fuels
- ▶ Use of low-cost feedstocks without compromising product quality
- ▶ Reduction of supply costs and risks by producing instead of buying
- ▶ Improved fuel quality, energy content, and cetane number
- ▶ Utilization of certified feedstock labeled as waste or residue; no land-use issues, no competition with food production, no deforestation
- ▶ Synergies with existing installations leading to a reduced need for investments

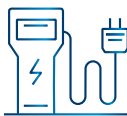
By 2025, OMV aims to co-process approximately 200,000 t of sustainable feedstock per year to increasing the share of biofuels in its transportation fuels.

**Biofuels – Advanced fuels**

Unlike conventional biofuels, advanced fuels do not compete with food production. The principal sources of advanced fuels include biomass fraction from mixed municipal or industrial waste, agricultural residues such as straw and animal manure, residues from forestry and wood processing such as bark, branches, leaves/needles, and sawdust as well as cultivated algae and waste streams such as sewage sludge. OMV has developed a proprietary technology to convert these biomass sources into advanced fuel and targets as a next step a pilot plant in the Schwechat refinery. Furthermore, OMV collaborates with a number of technology providers, industry partners and academic institutions to produce advanced biofuels at scale.

**Green hydrogen**

OMV is currently developing a 10 MW electrolysis project at the Schwechat refinery. The electrolysis would be powered by renewable electricity, producing zero-carbon hydrogen. Initially, the green hydrogen is planned to be used in the refinery for the hydration of vegetable oil and fossil fuels, reducing the CO<sub>2</sub> emitted by up to 15 kt per year. The second step would be to use the green hydrogen for decarbonizing hard-to-electrify transportation segments like commercial buses and trucks. OMV is also in contact with several European companies to embed this electrolysis project in a related International Project of Common European Interest (IPCEI).

**Future mobility**

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

**E-mobility**

OMV holds 40% of SMATRICS, Austria's largest e-mobility provider. SMATRICS also enables e-mobility and offers a complete B2C and B2B service package. OMV additionally partners with IONITY – High-Power Charging – in the CEE region. IONITY is a joint venture of BMW, Daimler, Ford, Audi, and Porsche. Its aim is to establish the most powerful high-speed charging network for electric vehicles in Europe. There are plans to implement around 400 high-power charging stations with a capacity of up to 350 kW per charger in 18 European countries by 2020. Moreover, ROUTEX customers with the OMV e-mobility card can seamlessly use their energy source of choice at a wide range of roaming partners all over Europe.

**CNG and LNG**

Compressed natural gas (CNG) and liquefied natural gas (LNG) can reduce CO<sub>2</sub> and particulate emissions from vehicles by 20% and 90%, respectively. To leverage this potential, OMV is conducting a strategic evaluation of LNG as an alternative fuel for heavy-duty vehicles. In addition, OMV has launched initial activities with industrial partners to increase the use of the existing CNG network in Austria.

**Hydrogen mobility**

As a pioneer in hydrogen mobility, OMV currently operates five hydrogen filling stations in Austria and is a joint venture partner of H2 MOBILITY, whose goal is to operate a nation-wide hydrogen filling station network in Germany by the end of 2023. OMV is promoting several initiatives for the production and use of hydrogen across a number of sectors that aim to unlock the potential of the fuel and position OMV accordingly.

**Sustainable aviation fuels**

Synthetic fuels, which are made of CO<sub>2</sub> and water, are a key technology for decarbonizing the aviation industry. OMV is working on a project to construct and operate a high-temperature co-electrolyzer using green electricity, water, and CO<sub>2</sub> from the refinery to produce what is known as "syngas." This syngas is then planned to be synthesized into sustainable aviation fuel using the Fischer-Tropsch process.

**Carbon2ProductAustria (C2PAT)**

In June 2020, Lafarge, OMV, VERBUND, and Borealis announced a Memorandum of Understanding for the joint planning and construction of a full-scale plant to capture CO<sub>2</sub> and process it into synthetic fuels, plastics, or other chemicals by 2030.

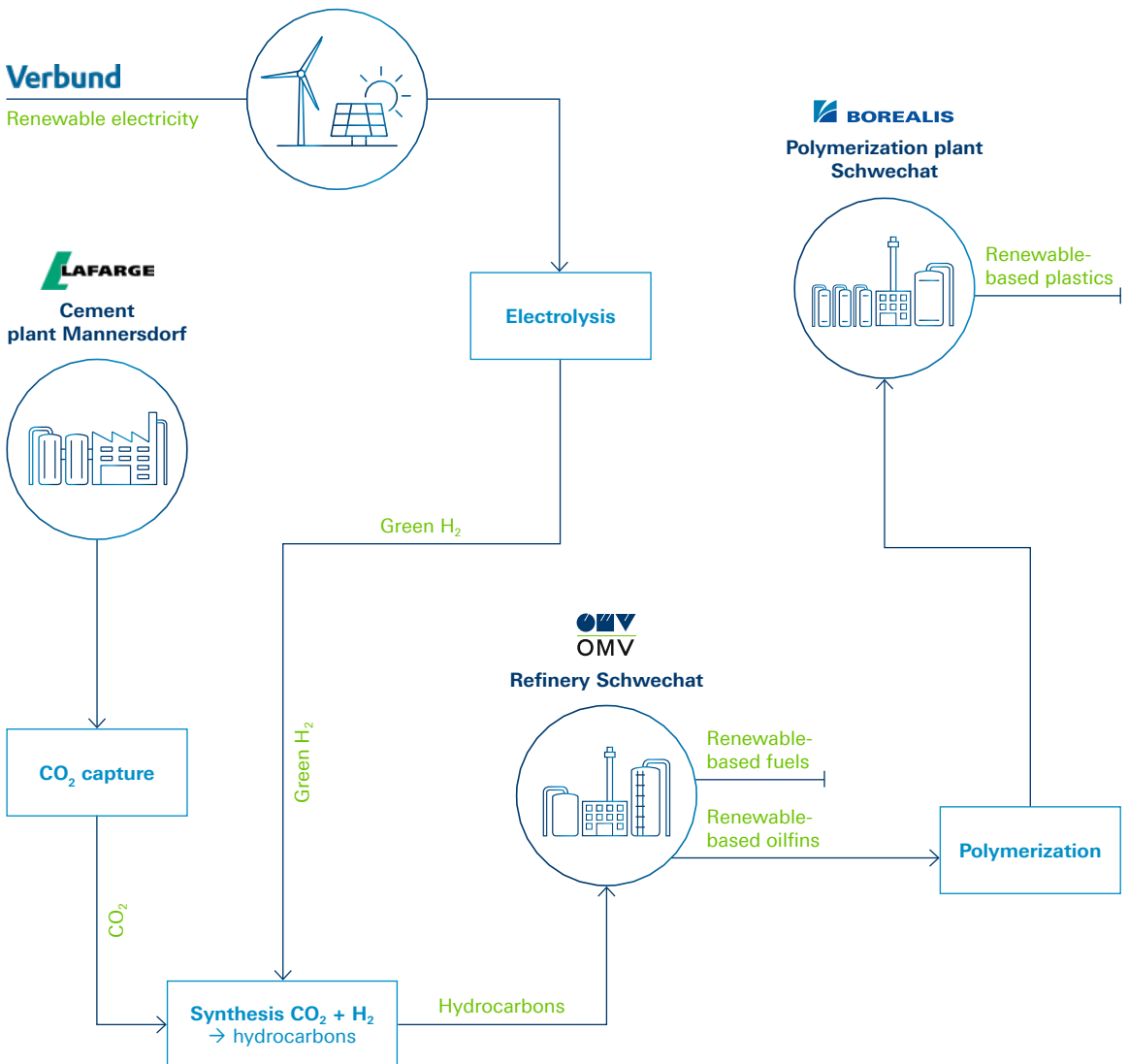
The objective is to create a cross-sectoral value chain and to operate a full-scale plant by 2030 which will eventually capture almost 100% of the 700,000 t of CO<sub>2</sub> emitted annually at Lafarge’s cement plant in Mannersdorf, Austria. The aim is to ultimately use the captured CO<sub>2</sub> as a resource.

The captured CO<sub>2</sub> will be combined with green hydrogen from renewable sources produced by VERBUND and transformed by OMV into renewable-based hydrocarbons. These in turn can be used to produce

renewable-based fuels or utilized by Borealis as a feedstock to manufacture value-add plastics.

The main objective of C2PAT is to engineer and operate a carbon capture plant at the cement plant in Mannersdorf, Austria. Infrastructure and a fully operating system for producing renewable-based hydrocarbons will also be built. This compound will be used to produce a broad range of renewable-based olefins, plastics, and fuels. The partners aim to put the full-scale plant into operation by 2030. A first step toward this goal will be to further investigate current technological and economic hurdles by jointly conducting research and development on the envisaged carbon value chain.

**C2PAT – Cross sectoral value chain to drive climate neutrality**



# Digital Transformation – OMV’s Digital Journey

OMV’s Digital Journey is our strategy for digital transformation, enabling us to become a digital leader in our field and unlocking smart opportunities along the entire value chain. Digital transformation is driven by key initiatives orchestrated across the entire Group built on three pillars: Digitalize, Act, and Enable.

## Think digital – in every dimension

The digital strategy was developed in line with OMV’s structure alongside key divisional programs, namely DigitUP in Upstream, DigitalMotion in Downstream, and Finance 4.0 in corporate services. Lighthouse projects have contributed to operationalizing our business strategies and generating maximum value since 2018. Our digital strategy also enables digitalization based on hybrid IT infrastructure services and state-of-the-art cybersecurity. We promote cultural change and develop future skills to foster an innovative mindset and create digital dexterity in our organization.

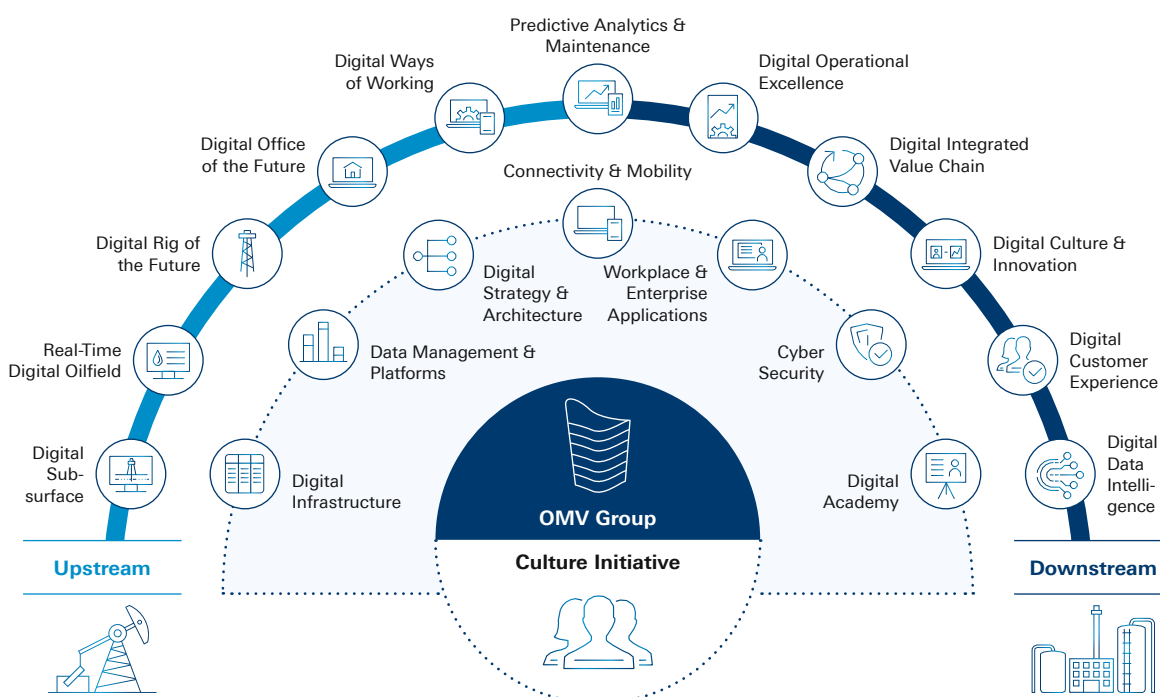
For OMV, digital leadership also means acting as an industry role model for sustainable HSSE, reducing our carbon footprint and maintaining highly efficient and effective process operation. Among our key

values are customer centricity, serving as the business partner of choice, and being an attractive employer for talent.

## Results of digital transformation – along our value chain

Today, digitalization is vital for business at OMV, for example, to ensure optimal evaluation and convergent use of digital and analog data in machine controls for increased efficiency and availability, safer operations, and more targeted maintenance activities. Leveraging our experience, collaborating with strategic partners, and transforming key elements of the IT landscape into platforms allows us to execute a solid, well-balanced portfolio of use-case and value-driven digital endeavors.

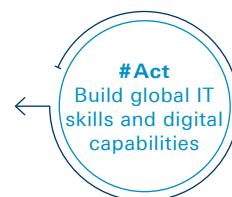
### Key digital initiatives deliver results along the entire value chain





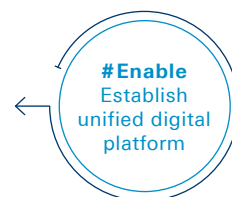
**Digitalize – leveraging digital technologies to drive business performance and value generation**

Initiative	What we do	How we benefit
<b>DigitUP</b> Digital Subsurface	<ul style="list-style-type: none"> <li>▶ Digital Subsurface facilitates management of exploration and development projects by simulating our assets in 3D models (“Digital Twins”).</li> <li>▶ High-performance computations of multiple future scenarios help us understand the value of our assets and provide experts and decision makers with a sound basis of information and knowledge.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Reduce field development time by 75% by 2025 due to faster scenario creation and analysis and better concept selection</li> <li>▶ Reduced OPEX per field development plan of up to EUR 15 mn</li> </ul>
<b>DigitUP</b> Real-Time Digital Oilfield	<ul style="list-style-type: none"> <li>▶ The Real-time Digital Oilfield program aims to run assets autonomously 24/7 backed by an adaptive digitally enabled workforce.</li> <li>▶ Our goal is to apply digital components according to an operational maturity model of all our production systems, thus improving our major capabilities: self-optimizing production, operations cockpit, and robotic inspection.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Maximize condensate production in New Zealand during low gas demand periods</li> <li>▶ Remote commissioning protocol, e.g., for the Nawara start-up in Tunisia</li> <li>▶ Plus 2% marketable production from operated ventures by 2025, resulting in plus EUR 25 mn in operating cash flow</li> <li>▶ Up to 50% cost and turnaround time reduction for mandatory integrity inspections by using robotics, resulting in around EUR 2 mn of annual savings</li> </ul>
<b>DigitUP</b> Digital Rig of the Future	<ul style="list-style-type: none"> <li>▶ The future well will be planned in one day, drilled by a robot, and controlled by people.</li> <li>▶ DigitUP will help increase the efficiency of planning and drilling our wells thanks to automation, optimal collaboration across disciplines, digital tools, and an optimized corporate learning process.</li> <li>▶ Automated rigs and better control of our well construction will also improve our safety record.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Cost avoidance of around EUR 2 mn due to expert interventions in 21 critical wells monitored in real time in 2019</li> <li>▶ 90% well planning time reduction by 2025, resulting in around EUR 15 mn annual savings from that point on</li> <li>▶ 15% drilling incident reduction on average, translating to around EUR 8 mn in cost avoidance</li> </ul>
<b>DigitalMotion</b> Digital Terminal	<ul style="list-style-type: none"> <li>▶ The Terminal Automation System increases the efficiency of the entire operational process in tank farms, speeds up fuel loading, and eliminates paperwork.</li> <li>▶ A fully automated emergency monitoring and execution system with automated fire-extinguishing components improves safety, security, and regulatory compliance.</li> </ul>	<ul style="list-style-type: none"> <li>▶ 100+ trucks per day per terminal managed via the 100% paperless self-service</li> <li>▶ 100% redundant state-of-the-art emergency monitoring</li> </ul>
<b>DigitalMotion</b> Algorithms supporting gas traders	<ul style="list-style-type: none"> <li>▶ Implementation of an algorithmic trading tool to continuously monitor order book activities and related opportunities simultaneously and 24/7 for the purpose of making trading decisions and automating gas contract trading</li> <li>▶ Customized scripts developed in-house process trading signals in real time and interact with gas markets by sending order updates and closing deals within milliseconds.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Up to 15 different trading algorithms, active on 6 European gas spot markets</li> <li>▶ Fully automated process from order entry, deal closing, and deal capturing to re-nomination of physical gas flow</li> </ul>
<b>Corporate</b> Finance 4.0	<ul style="list-style-type: none"> <li>▶ Digital Finance Transformation focuses on process automation and leverages robotic process automation along with other automation technologies to increase the quality and performance of finance processes.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Around 100 automations implemented</li> <li>▶ 1 million mouse clicks avoided by finance users in 2019</li> </ul>
<b>Corporate</b> Procurement	<ul style="list-style-type: none"> <li>▶ Automation and state-of-the-art digital tools are key enablers of transformation with the ultimate aim of value-oriented procurement.</li> <li>▶ The SAP Ariba Strategic Sourcing Suite creates transparency and increases process stability, since all sourcing events are hosted on the Ariba platform</li> <li>▶ Globally established electronic signature processes enable efficient and remote approval workflows independently of office location.</li> </ul>	<ul style="list-style-type: none"> <li>▶ 75% of purchase orders fully automated</li> <li>▶ Fully digitalized and 100% paperless sourcing process</li> <li>▶ &gt;18,000 signatures per month</li> <li>▶ Reduced cycle times</li> </ul>



**Act – summary of our activities to build the required skills and capabilities for the future, along with a culture that embraces digital transformation**

Initiative	What we do	How we benefit
<b>OMV Group</b> Global cross-divisional digital office	<ul style="list-style-type: none"> <li>▶ Create a culture and environment receptive to innovation: We build digital capabilities and adapt our ways of working, supported by our Digital Academy featuring online trainings as well as the “Make a Difference” initiative with culture hacks.</li> <li>▶ The “Skills of the Future” program at OMV Petrom addresses digital and technical capabilities as well as soft skills.</li> <li>▶ We have organized the first International Digital Intrapreneur Challenge to boost innovation. Colleagues pitched their ideas for digitalization to OMV’s top management to obtain funding for implementation. The winning pitch – the RD4 Predictive Heat Exchanger Schedule – wowed the jury with both financial and environmental benefits. Start-up challenges throughout Europe complete the picture.</li> </ul>	<ul style="list-style-type: none"> <li>▶ 900 Digital Academy participants and more than 37,000 digital learning sessions completed</li> <li>▶ &gt; 1,000 people trained in agile ways of working</li> <li>▶ 15 quarterly master classes, &gt;350 participants at virtual digital breakfasts sharing digital/culture hacks</li> <li>▶ &gt; 120 external hackathons and start-up challenges</li> <li>▶ Out of &gt; 100 innovation ideas submitted to the Digital Intrapreneur Challenge, several implemented</li> </ul>
<b>OMV Petrom</b> Digital Democracy	<ul style="list-style-type: none"> <li>▶ Digitalization to mobilize and empower the workforce leading to a more agile and efficient organization</li> <li>▶ Scaling digitalization to speed up time to value by popularizing use of key technologies, e.g. PowerBI, paperless approvals, automation, and advanced analytics</li> </ul>	<ul style="list-style-type: none"> <li>▶ E-signature to replace paper-based approvals: &gt; 50% of employees enrolled by mid-2020, 9,000 e-documents signed, &gt; 3,000 participants in training sessions</li> </ul>



**Enable – our activities to build the foundation for digital technology**

Initiative	What we do	How we benefit
<b>DigitUP</b> Digital Office of the Future	<ul style="list-style-type: none"> <li>▶ The Digital Office of the Future program aims to have everything just one click away – we want information, collaboration opportunities, and digital innovations to be available to anyone, anywhere, anytime.</li> <li>▶ Our “digital backbone” ensures business continuity during crises as well as 24/7 availability of data and tools from anywhere, at any time, and on any device, enabling global collaboration.</li> </ul>	<ul style="list-style-type: none"> <li>▶ GeoCloud go-live in 8 OMV countries providing secure global access to 100 petro-technical apps with 1 PB of data and 400 users</li> <li>▶ Access to 2.5 mn business-critical documents through the cloud-based document and record management system (M-Files)</li> <li>▶ 80% reduced search time for data and documents</li> <li>▶ Business ramp-up/down time reduced from 6 months to 48 hours</li> </ul>
<b>DigitalMotion</b> Data lake/advanced analytics	<ul style="list-style-type: none"> <li>▶ Introduce management dashboards for business users; kicked off with predictive maintenance based on our data lake and advanced analytics concepts</li> </ul>	<ul style="list-style-type: none"> <li>▶ Create the single source of truth for advanced analytics, planning, and reporting, leading to increased data quality and transparency for decision making</li> </ul>
Robotic process automation	<ul style="list-style-type: none"> <li>▶ Continual automation of routine office tasks with robotic process automation</li> </ul>	<ul style="list-style-type: none"> <li>▶ Save work-years on routine tasks</li> <li>▶ Free capacity of staff for value-added work</li> </ul>
<b>Corporate</b> S/4 Future	<ul style="list-style-type: none"> <li>▶ “License to operate” in the digital age: SAP S/4HANA is the future-proof ERP backbone of our company.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Project launched with the aim of streamlining the Enterprise Resource Planning landscape to five systems</li> </ul>
<b>Corporate</b> Digital Infrastructure	<ul style="list-style-type: none"> <li>▶ Replace the core IT infrastructure with cloud-based technology and using hybrid integration to drive scalability and ensure IT service availability as well as 24/7 collaboration worldwide throughout OMV and beyond</li> </ul>	<ul style="list-style-type: none"> <li>▶ Cloudification of OMV’s IT infrastructure for greater flexibility, scalability, and global reach, and innovative platform services integrated via APIs</li> </ul>
<b>Corporate</b> InfoSec 4.0	<ul style="list-style-type: none"> <li>▶ Establish state-of-the-art security technologies in IT and OT</li> </ul>	<ul style="list-style-type: none"> <li>▶ Solid foundation for effectively dealing with cybersecurity threats</li> </ul>

# Investments

OMV's investments focus on developing the strong resource base in Upstream, especially natural gas, and on strengthening the Company's competitive position in Downstream in a low-carbon world. A clearly defined set of strategic and financial criteria is considered when investment decisions are made, ensuring a disciplined capital spending.

## Organic capital spending

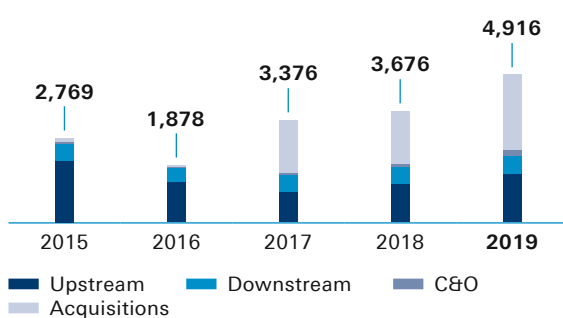
OMV continuously reviews and optimizes its organic capital spending with a clear focus on cash flow management. The successful restructuring of OMV's portfolio as well as strong cost and CAPEX discipline enabled OMV's organic capital spending of EUR 2.3 bn in 2019 to remain substantially below the high levels seen in previous years despite the major project developments last year. Over a five-year perspective, OMV's total organic CAPEX amounted to EUR 10.4 bn, EUR 6.3 bn of which was earmarked for organic growth and EUR 4.1 bn for maintenance and optimization measures. Out of the total organic capital spent, Upstream received EUR 7.4 bn.

## Major acquisitions over the past five years

At the same time, OMV spent EUR 6.2 bn on acquisitions with the vast majority of transactions occurring in the last three years. At the end of 2017, OMV successfully acquired a 24.99% interest in the Yuzhno-Russkoye gas field for a purchase price of EUR 1.7 bn. In 2018, following the Capital Markets Day in March, OMV strengthened its position in the Middle East and Asia-Pacific regions with the acquisitions of a 20% stake in the SARB and Umm Lulu offshore concession in Abu Dhabi for USD 1.5 bn and of Shell's upstream business in New Zealand. Major acquisitions followed in 2019 with the purchase of a 15% stake in ADNOC Refining for USD 2.4 bn as well as a 50% interest in SapuraOMV in Malaysia.

### Investments 2015–2019

In EUR mn



### Investments 2015–2019 per segment and geography

In %



Upstream Central and Eastern Europe	23
Upstream North Sea	14
Upstream Middle East and Africa	14
Upstream Russia	10
Upstream Asia-Pacific	8
Downstream Central and Eastern Europe	15
Downstream Middle East and Africa	13
Other	4

## Project examples

### Upgrade of coker at Petrobrazi refinery, Romania, Downstream

- ▶ Implementation of a closed blowdown system in order to eliminate any potential emissions of volatile organic compounds, thus supporting the reduction of the environmental impact
- ▶ Location: Brazi, Romania
- ▶ Upgrade was finished in 2019

### SK408, Malaysia, Upstream

- ▶ Larak field started production in December 2019; Bakong and Gorek followed in mid-2020
- ▶ Location: offshore in the South China Sea, Malaysia
- ▶ OMV's interest: 40%
- ▶ Operators: SapuraOMV and Shell

### SARB and Umm Lulu, Abu Dhabi, Upstream

- ▶ Final development of oil fields
- ▶ Production ramping up since September 2018
- ▶ Location: offshore, Abu Dhabi
- ▶ OMV's interest: 20%

### Nawara, Tunisia, Upstream

- ▶ Development of onshore gas field; first gas achieved beginning of 2020
- ▶ Location: Southern Tunisia
- ▶ OMV's interest: 50%
- ▶ Operator: OMV



# Operational Excellence and Cost Efficiency

OMV focuses on value creation and on further increasing its competitiveness. One of OMV’s corporate principles is accountability: “Act as if it were your own company.” This principle is part of the foundation for a new company culture. In striving for excellence in all operations, OMV has substantially improved performance and cost efficiency.

## 2015–2017: cost efficiency program

OMV undertook a transformation in response to the major drop in oil prices starting in 2014. Initiatives were launched to streamline the cost base and operations, making OMV fit to perform even in a potentially prolonged lower oil price environment. Strict cost management measures led to total savings of around EUR 330 mn by the end of 2017 compared to 2015, exceeding the cost savings target of EUR 250 mn by EUR 80 mn.<sup>1</sup>

## 2018/19: new efficiency program

At the beginning of 2018, OMV announced the launch of a new efficiency program, targeting cost savings of at least EUR 100 mn by 2020. Since then, OMV has worked on efficiency in all the program’s focus areas. As a result, OMV reached its cost savings target in 2018, two years earlier than initially planned. As of the end of 2019, OMV had reduced its cost base by more than EUR 130 mn compared to 2017.

## Multi-billion action plan to safeguard financial strength in the challenging environment in 2020

The global spread of COVID-19 has abruptly transformed people’s lives and significantly worsened the economic environment. In March 2020, OMV responded to this situation with targeted measures to safeguard the Company’s economic stability and the secure supply of energy.

- ▶ Reduce organic investments by around 30% to around EUR 1.7 in 2020<sup>3</sup>
- ▶ Cut costs including exploration expenses by more than EUR 200 mn in 2020<sup>4,5</sup>
- ▶ Reduce E&A expenditures by EUR 100 mn to EUR 250 mn
- ▶ Postpone EUR 1.5 bn worth of acquisitions and projects to 2022
- ▶ Divestments of EUR 2 bn by end of 2021

Focus areas of OMV’s cost savings programs

- ▶ Operational efficiency in both Upstream and Downstream
- ▶ Process optimization and harmonization
- ▶ Capture economies of scale and strict management of overhead costs
- ▶ Leverage digitalization and optimize IT processes
- ▶ Procurement savings and contractor renegotiations

### OPEX savings

In EUR mn



<sup>1</sup> Versus 2015 baseline according to OMV definition on a comparable basis  
<sup>2</sup> Versus 2017 baseline according to OMV definition on a comparable basis  
<sup>3</sup> Including capitalized E&A and excluding acquisitions  
<sup>4</sup> Including expensed E&A  
<sup>5</sup> Versus 2019 baseline according to OMV definition on a comparable basis

# Integrated Business Model

OMV is an international vertically integrated oil and gas company with activities along the entire hydrocarbon value chain from exploration and production to refining, marketing, and chemicals. OMV's balanced portfolio of Upstream and Downstream activities delivers strong and stable cash flows providing for financial resilience in a volatile market environment.

## OMV's value chain

OMV operates international Upstream and Downstream assets. OMV's fuels and chemicals enable mobility, provide heat for living and working, and form the foundation for a variety of plastics and high-end chemical products used every day.

### Vertical integration

OMV's vertical integration establishes a strategic natural hedge against oil price volatility. OMV is therefore able to generate the stable cash flows that are needed to ensure sufficient financial resilience in a volatile market environment. This positioning also provides attractive business opportunities in two different industry segments as well as in various markets. Thanks to its size, OMV can realize economies of scale in areas such as procurement, financing, and staffing. OMV's knowledge and expertise along the hydrocarbon value chain create synergies in operational processes and technology applications. OMV's activities extend along the entire hydrocarbon value chain, from Upstream to refining and chemicals, and the Company maintains a balanced portfolio of Upstream and Downstream assets. By gaining a controlling interest in Borealis, one of Europe's leading polymer producers, OMV will further extend its vertical integration by expanding its chemical exposure. This will position the Company as a low-emission producer in accordance with climate goals and add value to the products sold.

### Physical oil integration

In 2019, Upstream production amounted to 487 kboe/d, 57% of which was natural gas. Almost 37% of liquids production came from Romania and Austria, where production, refining, logistics, and marketing processes are physically integrated. Equity crude oil supplies approximately 80% of the feedstock required in the Petrobrazi refinery in Romania and around 10% in the Schwechat refinery in Austria.

OMV markets more than 18 mn t of fuel through its retail network and to commercial customers. The filling stations in Romania, Austria, and Germany account for over 60% of the total filling station network of approximately 2,100 stations.

The refineries in Austria and Germany are forward integrated into petrochemicals. In 2019, they produced 2.3 mn t of petrochemicals. Key products are ethylene and propylene, which are mainly sold to Borealis under a long-term agreement. Borealis operates sites in Austria and Germany in the immediate vicinity of OMV's refineries, which are connected to them via pipelines.

This physical integration results in a captive oil demand of 49% of OMV's total refinery capacity and supports a high level of refinery utilization.

In March 2020, OMV signed an agreement to acquire an additional 39% stake in Borealis from Mubadala for a consideration of USD 4.68 bn. OMV will thus fully consolidate Borealis in its financial statements as of the date of closing, which is expected before the end of 2020.

### Vertical integration

- ▶ Establishes a natural hedge against oil price volatility
- ▶ Provides financial strength and resilience
- ▶ Allows for countercyclical funding of investments
- ▶ Supports flexible capital allocation for leveraging acquisition opportunities along the entire value chain
- ▶ Enables OMV to maximize value along the value chain

### Physical integration

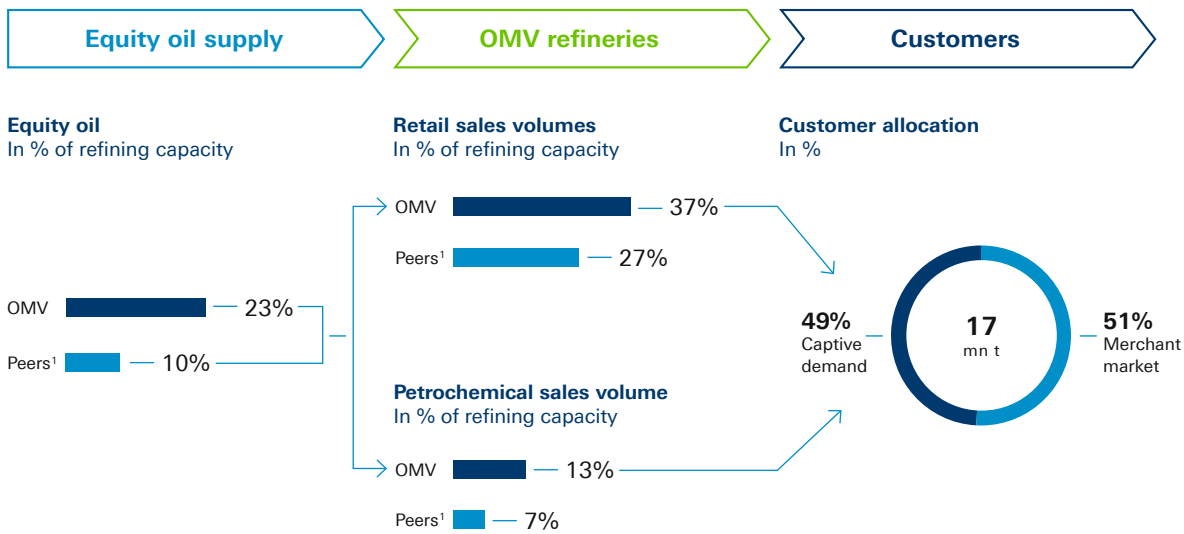
- ▶ Secures sales outlets for retail and petrochemical products
- ▶ Ensures a high level of capacity utilization and efficient operations
- ▶ Provides market knowledge for optimizing the integrated margin
- ▶ Creates cost benefits

### Gas value chain

OMV produces natural gas and is active in storage, transportation, and trading, as well as power generation and sales. In 2019, gas production was nearly 280 kboe/d. Over 50% of it came from Romania, Norway, and New Zealand. OMV owns gas storage capacities in Austria and Germany, and a 51% share in Gas Connect Austria, which operates a 900 km

high-pressure natural gas pipeline network. OMV is in the process of selling its interest in Gas Connect Austria and has entered into exclusive negotiations with VERBUND. Natural gas sales volumes amounted to 137 TWh in 2018. OMV operates one gas-fired power plant in Brazi, Romania, with a capacity of 860 MW. OMV captures the full value of natural gas from the wellhead to the burner tip with this strong positioning along the gas value chain.

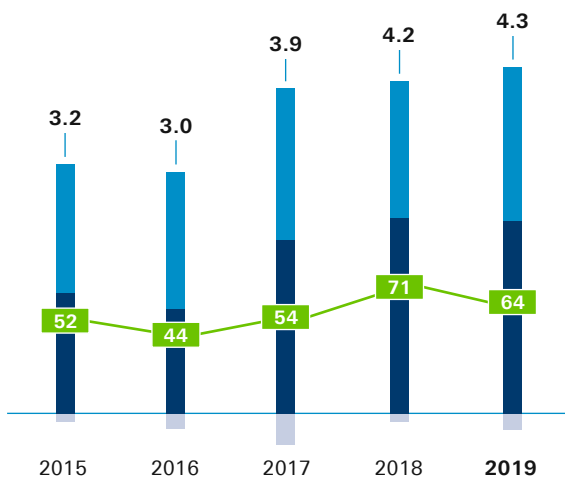
### Strong business integration



<sup>1</sup> Peers: BP Europe, Eni Europe, Exxon Europe, Lotos, MOL, NIS, Phillips 66 Europe, PKN Orlen, Repsol Europe, Rompetrol, Shell Europe, Total Europe; values as of 2019

### Cash generation and oil price development<sup>1</sup>

In EUR bn

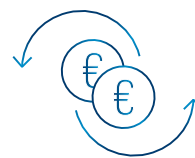


Year	2015	2016	2017	2018	2019
OMV refining indicator margin in USD/bbl	7.2	4.7	6.0	5.2	4.4

■ Upstream ■ Downstream ■ Other — Oil price in USD/bbl

<sup>1</sup> Sources of funds: cash flow from operating activities excluding changes in net working capital

### Vertical integration delivers strong cash generation



- ▶ Annual operating cash flow excluding net working capital effects of EUR 3 bn or more since 2015 despite oil price volatility
- ▶ Balanced portfolio of Upstream and Downstream assets provides resilience in a changing market environment
- ▶ Cash generation exceeding EUR 4 bn since 2017, following successful portfolio restructuring and cost reduction measures

# Sustainability

OMV responsibly delivers affordable energy to ensure a sustainable supply: the energy for a better life. Doing business sustainably is crucial for OMV in order to create and protect value in the long term, to build trust-based partnerships, and to attract customers as well as the best employees, investors, and suppliers.

## Sustainability strategy

OMV recognizes climate change as one of the most important global challenges today and supports the goals set forth by the Paris Climate Change Agreement. 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. The economy needs alternative energy systems as well as economically viable and scalable technologies to satisfy the growing demand for energy, and OMV will make a significant contribution to a sustainable energy supply for future generations. In fulfilling its mission of providing energy for a better life, OMV is committed to exploring the full potential of oil and gas at its best by following a responsible approach to producing, pro-

cessing, and marketing oil and gas and chemical products. OMV's responsible approach to business requires preventing and mitigating the sustainability risks associated with OMV's activities.

## New carbon targets

In 2019, OMV achieved its 2025 carbon targets ahead of schedule. We therefore set new, more ambitious targets to reduce the carbon intensity of OMV's operations (Scope 1) and of the product portfolio (Scope 3) in June 2020. The Scope 1 emissions intensity will be reduced by at least 30%, previously 19% (vs. 2010). This translates into a reduction of over 1 mn t of CO<sub>2</sub> equivalent and will be achieved by reducing the carbon intensity of Upstream operations by at least 60% and of refining

≥ 30%  
lower carbon intensity  
of OMV's operations  
by 2025

## Key Performance Indicators

		2015	2016	2017	2018	2019
Lost-Time Injury Rate (LTIR) <sup>1</sup> – employees and contractors	per mn hours worked	0.27	0.40	0.34	0.30	0.34
Total Recordable Injury Rate (TRIR) <sup>2</sup> – employees and contractors	per mn hours worked	0.73	0.70	0.79	0.78	0.95
Fatalities – employees and contractors	number	2	2	2	3	0
Process safety events (Tier 1 and Tier 2) <sup>3</sup>	number	14	25	10	16	11
Energy consumption	in PJ	137.8	126.8	130.8	127.4	117.4
GHG (direct, Scope 1) <sup>4</sup> : total OMV	in mn t CO <sub>2</sub> equivalent	12.2	11.0	11.1	11.1	10.6
thereof from Upstream activities	in mn t CO <sub>2</sub> equivalent	4.7	4.0	3.5	3.6	4.2
thereof from Downstream activities	in mn t CO <sub>2</sub> equivalent	7.2	7.0	7.7	7.6	6.4
Hydrocarbons flared	in t	299,825	180,452	185,832	233,770	337,512
Hydrocarbons vented	in t	61,443	50,173	32,834	37,420	34,282
GHG Scope 2	in mn t CO <sub>2</sub> equivalent	0.4	0.4	0.3	0.4	0.4
GHG Scope 3 <sup>5</sup>	in mn t CO <sub>2</sub> equivalent	112	113	108	108	126
GHG intensity of product portfolio (Scope 3) <sup>5</sup>	mn t CO <sub>2</sub> equivalent per mn t oil equivalent	2.7	2.7	2.6	2.5	2.5
Spills volume	in liters	158,000	103,490	173,909	36,874	56,641
Environmental protection expenditures excluding depreciation	in EUR mn	210	208	197	196	220
Environmental investment for assets put into operation	in EUR mn	104	105	57	134	98

<sup>1</sup> Lost-Workday Injuries: incidents with more than one lost workday; restricted work cases and medical treatment cases

<sup>2</sup> The Total Recordable Injury Rate includes lost-time injuries, any injuries resulting in fatalities, permanent total disabilities, lost-Workday cases, restricted work cases, and medical treatment cases.

<sup>3</sup> Tier 1 and Tier 2 events are related to loss of primary containment with the greatest and lesser consequences.

<sup>4</sup> GHG Scope 1: direct emissions from operations that are majority-owned or controlled by the organization

<sup>5</sup> GHG Scope 3: other indirect emissions that occur outside the organization (e.g., from use of OMV's products)

Note: For more detailed information, please click [here](#) or visit [www.omv.com](http://www.omv.com) > Sustainability > Sustainability Reporting and Performance > Sustainability Report

operations by at least 20%. By 2025, the carbon intensity of the product portfolio (Scope 3 emissions) will be reduced by at least 6%, previously 4% (vs. 2010), by ensuring that at least 60% of our product portfolio is made up of low-carbon or zero-carbon products by 2025. Moreover, OMV set the ambition of achieving net-zero operations by 2050 or sooner. OMV is taking an active approach in transforming its future business operations. With the announced

increase in the Borealis shareholding, OMV will transform its product portfolio to include a greater proportion of non-energy products and reposition itself for a low-carbon future. By 2025, up to EUR 1 bn will be invested in innovative solutions that contribute to the energy transition and to the circular economy, such as ReOil®, mechanical recycling, and Bio-Oil Co-Processing.

≥ 60%  
low- or zero-carbon products in total product portfolio by 2025

Net-zero operations by 2050 or sooner

## OMV's sustainability commitments and targets

Commitments	Targets 2025	Status 2019
<b>Health, Safety, Security, and Environment (HSSE)</b>		
<ul style="list-style-type: none"> <li>▶ Health, safety, security, and protection of the environment have the highest priority in all activities.</li> <li>▶ Proactive risk management is essential for realizing OMV's HSSE Vision of "ZERO harm – NO losses."</li> </ul>	<ul style="list-style-type: none"> <li>▶ Achieve zero work-related fatalities</li> <li>▶ Stabilize Lost-Time Injury Rate at below 0.30 (per 1 million hours worked)</li> <li>▶ Keep leading position in Process Safety Event Rate</li> </ul>	<ul style="list-style-type: none"> <li>▶ Zero work-related fatalities</li> <li>▶ 0.34 (per 1 million hours worked)</li> <li>▶ Leading position maintained</li> </ul>
<b>Carbon Efficiency</b>		
<ul style="list-style-type: none"> <li>▶ OMV focuses on improving the carbon efficiency of its operations and product portfolio.</li> <li>▶ OMV is fully committed to acting on climate change mitigation and responsible resource management.</li> <li>▶ OMV aims for net-zero operations by 2050 or sooner.</li> </ul>	<p><b>Operations (Scope 1):</b></p> <ul style="list-style-type: none"> <li>▶ Reduce OMV Group carbon intensity of operations by ≥ 30% by 2025<sup>1</sup></li> <li>▶ Lower the carbon intensity of OMV's Upstream operations by ≥ 60%<sup>1</sup></li> <li>▶ Lower the carbon intensity of OMV's refining operations by ≥ 20%<sup>1</sup></li> <li>▶ ≥ 1 mn t CO<sub>2</sub> equivalent emissions reduction in operated assets<sup>2</sup></li> <li>▶ Achieve zero routine flaring and venting of associated gas as soon as possible, no later than 2030</li> </ul> <p><b>Products (Scope 3):</b></p> <ul style="list-style-type: none"> <li>▶ Low- or zero-carbon products account for ≥ 60% of total products by 2025<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>▶ -22% vs. 2010 achieved</li> <li>▶ -30% vs. 2010 achieved</li> <li>▶ -18% vs. 2010 achieved</li> <li>▶ n/a</li> <li>▶ -37% in Upstream in 2019 vs. 2010<sup>4</sup></li> <li>▶ 52% in 2019</li> </ul>

≥ 60%  
lower carbon intensity of OMV's Upstream operations by 2025

≥ 20%  
lower carbon intensity of OMV's refining operations by 2025

<sup>1</sup> CO<sub>2</sub> equivalent emissions produced to generate a certain business output using the following business-specific metric – Upstream: t CO<sub>2</sub> equivalent/toe produced; refineries: t CO<sub>2</sub> equivalent/t throughput (crude and semi-finished products without blended volumes); power: t CO<sub>2</sub> equivalent/MWh produced – consolidated into an OMV Group Carbon Intensity Operations Index, based on weighted average of the business segments' carbon intensity

<sup>2</sup> Including divestments. The reduction will be achieved in the 2020–2025 period.

<sup>3</sup> Low- or zero-carbon sales comprise oil and gas to non-energy, gas to energy, renewables, power, and petrochemicals third-party sales. This target will result in a >6% reduction of the carbon intensity of OMV's product portfolio by 2025 vs. 2010 (CO<sub>2</sub> equivalent emissions generated by the use of OMV's products sold to third parties in t CO<sub>2</sub> equivalent/toe sold) (previous target: -4% by 2025 vs. 2010; 2019: -4% achieved).

<sup>4</sup> Total (including non-routine) flaring and venting

Commitments	Targets 2025	Status 2019
<b>Innovation</b>		
<ul style="list-style-type: none"> <li>▶ OMV's innovation efforts focus on optimizing production, exploring high-end petrochemical solutions, developing innovative energy solutions, and embracing digital technologies.</li> <li>▶ Innovation is supported by investment and partnerships in research and development.</li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>ReOil®</b> Develop ReOil® into a commercially viable, industrial-scale process (unit size of ~200,000 t per year)</li> <li>▶ <b>Co-Processing</b> Increase the share of sustainable feedstock co-processed in the refineries to ~200,000 t per year by 2025</li> <li>▶ <b>Enhanced Oil Recovery (EOR)</b> Increase the recovery factor in the CEE region in selected fields by 5–15 percentage points by 2025 through innovative Enhanced Oil Recovery (EOR) methods</li> </ul>	<ul style="list-style-type: none"> <li>▶ 100 t of post-consumer plastic transformed into synthetic crude; 40 days of continuous production at the ReOil® plant</li> <li>▶ Process Design Package finalized for Schwechat refinery; process studies finalized for Petrobrazi refinery</li> <li>▶ Pilot EOR project started in Romania in 2019; result of pilot project in Austria: additional production of about 100 kboe in 2019</li> </ul>
<b>Employees</b>		
<ul style="list-style-type: none"> <li>▶ OMV is committed to building and retaining a talented team of experts for integrated and international growth.</li> <li>▶ OMV is committed to its diversity strategy with a focus on gender equality and internationality.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Increase share of women at management level <sup>1</sup> to 25% by 2025</li> <li>▶ Keep high share of executives with international experience<sup>2</sup> at 75%</li> </ul>	<ul style="list-style-type: none"> <li>▶ 19.6% women at management level in 2019</li> <li>▶ 77% executives with international experience in 2019</li> </ul>
<b>Business Principles and Social Responsibility</b>		
<ul style="list-style-type: none"> <li>▶ OMV strives to uphold equally high ethical standards at all locations.</li> <li>▶ OMV is a signatory to the United Nations (UN) Global Compact, is fully committed to the UN Guiding Principles on Business and Human Rights, and aims to contribute to the UN's 2030 Agenda for Sustainable Development.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Promote awareness of ethical values and principles: conduct in-person or online business ethics trainings for all employees</li> <li>▶ Assess Community Grievance Mechanisms of all sites against UN Effectiveness Criteria<sup>3</sup> by 2025</li> <li>▶ Conduct human rights trainings for all employees exposed to human rights risks<sup>4</sup> by 2025</li> <li>▶ Increase the number of supplier audits covering sustainability elements to &gt;20 per year by 2025</li> </ul>	<ul style="list-style-type: none"> <li>▶ 514 employees trained in person in 2019, i.e., 85% of the defined target group for the 2018–2020 training cycle; in addition, 11,144 employees completed online training on business ethics.</li> <li>▶ 5 out of 10 sites in scope assessed</li> <li>▶ 9,241 employees trained (47% of total employees) by the end of 2019, i.e., 82% of target group trained</li> <li>▶ 11 supplier audits conducted</li> </ul>

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

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

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

<sup>4</sup> 654 employees in corporate functions managing human rights risks as well as the corresponding functions in countries with elevated human rights risks

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

Health, safety, security, and protection of the environment are key values at OMV. 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.

In Upstream, our combined efforts resulted in an LTIR of 0.43 (2018: 0.38). The Nawara project and our SapuraOMV Malaysian operations completed the year without a Lost-Time Injury (LTI). However,

we had 21 High-Potential Incidents (HiPos) which could have resulted in serious or even fatal injuries under slightly different circumstances. We continued to focus on our Safety Culture Program, including several detailed workshops in Romania and a safety culture baseline assessment in New Zealand. We conducted five global contractor performance meetings, which all had a significant HSSE component. Downstream's HSSE performance further improved in 2019, with the LTIR dropping to 0.22 (2018: 0.25). The severity of work accidents in terms of lost workdays was reduced significantly, by more than half, compared to 2018.

Due to the nature of its operations, OMV has a significant impact on the environment. The Group

strives to minimize that impact at all times, particularly in terms of spills, energy efficiency, and greenhouse gas (GHG) emissions, as well as water and waste management. OMV strives to optimize processes to use natural resources as efficiently as possible and to reduce emissions and discharges. In 2019, there was one major hydrocarbon spill (2018: two). The total volume of hydrocarbon spilled was 56,641 liters (2018: 36,874 liters).

## Carbon Efficiency

OMV recognizes climate change as one of the most important global challenges. OMV integrates risks and opportunities related to climate change impacts into the development of the Company's business strategy and the planning of operational activities. In this regard, OMV aims to reduce its carbon footprint in an effort to mitigate the impact of its operations and product portfolio on climate change. OMV implements measures aimed at optimizing its operational processes, increasing energy efficiency, reducing flaring and venting, and reducing methane emissions through leakage detection and improvement of asset integrity. For example, as a result of the Upstream Energy Efficiency Program at OMV Petrom, 36 gas-to-power (G2P) and combined heat and power (CHP) plants have been installed so far, resulting in a reduction in annual greenhouse gas emissions of 130,000 t. We will continue phasing out routine flaring and venting as soon as possible, but no later than by 2030, as part of OMV's commitment to the World Bank's "Zero Routine Flaring by 2030" initiative.

A cornerstone of our climate strategy is increasing the share of natural gas in our product portfolio. Based on our Upstream production project pipeline, we will increase the share of natural gas in our Upstream portfolio to at least 65% by 2025. In 2019, the Larak gas development project came on stream in Malaysia, followed by Gorek in May and Bakong in June. The Nawara gas development and pipeline project in Tunisia started production in 2020. The divestment of the Maari oil field shifts OMV in New Zealand to a gas-only producer and eliminates 280,000 t of greenhouse gas emissions per year from OMV Upstream operations. This reinforces OMV's strategy of placing the focus on natural gas production rather than oil.

Furthermore, OMV extended the Russian natural gas supply contracts until 2040. The higher share of natural gas in OMV's overall product portfolio will contribute to the reduction of the product portfolio's carbon intensity. In 2019, we also began selling climate-neutral gas to our customers, which offsets greenhouse gas emissions through projects certified by the Verified Carbon Standard and the Gold Standard, such as Bulgaria's Saint Nikola wind farm.

In addition to increasing the share of natural gas products, we are also focusing on lower-carbon/higher value-added petrochemicals and alternative fuels such as hydrogen along with electric vehicle options.

In 2019, OMV and AustroCel Hallein GmbH signed a multi-year agreement to supply advanced bio-ethanol. The fuel components will be derived exclusively from spruce-based cellulose, which is a scrap material in the sawmill industry. The sustainable source material of these fuel components leads them to be classified as "advanced biofuels." In future they will be added to OMV gasoline to fulfill legal additive requirements for reducing the carbon intensity of fuels.

OMV discloses climate-change-related considerations in accordance with the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). For our detailed disclosures, see the TCFD Recommendations Index [here](#) or in our 2019 Sustainability Report available at [www.omv.com](http://www.omv.com) > Sustainability > Sustainability Reporting and Performance > Sustainability Report.

## Environmental, Social, and Governance Ratings and Indices

OMV actively engages with Environmental, Social, and Governance (ESG) rating agencies and socially responsible investors to ensure that the information investors need to evaluate sustainability risks and opportunities related to the Companies performance is disclosed.

### Recognition of OMV performance reflected in ESG ratings



► Since 2019 a member of the SAM Yearbook

RobecoSAM recognized OMV as an Industry Mover in its Yearbook 2019. We demonstrated the largest proportional improvement in sustainability performance compared to the previous year out of the industry's top 15% companies. OMV was also included in the SAM Yearbook 2020 as one of nine oil and gas upstream and integrated companies.



► Since 2018

OMV attained Prime Status according to the ISS ESG rating with a score of B-, which positions the Company among the top 5% oil and gas companies with the best ESG performance.



▶ Since 2019

OMV received Quality Score 1 from ISS in the Environmental, Social, and Governance categories. This puts OMV in the top 10% of energy companies under review.



▶ Since 2013

In 2019, OMV Aktiengesellschaft was rated AAA in the MSCI ESG Ratings assessment. This score places OMV among the best 10% oil and gas companies in terms of ESG performance.



▶ Since 2016

CDP awarded OMV an A- (Leadership) score for the fourth year in a row in 2019. This ranks OMV as one of the top 14 companies in the global oil and gas sector, and among the 5 top-performing companies in Austria.



▶ Since 2019

The Transition Pathway Initiative (TPI) has assigned OMV the highest Level 4 rating for carbon management quality.



▶ Since 2017

OMV is rated as an "Outperformer" in Environmental, Social, and Governance performance by Sustainalytics. OMV ranks among the top 12% of oil and gas companies.

## Highlights of OMV's inclusion in ESG indices



▶ Since 2018

OMV has been included in the Dow Jones Sustainability Index (DJSI World) since 2018. This was confirmed for the second consecutive time in September 2019, positioning OMV among the top 10% oil and gas companies in terms of ESG performance. OMV is the only Austrian company included.

### S & P Europe 350 ESG Index

▶ Since 2019

OMV is one of the 238 companies included in the S&P Europe 350 ESG Index – a recently launched sustainability-focused S&P index. Following SAM's Corporate Sustainability Assessment (CSA), OMV is one of five companies in the integrated oil & gas industry to be included.



FTSE4Good

▶ Since 2015

OMV has been included in the FTSE4Good Index Series every year since 2015.



▶ Since 2014

Based on an assessment by Sustainalytics, OMV was again included in the STOXX® Global ESG Leaders index, among other STOXX® indices.



▶ Since 2020

OMV has been included in the Euronext Vigeo Europe 120 index for the first time and been relisted in the Eurozone 120 index.

## Key highlights 2019

- ▶ OMV has been included in the Dow Jones Sustainability Index (DJSI World) since 2018.
- ▶ CDP Climate Change Leadership score of A-
- ▶ OMV again attained Prime Status according to the ISS ESG rating with a score of B-, which positions the Company among the top 5% oil and gas companies worldwide.
- ▶ 2025 carbon targets achieved ahead of schedule
- ▶ 0 fatalities
- ▶ 365 TJ of energy saved as a result of energy-saving projects implemented in refineries
- ▶ EUR 21 mn in sustainability innovation projects in Downstream
- ▶ Over 1.3 mn people benefited from 258 community development initiatives in 18 countries.



# Employees

We are proud of everything we have achieved together, thanks to our nearly 20,000 employees who turn our strategy into results and success. Trust and pride in the organization fuel our employees' energy and determination to tackle challenges and to focus on innovative solutions to make us even stronger.

## Employee structure

At the end of 2019, OMV employed 19,845 persons in 24 countries. Compared with 2018, the number

of employees decreased by 2%. This decrease, in combination with our results, clearly shows an increase in the efficiency and productivity of our people year by year.

### Employee key figures<sup>1</sup>

		2015	2016	2017	2018	2019
Total personnel expenses	in EUR mn	1,260	1,169	1,116	1,108	1,228
Employees by region						
Austria		3,515	3,431	3,482	3,632	3,965
Romania/rest of Europe		17,967	16,618	15,722	15,232	14,219
Middle East and Africa		2,155	2,091	1,093	683	686
Rest of world		487	404	424	684	975
Total number of employees		24,124	22,544	20,721	20,231	19,845
Diversity						
Number of nationalities <sup>2</sup>		74	69	74	74	77
Female employees	in %	24	25	25	26	26
Female senior vice presidents	in %	17	23	18	17	16

<sup>1</sup> As of year-end

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

## OMV's People Strategy

We continue to build on our strategic priorities to unlock our organization's full potential and to strengthen the foundation for growth and success:

- ▶ Strengthen **leadership capability**
- ▶ Focus on **culture and performance**
- ▶ Increase **organizational agility**
- ▶ Ensure OMV remains a **great place to work**

The development of our people was at the core of our human resources agenda in 2019. We broadened the leadership development opportunities we offer by adding leadership refreshment and leadership essential courses. We also expanded our selection of training courses in functional, technical, and business skills available to all. Our belief in continuous learning as a driver of success is reflected in our development approach, which ensures that people can grow in their jobs. Our experts are a key pillar of our organization. We launched the Expert career path to foster their career development.

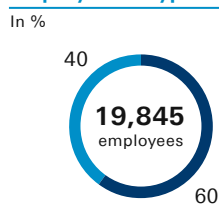
The Group-wide calibration of job evaluations and the introduction of a standardized job title system provide further clarity and consistency. They establish the foundation necessary for employees to

take ownership of their own careers. The associated salary bands position us competitively in our industry. The "Thx for doing great!" recognition program received an HR award for linking principle-led behavior and the company purpose, and for fostering a feedback culture.

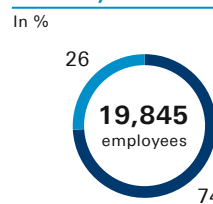
In September, we launched our Digital Academy to prepare for OMV's digital transformation. The Academy offers more than 250 courses covering everything from basic digital and function-specific digital skills to leadership skills. All of this is intended to equip our people to thrive in a digital world. The courses are structured in bite-size lessons that can be completed anywhere, anytime.

77  
different  
nationalities  
employed

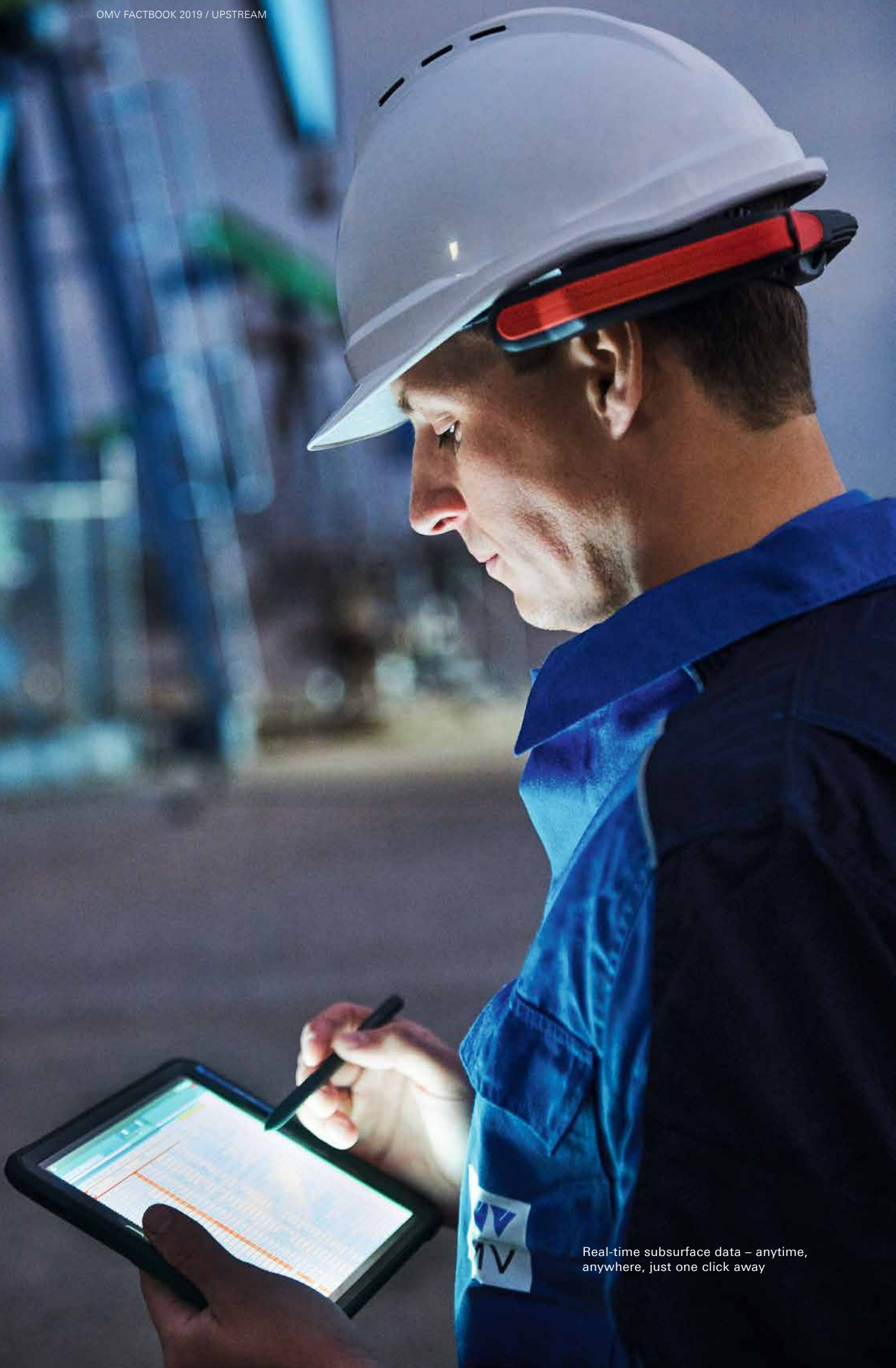
### Headcount by employment type



### Diversity



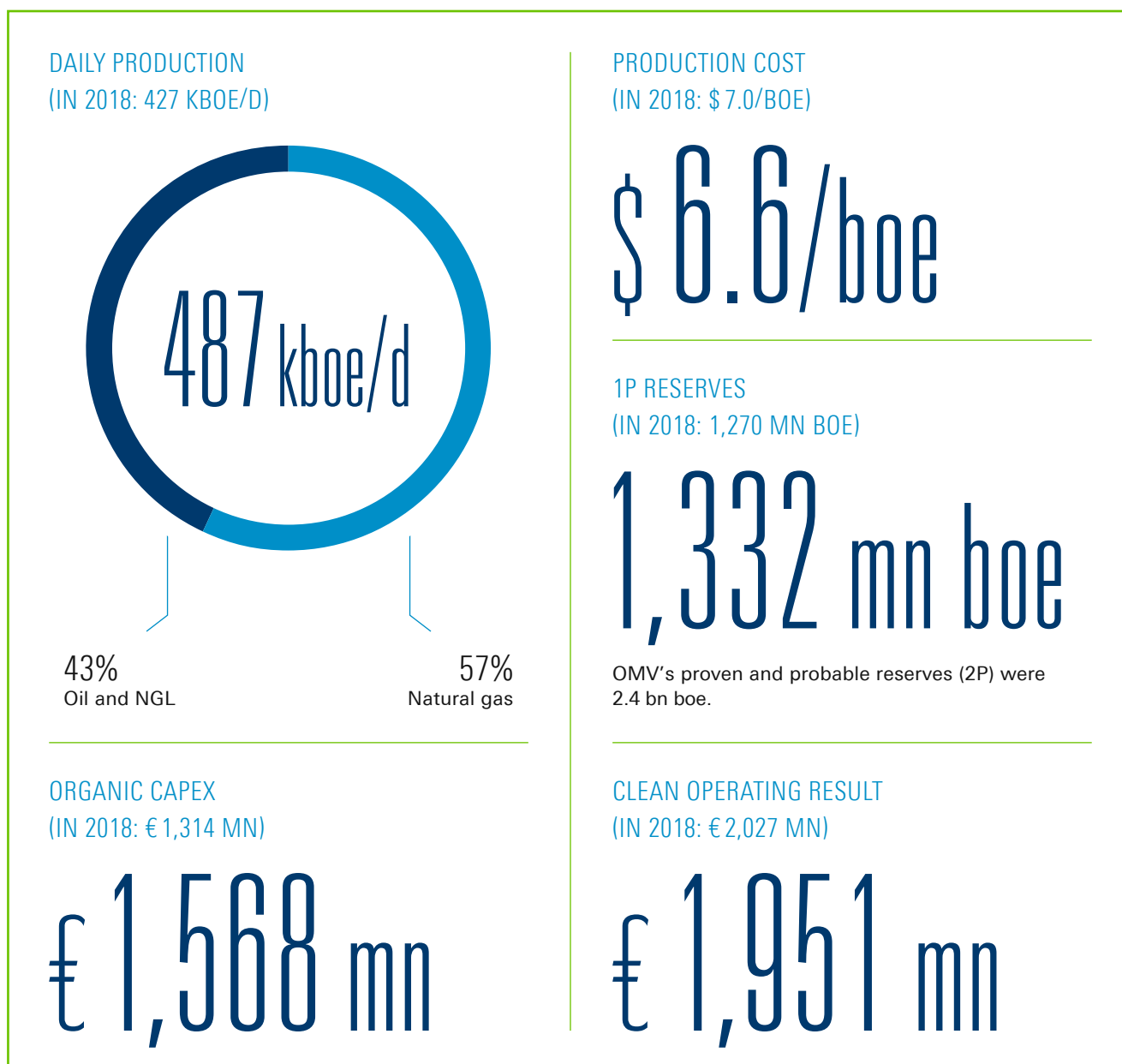
Legend: White-collar workers (dark blue), Blue-collar workers (light blue), Male (dark blue), Female (light blue)



Real-time subsurface data – anytime,  
anywhere, just one click away

# 2 – UPSTREAM

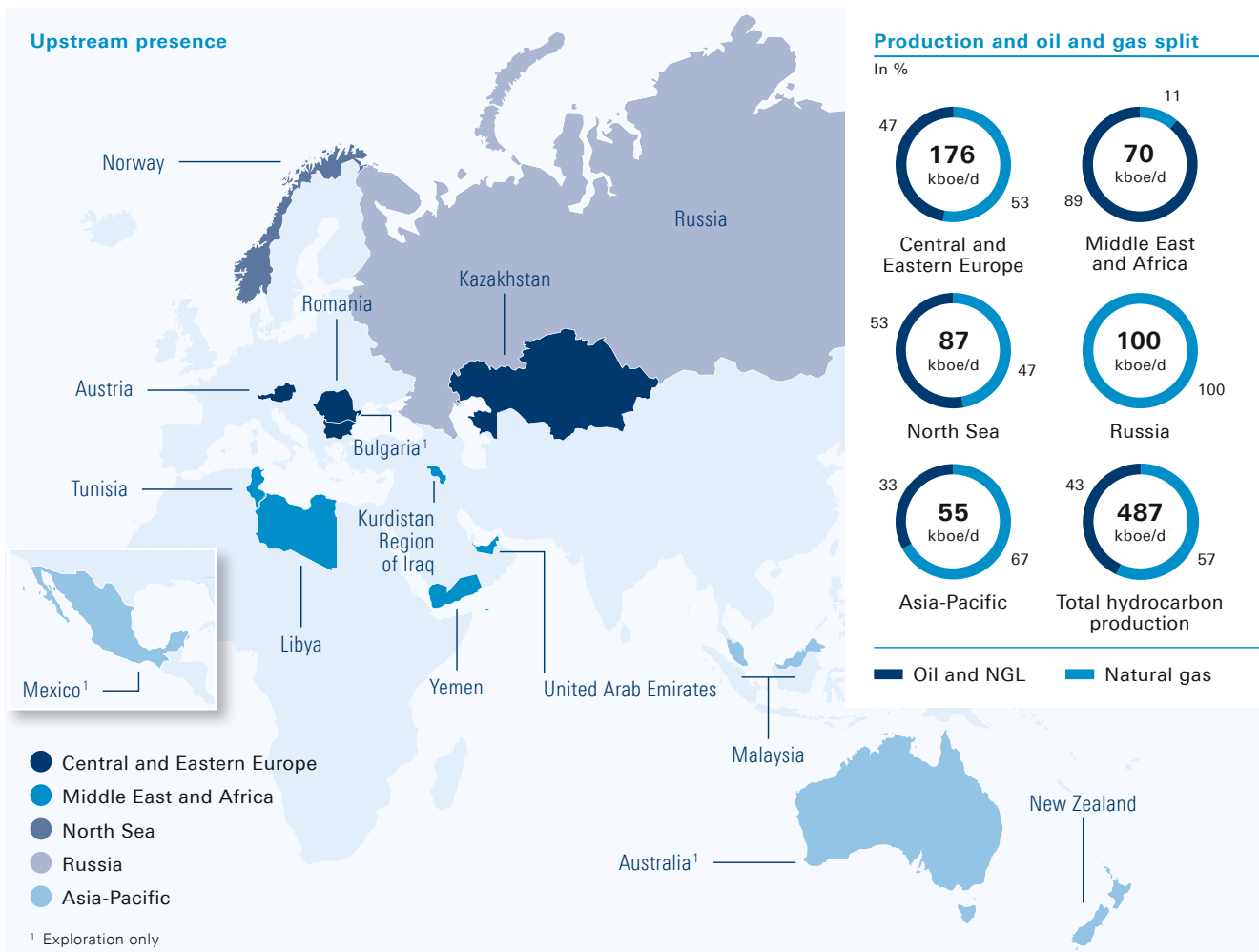
OMV Upstream operates with a good safety record in five core regions: Central and Eastern Europe, Middle East and Africa, the North Sea, Russia, and Asia-Pacific. In 2019, daily production was 487 kboe/d. The strategic priorities of OMV's Upstream business are to continue to improve the quality of the asset base, increase reserves, extend the track record of operational excellence, and increase cash generation.



Note: All figures in the Upstream section are net to OMV unless stated otherwise.

# Upstream at a Glance

OMV's Upstream Business Segment explores, develops, and produces crude oil, natural gas liquids, and natural gas. In 2019, OMV stepped up activities in the Asia-Pacific region by acquiring a 50% stake in the newly established company SapuraOMV Upstream Sdn. Bhd., a major independent oil and gas company based in Malaysia. Important partnerships with Gazprom in Russia and ADNOC in the UAE were further intensified. OMV continued to optimize its portfolio by divesting its stake in the Maari oil field in New Zealand, selling nine marginal fields in Romania, and ending operations in Madagascar.



## Key achievements 2019

- ▶ Record production of 487 kboe/d
- ▶ Reduced production cost below USD 7/boe
- ▶ Three-year average Reserve Replacement Rate increased to 166%
- ▶ Stepped up activities in Asia-Pacific region with the acquisition in Malaysia
- ▶ Further divestment of non-core assets

## Competitive advantages

- ▶ Focused portfolio with five core regions
- ▶ Strong project pipeline for production of at least 600 kboe/d by 2025
- ▶ Well positioned in attractive regions
- ▶ Low production cost
- ▶ Strong partnerships with major players in hydrocarbon-rich regions

## Focused international player

The strategic priorities of OMV's Upstream business are to improve the quality of the asset base, increase reserves, extend the track record of operational excellence, and increase cash generation.

Strong strategy execution was again a hallmark in 2019. OMV grew its Upstream portfolio by strengthening the Asia-Pacific region through the strategic partnership with Sapura Upstream. Production reached a new record at more than 500 kboe/d in the fourth quarter 2019. OMV Upstream will continue to optimize its portfolio in the coming years and maintain its attractive project pipeline.

## Financial and operational KPIs

		2015	2016	2017	2018	2019
Clean Operating Result	in EUR mn	117	40	1,225	2,027	1,951
Exploration expenses <sup>1</sup>	in EUR mn	707	808	222	175	229
Exploration expenditure	in EUR mn	607	307	230	300	360
Production cost <sup>2</sup>	in USD/boe	13.2	10.6	8.8	7.0	6.6
Finding costs (single year)	in USD/boe	13.9	6.4	3.2	2.3	2.3
Finding & development costs (single year)	in USD/boe	57.4	32.0	17.0	11.3	11.1
Reserves replacement cost (single year)	in USD/boe	57.8	17.1	9.9	16.3	14.0
Total hydrocarbon production	in mn boe	113.1	116.5	127.0	156.0	177.9
thereof oil and NGL	in mn boe	56.2	58.7	65.6	66.5	76.1
thereof natural gas	in mn boe	57.0	57.8	61.4	89.5	101.7
Hydrocarbon sales volumes	in mn boe	105	109	118	149	169
Average realized crude price	in USD/bbl	48.9	39.8	49.9	66.0	61.7
Average realized gas price	in USD/1,000 cf	5.5	4.5	5.1	4.7	4.1
Average realized gas price	in EUR/MWh	16.2	13.2	14.8	13.1	11.9
1P reserves at year-end	in mn boe	1,028	1,030	1,146	1,270	1,332
thereof oil and NGL	in mn boe	604	628	571	642	649
thereof natural gas	in mn boe	424	403	575	628	683
LTIR Upstream	per mn hours worked	0.29	0.33	0.28	0.38	0.43

<sup>1</sup> Exploration expenses exclude administrative costs as of 2017.

<sup>2</sup> In 2016, the reported production cost was USD 11.6/boe. Effective January 1, 2017, production cost excludes administrative expenses and selling and distribution costs. The 2016 production cost figure of USD 10.6/boe presented in the table and throughout the document was calculated based on the new definition for future comparability.

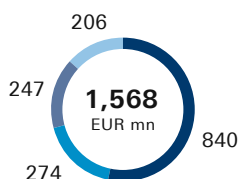
## Capital expenditure<sup>1</sup>

In EUR mn	2015	2016	2017	2018	2019
Central and Eastern Europe	903	533	623	813	844
Middle East and Africa	217	242	138	1,525	285
North Sea	929	538	276	255	248
Russia	–	–	1,719	0	0
Asia-Pacific	90	43	25	482	693
<b>Total</b>	<b>2,140</b>	<b>1,356</b>	<b>2,781</b>	<b>3,075</b>	<b>2,070</b>

<sup>1</sup> Capital expenditure including capitalized E&A and acquisitions

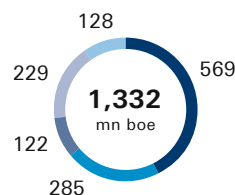
## Total organic CAPEX per region

In EUR mn



## 1P reserves per region

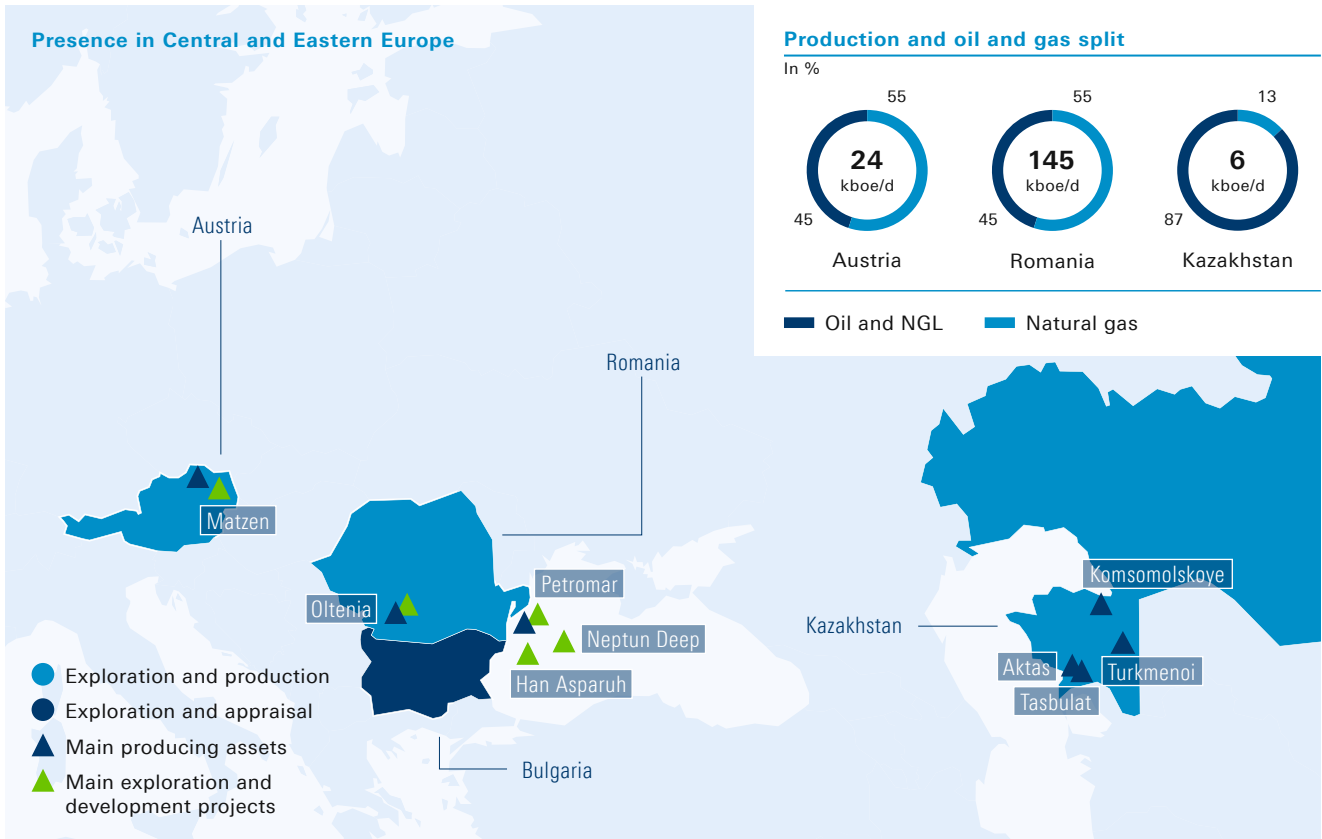
In mn boe



■ Central and Eastern Europe ■ Middle East and Africa ■ North Sea ■ Russia ■ Asia-Pacific

# Central and Eastern Europe

In Central and Eastern Europe (CEE), OMV is active in Austria, Romania, Kazakhstan, and Bulgaria. With production totaling 176 kboe/d in 2019, OMV is among the largest producers in the region. Proven reserves<sup>1</sup> in CEE were 569 mn boe. OMV's main objectives in the region are maximizing the profitable recovery of hydrocarbons and unlocking the Black Sea growth potential.



<p><b>Key facts 2019</b></p> <ul style="list-style-type: none"> <li>▶ OMV among the largest oil and gas producers in CEE</li> <li>▶ Production: 176 kboe/d</li> <li>▶ Proven reserves: 569 mn boe<sup>1</sup></li> <li>▶ Simplified operations due to upgrades of key infrastructure</li> </ul>	<p><b>Strategic directions</b></p> <ul style="list-style-type: none"> <li>▶ Maximize profitable recovery</li> <li>▶ Develop Black Sea potential</li> <li>▶ Continue active portfolio optimization</li> </ul>
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<sup>1</sup> Regional 1P reserves at year-end 2019

**Austria**

OMV has been an active player in Austria since the Company’s founding over 60 years ago. In 2019, OMV Austria’s production amounted to 24 kboe/d, which provided 10% of the oil and gas consumed in Austria. Production comes from approximately 1,000 wells, more than 80% of which are automated. Its major producing asset, Matzen, was discovered in 1949 and is the largest continuous onshore oil field in Central Europe, with around 2 bn bbl of initial hydrocarbons in place.

OMV’s technological, commercial, and stakeholder management expertise ensure profitable and sustainable exploration and production. State-of-the-art technologies such as produced salt-water management and horizontal and casing drilling, as well as the increased uptime of pumping units, drive OMV’s performance in Austria. OMV’s worldwide research and development activities are also located here. In OMV’s research and application laboratory, experts develop a range of new concepts and technologies (e.g., reserve modeling and pressure maintenance) for application at OMV sites worldwide. In 2019, OMV successfully completed the largest onshore 3D seismic survey in Europe. The survey covered an area of 1,500 km<sup>2</sup> stretching from northeastern Vienna to Lower Austria and southwest of the Danube.

**Romania**

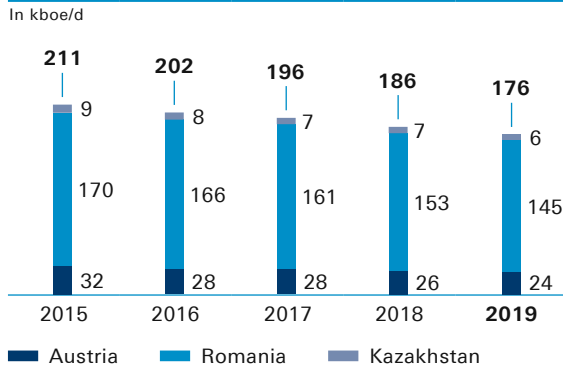
OMV has held 51% of the share capital of OMV Petrom, Southeastern Europe’s leading integrated oil and gas company, since 2004. In that year, OMV Petrom began its successful transformation from a state-owned company into a modern, competitive European oil and gas player.

Major investments since the acquisition have significantly improved the quality and efficiency of OMV Petrom’s operations. Since its privatization, more than 2,000 new wells and sidetracks have been drilled, and the existing infrastructure has been modernized and automated. Significant progress has been made in increasing the run life of subsurface production equipment, thus significantly reducing the required number of well intervention jobs.

As of the end of 2019, OMV Petrom operated 193 onshore and offshore production licenses including shallow water operations in the Black Sea and has been active in 10 exploration licenses in Romania, covering over 26,000 km<sup>2</sup>. Total production in Romania amounted to 145 kboe/d, with 17% of production generated by offshore platforms. In 2019, OMV Petrom covered 40% of Romania’s natural gas consumption.

As part of the Neptun Deep license, the Company performed two seismic acquisition campaigns and two exploration drilling campaigns between 2008 and 2016. The conceptual evaluation work was completed and a potential development concept was selected for the Domino and Pelican South gas discoveries. Neptun Deep provides a strategic

**Daily production in CEE**



**▲ Neptun Deep project, offshore, gas, Romania**

**Licensees**  
ExxonMobil (operator, 50%), OMV Petrom (50%)

**Production**  
Estimated gas volumes: 125–250 mn boe<sup>1</sup>

**Investments**  
Joint venture expenditures to date (Exploration & Appraisal) over USD 1.5 bn

<sup>1</sup> Initial estimate for the Domino-1 well communicated in February 2012

growth opportunity and could transform Romania into a gas-exporting country.

**Kazakhstan**

OMV Petrom is the operator of four producing onshore oil fields located in western Kazakhstan (Tasbulat, Turkmenoi, Aktas, and Komsomolskoye) which contributed approximately 6.5 kboe/d to the OMV Group’s total production in 2019.

**Bulgaria**

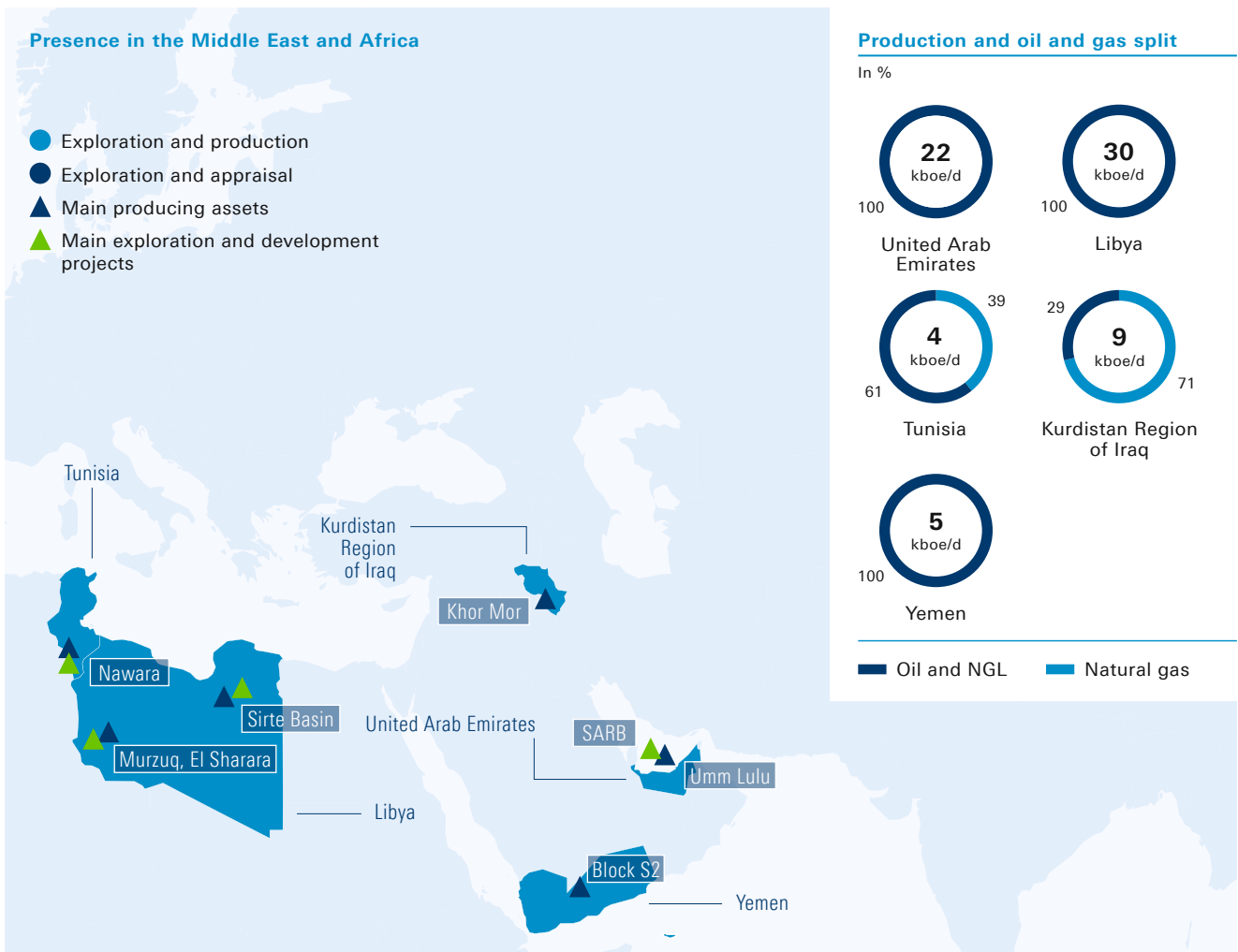
In Bulgaria, OMV Petrom holds a non-operated interest (as of the end of August 2020: Total, operator at 57.14%, OMV 42.86%) in the Han Asparuh exploration block, offshore Black Sea, which is strategically well positioned next to Neptun Deep, offshore, Romania. The Polshkov-1 exploration well is the first oil discovery in Bulgaria’s sector of the Black Sea.

**Georgia**

In 2020, OMV Petrom successfully participated in an open international tender to obtain the rights to conduct oil and gas exploration activities in the Black Sea waters of Georgia.

# Middle East and Africa

In the Middle East and Africa (MEA) region, OMV is active in the United Arab Emirates, Libya, Tunisia, the Kurdistan Region of Iraq, and Yemen and produced 70 kboe/d in 2019. OMV's key objectives in the region are to develop the position in UAE, deliver the Nawara development project in Tunisia, and secure a stable contribution from Libya. In addition, OMV continues to assess further growth opportunities in this hydrocarbon-rich and low-production-cost region to ensure sustainable reserves replacement.



## Key facts 2019

- ▶ Production: 70 kboe/d
- ▶ Proven reserves: 285 mn boe
- ▶ Strengthening of partnership with ADNOC
- ▶ Ongoing portfolio optimization with end of operations in Madagascar

## Strategic directions

- ▶ Further ramp up SARB and Umm Lulu and develop Ghasha concession in Abu Dhabi
- ▶ Secure stable contribution from Libya
- ▶ Deliver Nawara gas project in Tunisia
- ▶ Enhance value in the Kurdistan Region of Iraq
- ▶ Pursue growth options in the region



### United Arab Emirates

OMV has held a 20% stake in the SARB and Umm Lulu oil offshore concession in Abu Dhabi since 2018. OMV's share of the reserves for the 40-year period of the concession agreement amounts to approximately 450 mn bbl of oil, while long-term plateau production of 43 kboe/d, net to OMV, is expected to be reached in 2023. In 2019, the UAE produced an average of 22 kboe/d, net to OMV.

OMV also holds a 5% interest in the Ghasha concession, comprising three major sour gas and condensate greenfield development projects, which will undergo a phased approach to development, as well as other offshore fields. According to ADNOC's planning, the concession will start producing in the mid-2020s. At plateau, the fields are expected to produce at least 370 kboe/d of gas, oil, and high-value condensate (gross). The concession is valid until 2058.

In April 2019, OMV and ADNOC executed closure agreements related to the Shuwaihat and North-West Offshore Technical Evaluation Agreement.

### Libya

OMV has been present in Libya since 1975 and holds licenses, as well as Exploration and Production Sharing Agreements, in the Murzuq and Sirte Basins. In 2016, OMV expanded its footprint in the Sirte Basin by acquiring 100% of the Second Party Shareholding. Libya features low production costs and brings high-quality crude to the European market. However, due to the security situation, production in Libya has been interrupted several times in recent years. In 2019, OMV produced an average of around 30 kboe/d in Libya, as production from the El Sharara field was shut in at the beginning of the year and only resumed in March. In January 2020, force majeure has been declared due to the security situation and as of August production remains shut down or at very low levels in all OMV assets.

### Tunisia

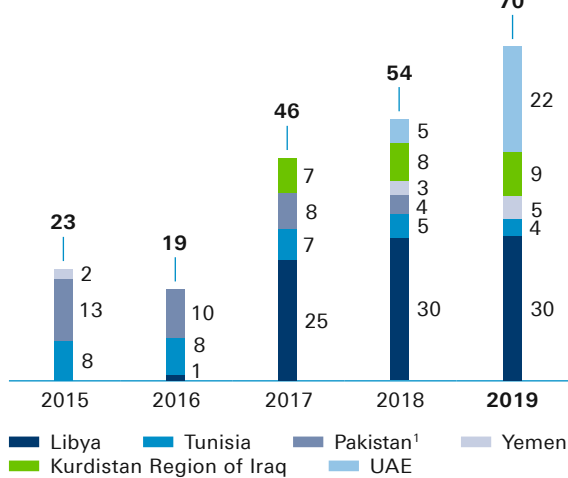
Starting in 2003, OMV acquired exploration and production assets in Tunisia. In recent years, OMV optimized its portfolio through the divestment of the non-core Ashtart and TPS assets. In 2019, production reached 4 kboe/d but is expected to increase after Nawara, a major gas project, delivered its first production in Q1/20. The Nawara field is located in southern Tunisia, and the gas is planned to be transported via pipeline to the gas treatment plant at the Gulf of Gabès.

### Kurdistan Region of Iraq

OMV holds a 10% share in Pearl Petroleum Company Limited ("Pearl"), a gas field operator with rights to appraise, develop, produce, market, and sell petroleum from the Khor Mor and Chemchemical fields in the KRI. In 2019, Pearl's production reached 9 kboe/d, net to OMV. Additional value is expected to be generated in the region in the coming years, mainly

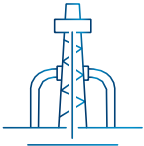
### Daily production in MEA

In kboe/d



<sup>1</sup> The Upstream business in Pakistan was divested on June 28, 2018.

**▲ Nawara project, onshore, gas, Tunisia**



**Licensees**  
OMV (operator, 50%), ETAP (50%)

**Production**  
Cumulative production: 40–50 mn boe of gas  
Peak production: ~10 kboe/d  
First gas: Q1/20

**Investments**  
Final investment decision taken in 2014

from the development of the Khor Mor field. OMV's final investment decision for the first 42 kboe/d train and the drilling of five infill wells was made in October 2019.

### Yemen

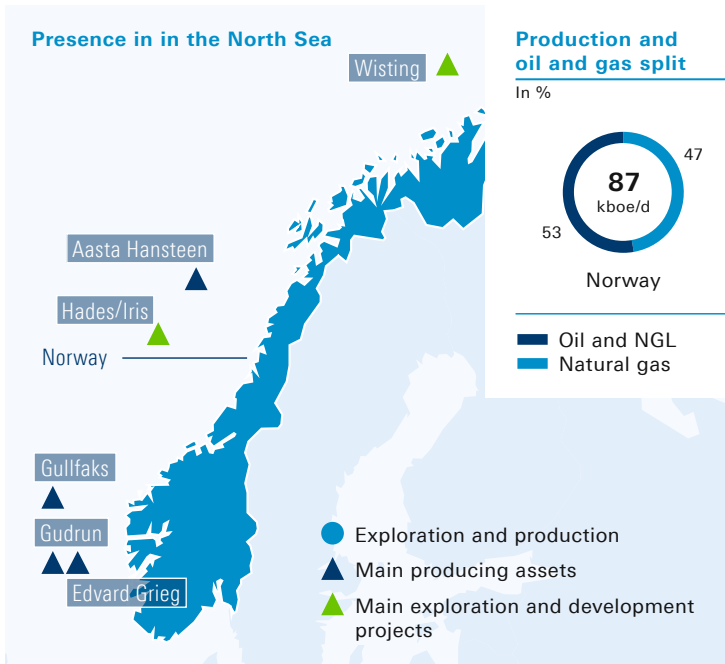
OMV holds four large exploration and production licenses in Yemen: Blocks S2, 3, 86, and 70. Comprehensive technical, commercial, and security arrangements have been put in place to resume production at Block S2 after a two-year security shutdown. Production was restarted in 2018 and averaged 5 kboe/d in 2019.

### Madagascar

OMV ended its operations in Madagascar in 2019 as the Sub-Saharan Africa region does not fit anymore the Company's strategic direction.

# North Sea

OMV is active in exploration, appraisal, development, and production projects in Norway. The Company is focusing on developing the Wisting project in the Barents Sea and maturing the Hades/Iris discovery in the Norwegian Sea.

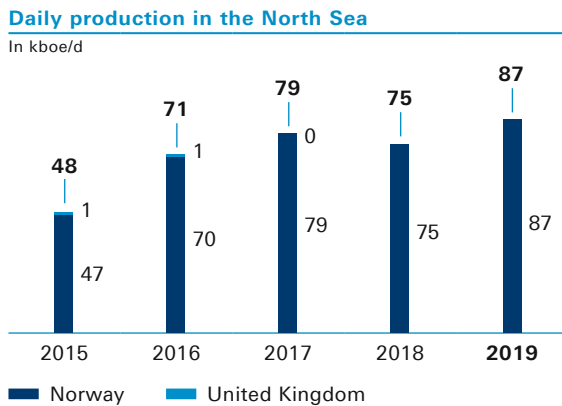


▲ Hades/Iris exploration discovery

**Licensees**  
OMV (operator, 30%), Equinor (40%), DNO (20%), Spirit Energy (10%)

**Production**  
Exploration well in April 2018  
Recoverable volume: 15–30 mn boe

**Investments**  
Iris appraisal well drilled in 2019  
Hades appraisal well planned for 2020



## Norway

OMV became a major offshore oil and gas producer in Norway in 2013 after the acquisition of the Gullfaks producing field (19% share) and the Gudrun development (24% share). Gullfaks is an oil and gas field producing since 1986. In 2013, OMV made the Wisting discovery in the Barents Sea. The Gudrun oil and gas field (20% share) came on stream in 2014. The Edvard Grieg oil field (20% share) started production in 2015. The deep-water gas field Aasta Hansteen (15% share) came on stream and the significant Hades/Iris discovery was made in 2018.

In 2019, OMV Norge received the “Explorer of the Year” award for the Hades/Iris discovery. An appraisal well was completed in the Iris discovery in 2019, while another well is planned to further appraise the Hades discovery in 2020. Moreover, in 2019, two memorandums of understanding were signed with Equinor on collaboration on the Norwegian continental shelf. These relate to the Hades/Iris discovery and the Wisting development. In total, OMV produced an average of 87 kboe/d in 2019. As of July 2020, OMV (Norge) AS holds 43 licenses, 7 of which are operated licenses located in the North Sea, the Norwegian Sea, and the Barents Sea.

**Key facts 2019**

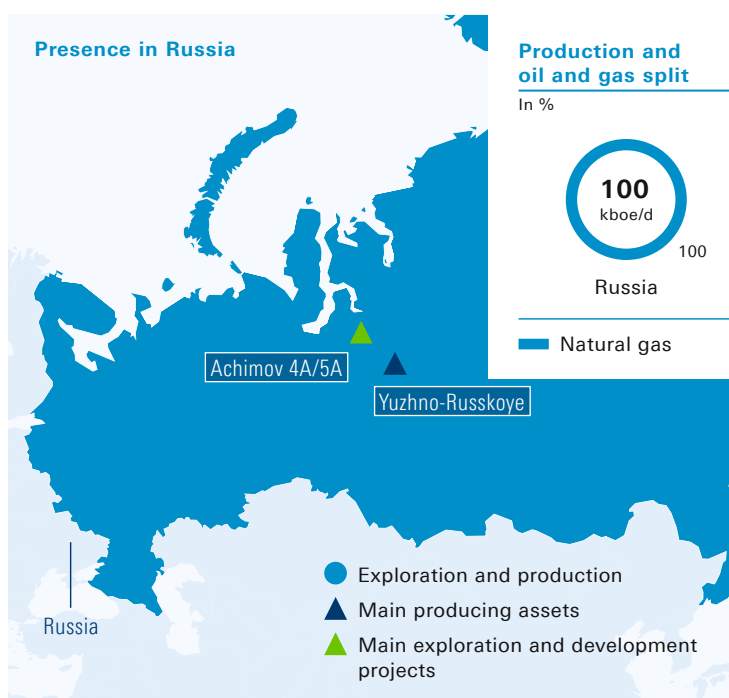
- ▶ Production: 87 kboe/d
- ▶ Proven reserves: 122 mn boe
- ▶ MoU with Equinor related to Wisting development and collaboration on Hades/Iris discovery
- ▶ Appraisal well completed in the Iris discovery

**Strategic directions**

- ▶ Mature Wisting to unlock potential of up to 440 mn bbl gross total recoverable oil resources
- ▶ Appraise and mature Hades and Iris as a potential development project
- ▶ Maximize value with existing production portfolio
- ▶ Expand exploration portfolio leading to discoveries

# Russia

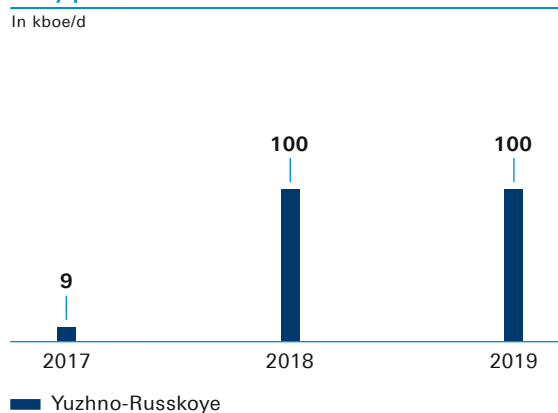
OMV established Russia as a new core region following the acquisition of 24.99% of the giant Yuzhno-Russkoye gas field. OMV expects to further expand its footprint with the acquisition of a 24.98% interest in the Achimov 4A/5A development project in Urengoy, one of the world’s largest gas and condensate fields. Russia offers abundant remaining hydrocarbon reserves, a low-cost structure, and established pipeline access to the European gas markets.



## Yuzhno-Russkoye

In 2017, OMV completed the acquisition of a 24.99% share in the Yuzhno-Russkoye natural gas field located in Western Siberia. The field produced at a plateau rate of 100 kboe/d, net to OMV. To sustain plateau production in the Gazprom-operated Yuzhno-Russkoye gas field, a three-phase drilling campaign targeting the shallower Turonian layer with 135 wells was launched in October 2018. All 12 wells in Phase 1 were completed by the end of 2019. Phase 2 with an additional 88 wells is underway. Furthermore, the development potential of the deeper Lower Cretaceous layers is currently being investigated.

## Daily production in Russia



## Achimov 4A/5A

In 2018, OMV signed a “Basic Sale Agreement” with Gazprom for the potential acquisition of a 24.98% interest in the Achimov 4A/5A development in the Urengoy gas and condensate field. This would add around 600 mn boe to OMV’s recoverable reserves and feature peak production of around 90 kboe/d. In March 2020, OMV and Gazprom signed an “Amendment Agreement”, which stipulates in particular the extension of the negotiation phase for the final transaction documents on a non-exclusive basis until June 2022.

### Key facts 2019

- ▶ Production: 100 kboe/d
- ▶ Proven reserves: 229 mn boe
- ▶ Signing of the “Amendment Agreement” to the Basic Sales Agreement extending negotiation on a non-exclusive basis until June 2022
- ▶ Strengthened strategic partnership with Gazprom

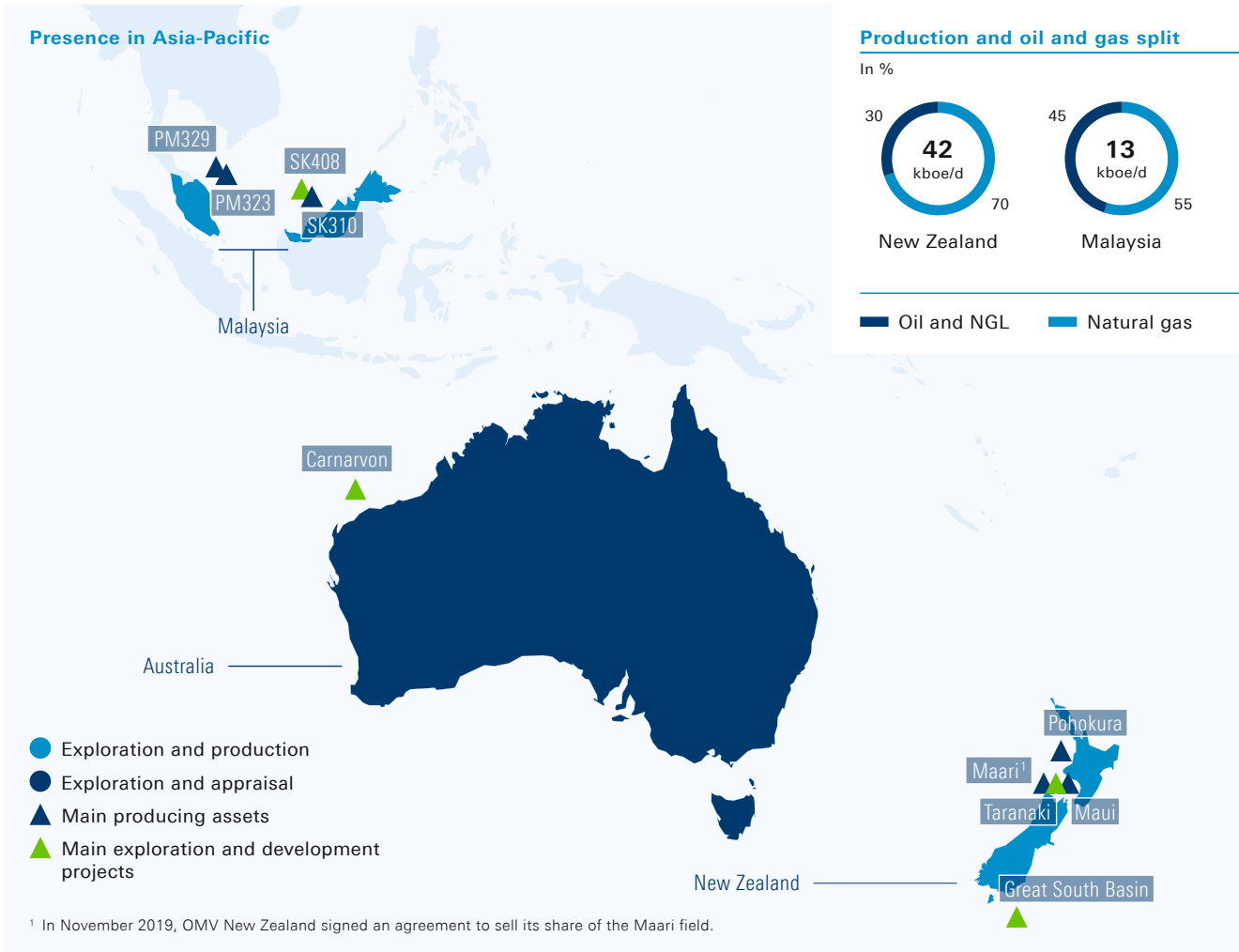
### Strategic directions

- ▶ Continue growth path with Achimov 4A/5A<sup>1</sup>
- ▶ Further increase recoverable resources to around 1 bn boe (Yuzhno-Russkoye and Achimov 4A/5A)
- ▶ Realize organic growth potential
- ▶ Further strengthen strategic partnership with Gazprom
- ▶ Review further business opportunities

<sup>1</sup> Subject to closing

# Asia-Pacific

OMV is engaged in exploration and production activities in New Zealand and Malaysia and in offshore exploration in Australia. In 2019, activities in the Asia-Pacific region were further reinforced with the acquisition of a 50% stake in Sapura’s Upstream business in Malaysia. Further production growth is expected from these new assets.



## Key facts 2019

- ▶ Production: 55 kboe/d
- ▶ Proven reserves: 128 mn boe
- ▶ Successful integration of acquired Shell assets as well as extensive field redevelopment and optimization of New Zealand gas assets in line with strategy
- ▶ SapuraOMV partnership set up and fully functional
- ▶ Start-up of Larak field by SapuraOMV at the end of December

## Strategic directions

- ▶ Leverage SapuraOMV’s growth prospects, capitalizing on growing Asian markets
- ▶ Realize upside of current position in New Zealand
- ▶ Exploit promising exploration potential

**New Zealand**

OMV began operations in New Zealand in 1999 and is active in exploration and production activities there. In 2019, production averaged 42 kboe/d from onshore and offshore assets operated by OMV in the Taranaki region (Maari, Pohokura, and Maui). During 2019, OMV successfully completed the integration of the Shell New Zealand assets acquired as of December 2018.

OMV is prioritizing the redevelopment and optimization of the Maui and Pohokura gas assets. This is reflected in the well intervention campaigns executed in the Pohokura field during 2019. Major infill drilling campaigns on both assets have also been matured during 2019. The Company will invest around NZD 500 mn (EUR 270 mn) over the next two years to rejuvenate production in the Maui and Pohokura gas fields.

OMV holds 74% of the equity and operatorship of the Pohokura field, which has been producing since 2006 and is the largest single supplier of natural gas in New Zealand. Production from the field is processed by the Pohokura Production Station, which is a fully unmanned facility managed by a remote control room located in OMV’s New Plymouth office. The Maui field, 100% owned and operated by OMV, is also a material contributor to New Zealand’s gas production. Together, Pohokura and Maui meet about half of New Zealand’s annual gas demand.

Maari is New Zealand’s largest oil field. OMV holds a 69% stake. In November 2019, OMV New Zealand signed an agreement to sell its share of the Maari field effective January 1, 2019. Closing is subject to regulatory approvals, and operatorship is expected to be transferred in the second half of 2020. With this transaction, OMV New Zealand will become a pure gas/condensate producer, significantly reducing the carbon emissions of OMV New Zealand’s product portfolio.

OMV New Zealand also holds New Zealand’s largest offshore exploration acreage, including 52.93% equity and operatorship of the Great South Basin exploration block, as well as five exploration permits in the Taranaki Basin (40–70%). In March 2020, OMV New Zealand’s exploration drilling campaign made the first offshore hydrocarbon discovery in New Zealand in over ten years: the Toutouwai-1 exploration well drilled in the Taranaki Basin (PEP60093). This discovery is currently under evaluation with the Toutouwai joint venture partners. Further appraisal is required to firm up volumes and inform appraisal and development planning.

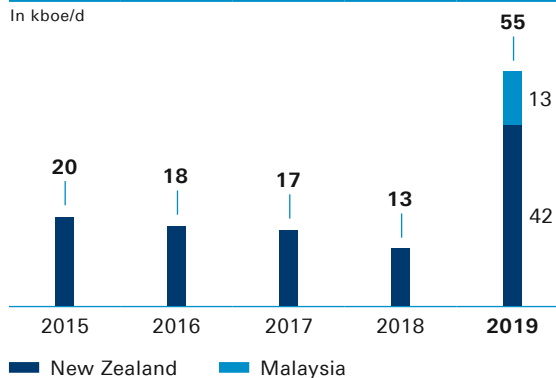
**Australia**

OMV New Zealand is active in one non-operated exploration permit that covers the Zola, Bianchi, and Antiope gas discoveries.

**Malaysia**

On January 31, 2019, OMV and Sapura Energy Berhad (“Sapura Energy”) closed the agreement to

**Daily production in Asia-Pacific**



▲ SK408 project, offshore, gas, Malaysia

**Licensees**  
 SapuraOMV (operator, 40%)  
 Shell (Gorek operator, 30%)  
 Petronas (30%)

**Phase 1**  
 Gorek, Larak, and Bakong fields  
 First gas in 2019–2020  
 Cumulative production: ~70 mn boe

**Phase 2**  
 Jerun field  
 First gas in 2024

form a strategic partnership. Under the agreement, OMV acquired a 50% stake in the newly established company SapuraOMV Upstream Sdn. Bhd. The new entity and its subsidiaries are fully consolidated in OMV’s financial statements.

In 2019, production averaged 13 kboe/d. Following the full ramp-up of the first phase of SK408, comprising the Gorek, Larak, and Bakong fields, SapuraOMV’s production is expected to increase to more than 30 kboe/d, with the majority being gas. The first field, Larak, was started up at the end of December 2019, while Gorek commenced production in May 2020. With the Bakong gas field beginning to produce in June 2020, Phase 1 of the SK408 development is now entirely on stream. In addition to the Malaysian footprint, SapuraOMV has exploration assets in New Zealand, Australia, and Mexico.

In 2019, SapuraOMV was awarded “APAC Company of the Year” and received the platinum award in the Offshore Self-Regulation Excellence Awards 2019.

## Upstream – Appendix

In 2019, OMV reached its highest production level of 487 kboe/d, with gas volumes representing 57% of the production. Following major acquisitions and portfolio optimization, OMV's 1P reserves increased to 1,332 mn boe in 2019, almost equally distributed between oil and gas reserves.

### Production

In kboe/d

	2015	2016	2017	2018	2019
<b>Central and Eastern Europe</b>	<b>211</b>	<b>202</b>	<b>196</b>	<b>186</b>	<b>176</b>
Austria	32	28	28	26	24
Romania	170	166	161	153	145
Kazakhstan	9	8	7	7	6
<b>Middle East and Africa</b>	<b>31</b>	<b>27</b>	<b>46</b>	<b>54</b>	<b>70</b>
Tunisia	8	8	7	5	4
Pakistan <sup>1</sup>	13	10	8	4	–
Libya	0	1	25	30	30
Yemen	2	–	–	3	5
Kurdistan Region of Iraq	7	7	7	8	9
United Arab Emirates	–	–	–	5	22
<b>North Sea</b>	<b>48</b>	<b>71</b>	<b>79</b>	<b>75</b>	<b>87</b>
Norway	47	70	79	75	87
United Kingdom	1	1	0	–	–
<b>Russia</b>	<b>–</b>	<b>–</b>	<b>9</b>	<b>100</b>	<b>100</b>
<b>Asia-Pacific</b>	<b>20</b>	<b>18</b>	<b>17</b>	<b>13</b>	<b>55</b>
New Zealand	20	18	17	13	42
Malaysia	–	–	–	–	13
<b>Total</b>	<b>310</b>	<b>318</b>	<b>348</b>	<b>427</b>	<b>487</b>

### Oil and NGL production

In kboe/d

	2015	2016	2017	2018	2019
<b>Central and Eastern Europe</b>	<b>99</b>	<b>93</b>	<b>88</b>	<b>85</b>	<b>83</b>
Austria	16	14	13	12	11
Romania	75	72	68	67	66
Kazakhstan	8	8	6	6	6
<b>Middle East and Africa</b>	<b>12</b>	<b>10</b>	<b>33</b>	<b>44</b>	<b>62</b>
Tunisia	7	7	5	4	2
Pakistan <sup>1</sup>	1	1	1	0	–
Libya	0	1	25	30	30
Yemen	2	–	–	3	5
Kurdistan Region of Iraq	2	2	2	2	3
United Arab Emirates	–	–	–	5	22
<b>North Sea</b>	<b>32</b>	<b>47</b>	<b>51</b>	<b>47</b>	<b>45</b>
Norway	31	47	51	47	45
United Kingdom	1	1	0	–	–
<b>Russia</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Asia-Pacific</b>	<b>11</b>	<b>9</b>	<b>8</b>	<b>6</b>	<b>18</b>
New Zealand	11	9	8	6	13
Malaysia	–	–	–	–	6
<b>Total</b>	<b>154</b>	<b>160</b>	<b>180</b>	<b>182</b>	<b>209</b>

<sup>1</sup> The Upstream business in Pakistan was divested on June 28, 2018.

**Natural gas production**

In kboe/d	2015	2016	2017	2018	2019
<b>Central and Eastern Europe</b>	<b>112</b>	<b>109</b>	<b>108</b>	<b>100</b>	<b>93</b>
Austria	16	14	16	14	13
Romania	94	94	92	86	79
Kazakhstan	1	1	1	1	1
<b>Middle East and Africa</b>	<b>19</b>	<b>16</b>	<b>13</b>	<b>10</b>	<b>8</b>
Tunisia	1	2	1	1	1
Pakistan <sup>1</sup>	12	9	7	3	–
Libya	–	–	–	–	–
Yemen	–	–	–	–	–
Kurdistan Region of Iraq	5	5	5	5	6
United Arab Emirates	–	–	–	–	–
<b>North Sea</b>	<b>17</b>	<b>24</b>	<b>28</b>	<b>28</b>	<b>41</b>
Norway	16	23	28	28	41
United Kingdom	1	0	0	–	–
<b>Russia</b>	<b>–</b>	<b>–</b>	<b>9</b>	<b>100</b>	<b>100</b>
<b>Asia-Pacific</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>7</b>	<b>37</b>
New Zealand	9	9	9	7	30
Malaysia	–	–	–	–	7
<b>Total</b>	<b>156</b>	<b>158</b>	<b>168</b>	<b>245</b>	<b>279</b>

<sup>1</sup> The Upstream business in Pakistan was divested on June 28, 2018.

**Total 1P reserves**

In mn boe	2015	2016	2017	2018	2019
Central and Eastern Europe	731	686	641	602	569
Middle East and Africa	127	185	186	266	285
North Sea	145	139	110	120	122
Russia	–	–	194	232	229
Asia-Pacific	25	21	15	49	128
<b>Total</b>	<b>1,028</b>	<b>1,030</b>	<b>1,146</b>	<b>1,270</b>	<b>1,332</b>

**Oil and NGL 1P reserves**

In mn boe	2015	2016	2017	2018	2019
Central and Eastern Europe	404	393	379	361	350
Middle East and Africa	108	148	139	222	229
North Sea	82	79	48	48	51
Russia	–	–	–	–	–
Asia-Pacific	10	9	5	10	19
<b>Total</b>	<b>604</b>	<b>628</b>	<b>571</b>	<b>642</b>	<b>649</b>

**Natural gas 1P reserves**

In mn boe	2015	2016	2017	2018	2019
Central and Eastern Europe	327	293	261	241	218
Middle East and Africa	19	37	47	45	57
North Sea	63	60	63	72	70
Russia	–	–	194	232	229
Asia-Pacific	15	12	10	39	109
<b>Total</b>	<b>424</b>	<b>403</b>	<b>575</b>	<b>628</b>	<b>683</b>

Note: 1P reserves are defined as proved developed and undeveloped reserves from subsidiaries and equity-accounted investments.

















Major licenses<sup>1</sup>

Country	Working interest <sup>2,3</sup>	Type of production and license	OMV operatorship	Primary type of hydrocarbon <sup>4</sup>
<b>Central and Eastern Europe</b>				
<b>Austria</b>				
AREA 1 Nord	100%	Production	<input checked="" type="checkbox"/>	Oil and NGL
AREA 2 Matzen	100%	Production	<input checked="" type="checkbox"/>	Oil and NGL
AREA 4 Hochleiten	100%	Production	<input checked="" type="checkbox"/>	Oil and NGL
AREA 36	100%	Production	<input checked="" type="checkbox"/>	Natural gas
AREA 5 SüdGAS	100%	Production	<input checked="" type="checkbox"/>	Natural gas
AREA 7 West	100%	Production	<input checked="" type="checkbox"/>	Natural gas
AREA 8 Thann	100%	Production	<input checked="" type="checkbox"/>	Natural gas
<b>Romania</b>				
Asset Crişana	100%	Production	<input checked="" type="checkbox"/>	Oil and NGL
Asset Muntenia Vest	100%	Production	<input checked="" type="checkbox"/>	Oil and NGL
Asset Muntenia	100%	Production	<input checked="" type="checkbox"/>	Oil and NGL
Asset Oltenia	100%	Production	<input checked="" type="checkbox"/>	Natural gas
Asset Moesia	100%	Production	<input checked="" type="checkbox"/>	Oil and NGL
Asset Moldova	100%	Production	<input checked="" type="checkbox"/>	Oil and NGL
Asset Petromar	100%	Production	<input checked="" type="checkbox"/>	Natural gas
PEC Ţicleni	100%	Production	<input type="checkbox"/>	Oil and NGL
PEC Turnu	100%	Production	<input type="checkbox"/>	Oil and NGL
PEC Timiş	100%	Production	<input type="checkbox"/>	Oil and NGL
Asset Hunt JOA	50%	Production	<input type="checkbox"/>	Natural gas
Neptun Deep	50%	Appraisal	<input type="checkbox"/>	Natural gas
<b>Kazakhstan</b>				
Aktas	100%	Production	<input checked="" type="checkbox"/>	Oil and NGL
Tasbulat	100%	Production	<input checked="" type="checkbox"/>	Oil and NGL
Turkmenoi	100%	Production	<input checked="" type="checkbox"/>	Oil and NGL
Komsomolskoye	100%	Production	<input checked="" type="checkbox"/>	Oil and NGL
<b>Middle East and Africa</b>				
<b>United Arab Emirates</b>				
SARB/Umm Lulu	20%	Development/ production	<input type="checkbox"/>	Oil and NGL
Ghasha	5%	Development	<input type="checkbox"/>	Natural gas
<b>Libya</b>				
Nafoora, Sirte Basin	100%	Production	<input type="checkbox"/>	Oil and NGL
NC103, Sirte Basin	100%	Production	<input type="checkbox"/>	Oil and NGL
NC163_ZOC, Sirte Basin	100%	Production	<input type="checkbox"/>	Oil and NGL
NC115 (OILP), Murzuq Basin	30%	Production	<input type="checkbox"/>	Oil and NGL
NC186 (OILEX), Murzuq Basin	24%	Production	<input type="checkbox"/>	Oil and NGL
<b>Tunisia</b>				
Adam	20%	Production	<input type="checkbox"/>	Natural gas
Cherouq	50%	Production	<input checked="" type="checkbox"/>	Oil and NGL
Durra	50%	Production	<input checked="" type="checkbox"/>	Oil and NGL
Anaguid East	50%	Production	<input checked="" type="checkbox"/>	Oil and NGL
Jinane	50%	Production	<input checked="" type="checkbox"/>	Oil and NGL
Nawara	50%	Production	<input checked="" type="checkbox"/>	Natural gas
Sondes	50%	Production	<input checked="" type="checkbox"/>	Oil and NGL
<b>Kurdistan Region of Iraq</b>				
Khor Mor	10%	Development/ production	<input type="checkbox"/>	Natural gas
Chemchemical	10%	Development/ production	<input type="checkbox"/>	Natural gas
<b>Yemen</b>				
Block S2	44%	Development/ production	<input checked="" type="checkbox"/>	Oil and NGL

Operated     Non-operated     Oil and NGL     Natural gas



Major licenses<sup>1</sup>

Country	Working interest <sup>2,3</sup>	Type of production and license	OMV operatorship	Primary type of hydrocarbon <sup>4</sup>
<b>North Sea</b>				
<b>Norway</b>				
Aasta Hansteen	15%	Production	<input type="checkbox"/>	
Edvard Grieg	20%	Production	<input type="checkbox"/>	
Gudrun	24%	Production	<input type="checkbox"/>	
Gullfaks	19%	Production	<input type="checkbox"/>	
Wisting	25%	Appraisal	<input type="checkbox"/> <sup>5</sup>	
Hades/Iris	30%	Appraisal	<input checked="" type="checkbox"/>	
<b>Russia</b>				
<b>Russia</b>				
Yuzhno-Russkoye	24.99%	Production	<input type="checkbox"/>	
<b>Asia-Pacific</b>				
<b>New Zealand</b>				
Maari <sup>6</sup>	69%	Production	<input checked="" type="checkbox"/>	
Pohokura (NZEA)	74%	Production	<input checked="" type="checkbox"/>	
Maui (NZEA)	100%	Production	<input checked="" type="checkbox"/>	
Great South Basin	52.93%	Exploration	<input checked="" type="checkbox"/>	
<b>Malaysia</b>				
PM318	50%	Production	<input type="checkbox"/>	
PM323	60%	Production	<input checked="" type="checkbox"/>	
PM329	70%	Production	<input checked="" type="checkbox"/>	
AAKBNLP	50%	Production	<input type="checkbox"/>	
SK310	30%	Development/ production	<input checked="" type="checkbox"/>	
SK408	40%	Development/ production	<input checked="" type="checkbox"/> <sup>7</sup>	

Operated     Non-operated     Oil and NGL     Natural gas

Note: As of June 2020

<sup>1</sup> Due to their large numbers, the licenses in Romania (more than 190) and Austria (more than 150) are clustered into asset units.

<sup>2</sup> The Romania and Kazakhstan working interest is via OMV Petrom, in which OMV owns a 51% stake. The Malaysia working interest is via SapuraOMV, in which OMV owns a 50% share.

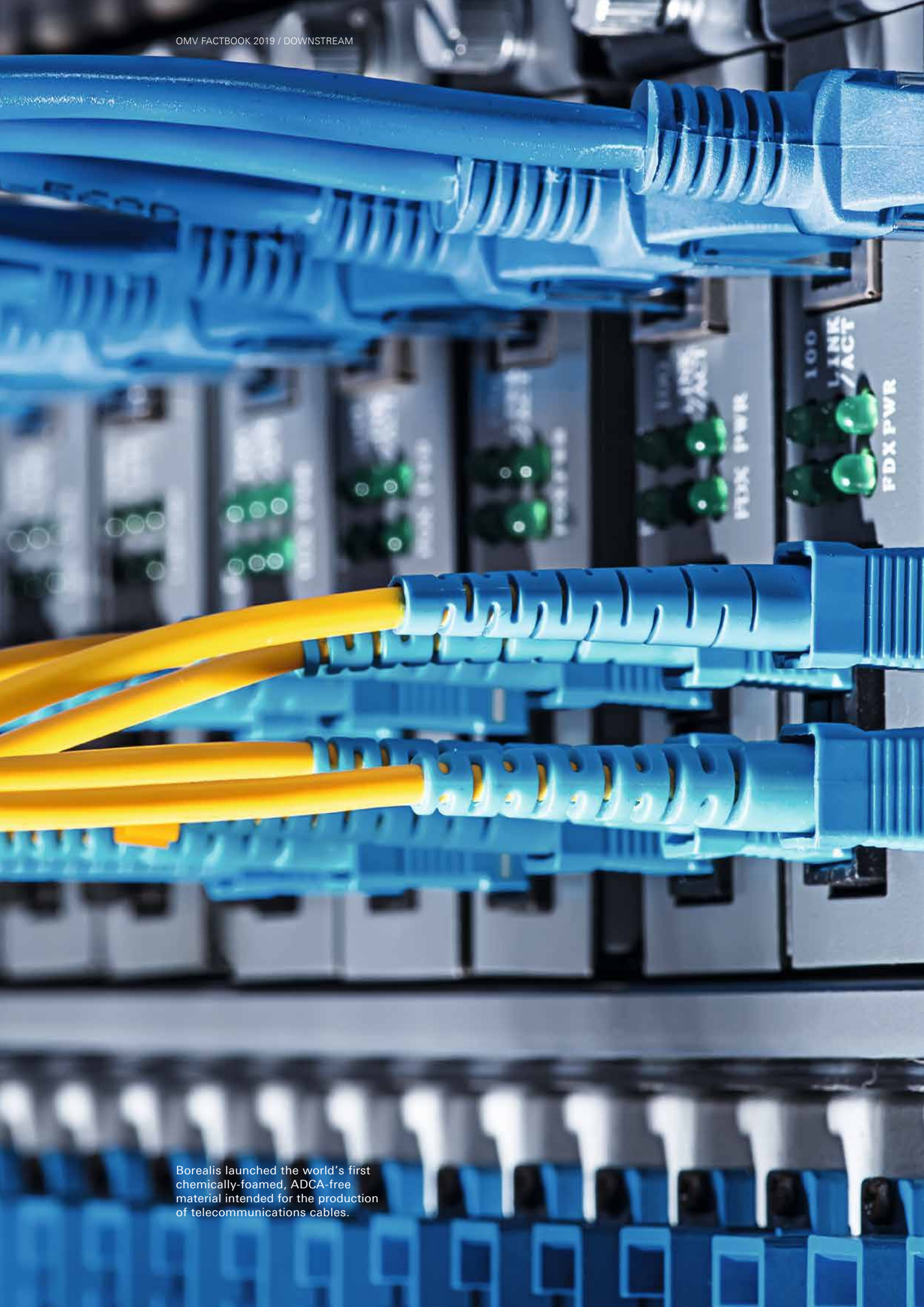
<sup>3</sup> The Libya working interest represents OMV's stake in the Second Party shareholding.

<sup>4</sup> Based on predominant hydrocarbon production of the respective year

<sup>5</sup> Wisting is non-operated in the development phase and will be operated in the production phase as per the 2019 MoU with Equinor.

<sup>6</sup> Maari divestment signed in November 2019; closing pending authority approvals

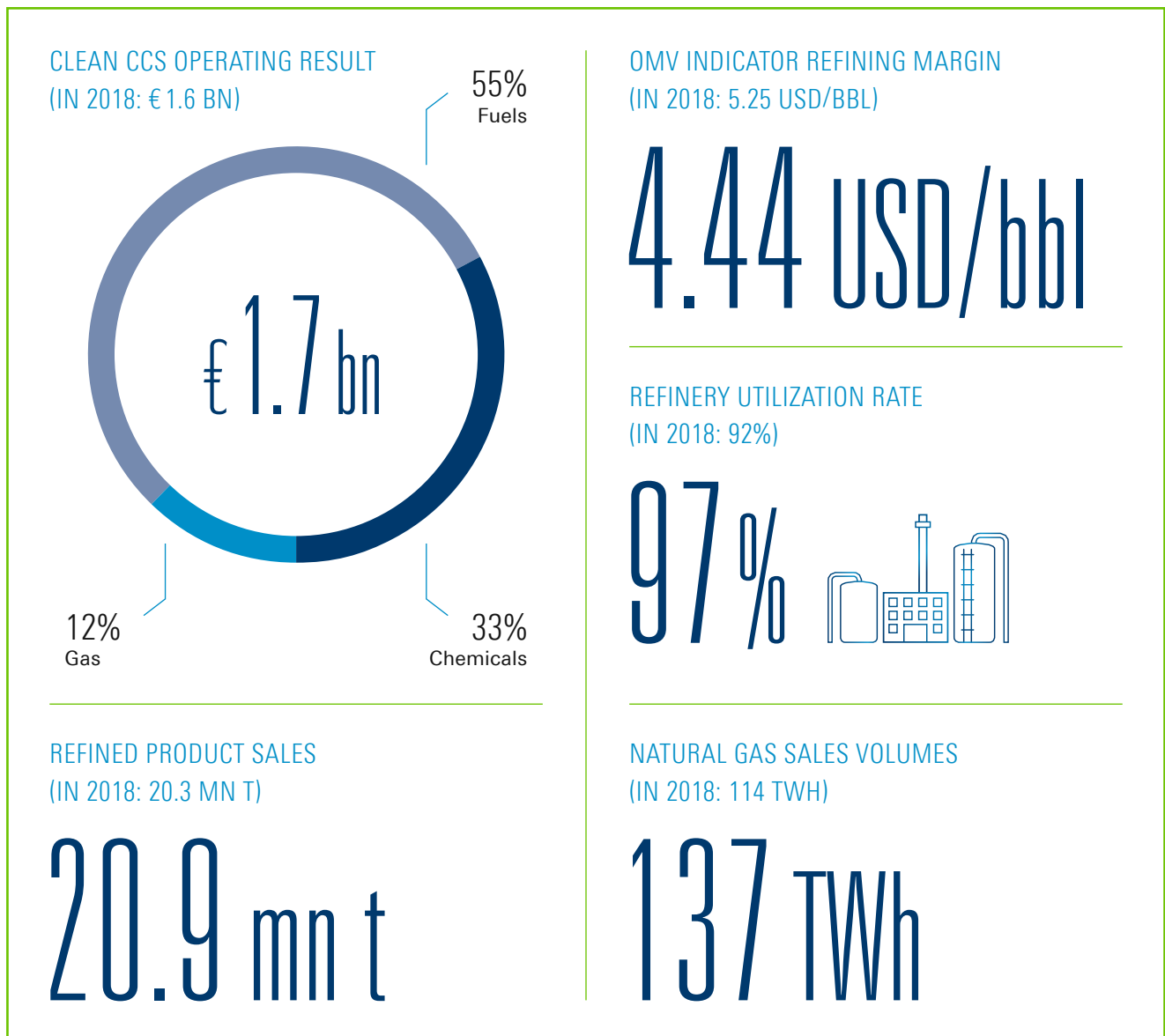
<sup>7</sup> SK408 includes several fields with different operatorship (SapuraOMV/Shell).



Borealis launched the world's first chemically-foamed, ADCA-free material intended for the production of telecommunications cables.

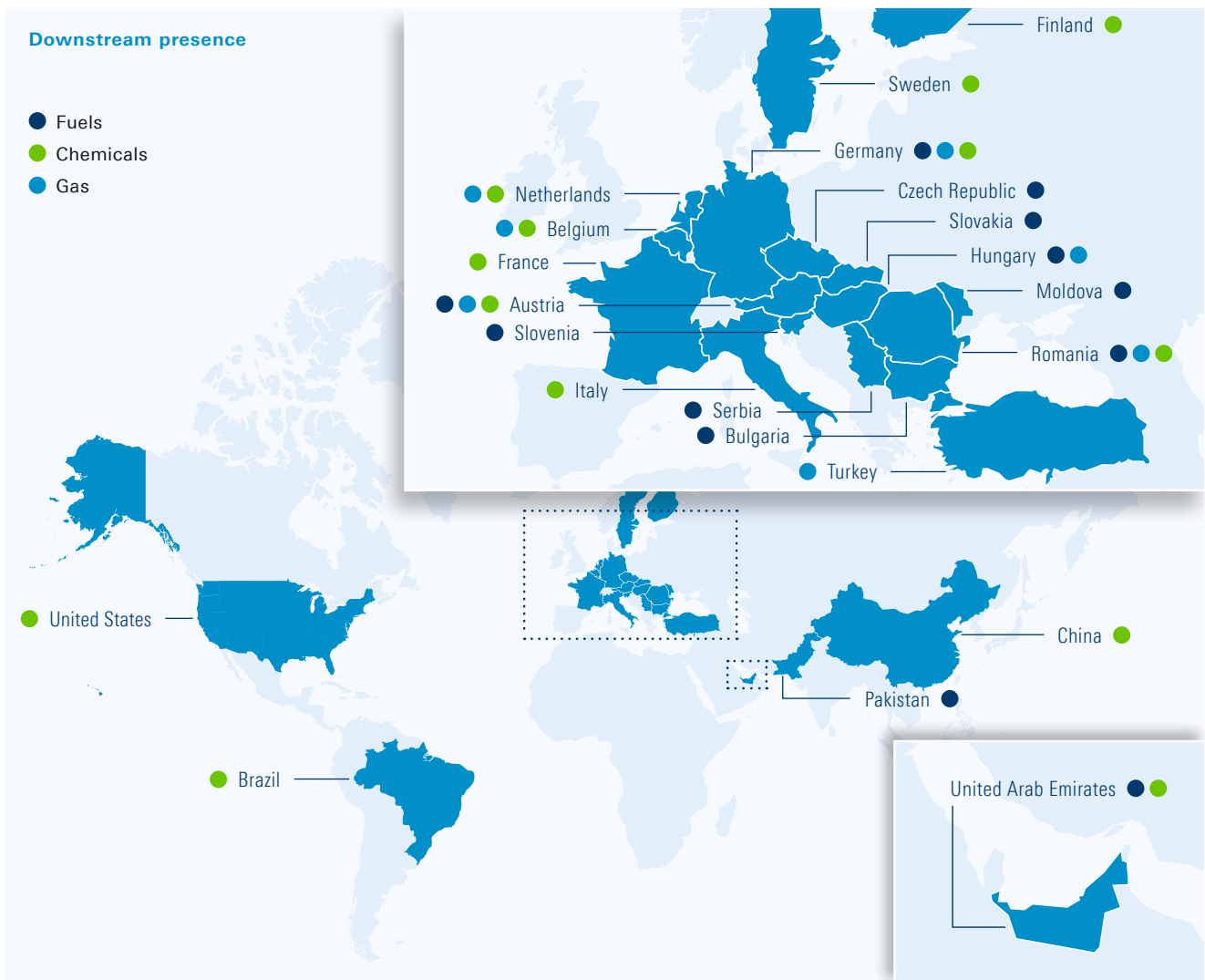
# 3 – DOWNSTREAM

OMV’s Downstream business markets fuels, chemicals, and gas. It operates three inland refineries in Europe and holds a strong market position within the areas of its refineries, serving a strong branded retail network and commercial customers. In the Middle East, it owns 15% of ADNOC Refining, which operates the fourth-largest refinery in the world. OMV has recently signed an agreement to increase its shareholding in Borealis to 75% to strengthen its chemical business and extend the value chain into polymers. In gas, OMV is active along the entire gas value chain.



# Downstream at a Glance

Downstream refines and markets fuel products in Central and Eastern Europe as well as in the Middle East through OMV's 15% interest in ADNOC Refining and Trading JV. OMV is strongly forward integrated into chemicals and recently expanded its value chain into polymers by acquiring a controlling interest in Borealis<sup>1</sup>, one of the world's leading polyolefin producers. Borealis has a strong European footprint and is active in the Middle East and Asia-Pacific through Borouge<sup>2</sup>, a joint venture with ADNOC. In North America, Borealis and Total are partners in the Baystar joint venture.

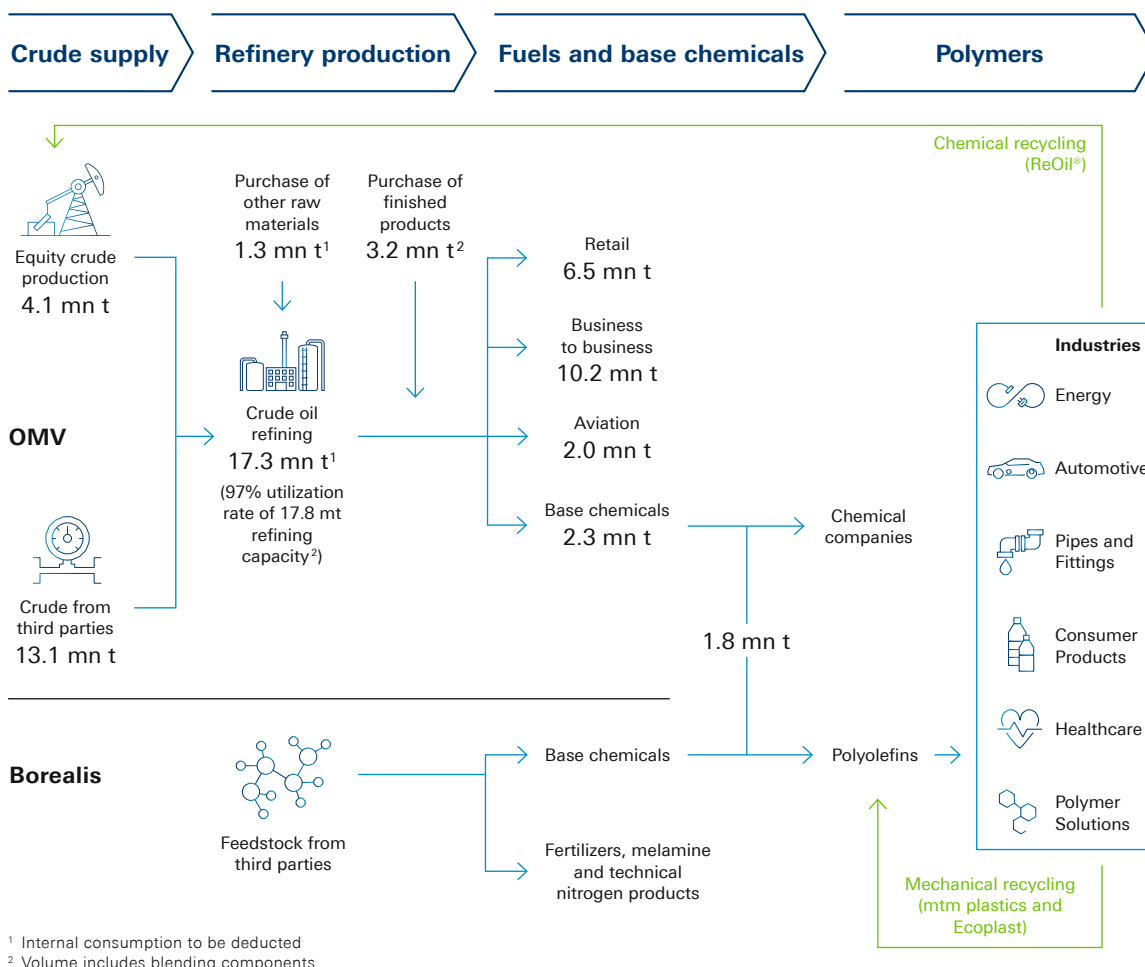


<sup>1</sup> OMV has signed an agreement to increase its Borealis shareholding to 75%. The closing is expected in the fourth quarter of 2020.

<sup>2</sup> Borealis owns 40% in Borouge ADP and 50% in Borouge Pte.

### Downstream fuels and chemicals value chain

2019 figures



<sup>1</sup> Internal consumption to be deducted  
<sup>2</sup> Volume includes blending components

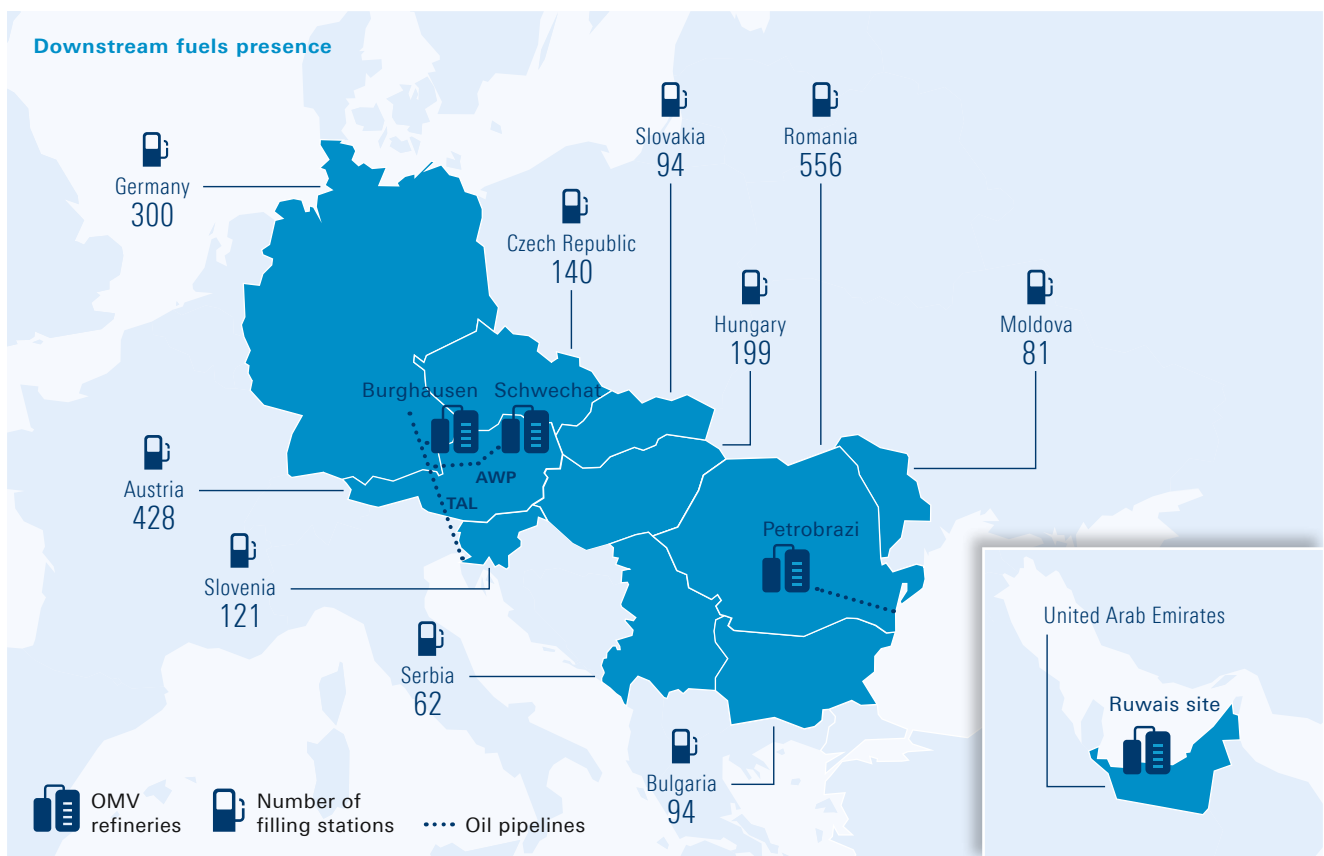
### Financial and operational KPIs

		2015	2016	2017	2018	2019
Clean CCS Operating Result <sup>1</sup>	in EUR mn	1,546	1,533	1,770	1,643	1,677
thereof petrochemicals	in EUR mn	262	238	245	275	241
thereof Borealis (36%)	in EUR mn	356	399	399	360	314
thereof ADNOC Refining & Trading (15%)	in EUR mn	n.a.	n.a.	n.a.	n.a.	8
thereof gas	in EUR mn	(20)	200	222	212	194
OMV refining indicator margin	in USD/bbl	7.2	4.7	6.0	5.2	4.4
Ethylene/propylene net margin	in EUR/t	419	375	427	448	433
Refinery utilization rate	in %	93	89	90	92	97
Total refined product sales	in mn t	30.0	30.7	23.8	20.3	20.9
thereof retail <sup>2</sup>	in mn t	5.7	6.0	6.2	6.3	6.5
thereof petrochemicals	in mn t	2.3	2.3	2.2	2.4	2.3
thereof OMV Petrol Ofisi	in mn t	10.0	10.7	4.0	-	-
Capital expenditure	in EUR mn	608	513	580	576	2,774
Organic capital expenditure	in EUR mn	596	485	557	555	611
Number of filling stations <sup>2</sup>		2,010	2,068	2,039	2,064	2,075
Average throughput per filling station <sup>2</sup>	in mn l	3.5	3.6	3.7	3.8	3.9
Natural gas sales volumes	in TWh	110	109	113	114	137

Note: Downstream operational KPI's do not include the equity-accounted investments.  
<sup>1</sup> As of Q1/20, the Downstream Business Segment's reporting was restructured to comprehensively reflect the operations of the Downstream business. The figures for previous periods are presented in the same structure for comparison only.  
<sup>2</sup> Excluding OMV Petrol Ofisi, which was divested in June 2017

# Downstream – Fuels

In Central and Eastern Europe, OMV operates three inland refineries in Austria, Germany, and Romania and holds a strong market position within the proximity of its refineries, serving its strong branded retail network of approximately 2,100 filling stations and commercial customers. In the Middle East region, OMV holds a 15% share in ADNOC Refining, which operates the fourth-largest single-site refinery in the world. The launch of the new trading joint venture, ADNOC Global Trading, a key element to support value creation, is planned for the end of 2020.



Key facts 2019	Competitive advantages
<ul style="list-style-type: none"> <li>▶ 17.8 mn t annual refining capacity in Europe</li> <li>▶ 7.1 mn t annual refining capacity in the Middle East</li> <li>▶ 20.9 mn t refined product sales in Europe</li> <li>▶ ~2,100 filling stations in Europe</li> </ul>	<ul style="list-style-type: none"> <li>▶ Leading European refiner<sup>1</sup> and olefin producer<sup>2</sup></li> <li>▶ Large share of secure product outlets</li> <li>▶ Strong retail brands, a high share of premium fuels, leading non-oil business</li> <li>▶ Excellent management of integrated oil value chain</li> <li>▶ Attractive growth opportunities in the Middle East region</li> </ul>

<sup>1</sup> According to HSB Solomon Associates Fuels Study benchmark: Net Cash Margin, Cash OpEx, Maintenance Index & Energy Intensity Index  
<sup>2</sup> According to HSB Solomon Associates Olefin Study benchmark: Net Cash Margin, Cash OpEx, Maintenance Index & Energy Consumption

## Refining in Europe

OMV operates refineries in Schwechat (Austria), Burghausen (Germany), and Petrobrazî (Romania) with a total annual capacity of 17.8 mn t, equaling around 370,000 bbl/d. The regional proximity of the three sites allows OMV to operate them as one integrated refining system. Intermediate products are exchanged between the refineries to optimize product flows and maximize returns.

Over the last few years, OMV has put a lot of effort into increasing refining profitability and improving performance indicators. The challenging market environment during 2012 and 2014 caused by overcapacity and high crude oil prices prompted OMV to initiate an efficiency program to increase competitiveness. This resulted in significant cost reductions and an improved margin.

These efforts are reflected in the high ratings of the Schwechat and Burghausen refineries in the Solomon studies, which benchmark refineries worldwide. The two refineries rank in the top two quartiles in Europe for fuels and olefins in the personnel intensity, energy efficiency, maintenance costs, and total cash OPEX categories. In addition, Schwechat and Burghausen are in the top two quartiles for operational availability, utilization, and net cash margin for fuels.

The geographical location of OMV's refineries and their connection to a strong pipeline infrastructure ensure sourcing flexibility with access to both domestic and international crude oil supplies. Flexible refinery configuration and access to broad feedstock supplies enable profit optimization along the entire value chain.

A high utilization rate is key to the profitable operation of a refinery. With a utilization rate of more than 90%, OMV has outperformed the European average since 2011, receiving a boost from strong petrochemical integration and robust marketing activities. During the COVID-19 crisis, OMV's deep downstream value chain integration in chemicals secured the continued operation of OMV refineries, although lockdown measures reduced fuel product demand substantially.

### Annual refining capacities

In mn t

Schwechat	9.6
Burghausen	3.8
Petrobrazî	4.5
ADNOC Refining <sup>1</sup>	7.1
<b>Total</b>	<b>24.9</b>

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

### Schwechat

Schwechat is Austria's only refinery. It features a very high conversion rate with low black-product yield and the technical flexibility to process a mixture of heavy, medium, and light sweet crude oils. The site is supplied with around 10% domestic equity crude, with the remaining crude supplied via the Transalpine (TAL) and Adria-Wien Pipelines (AWP). Schwechat is forward integrated into petrochemicals and produces ethylene, propylene, butadiene, and aromatics. The refinery also supplies fuels to OMV's large network of filling stations as well as to Vienna International Airport via pipeline. In addition, the refinery produces low-sulfur heavy fuel oil to serve the market with IMO-2020-compliant products. In the long term, Schwechat aims to become heavy-fuel-oil-free.

### Burghausen

The Burghausen refinery, located on the German-Austrian border, is a specialized, heavy-fuel-oil-free facility. All heavy components are converted to high-quality calcinate. It ranks among the top refineries in the German market. Burghausen processes medium and light crude oils and is supplied with crude via the Transalpine (TAL) pipeline connected to the marine terminal in Trieste, Italy. It focuses on jet fuel, middle distillates, and petrochemical products. Burghausen ranks top tier with one of the highest petrochemical yields in Europe. Neither gasoline nor heavy fuel oil are produced at the refinery. Jet fuel output is delivered to Munich airport by pipeline.

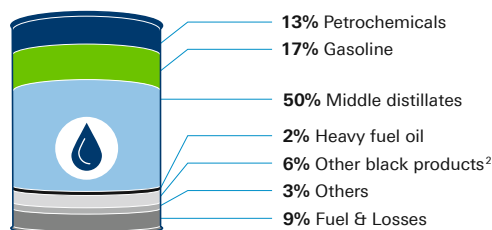
### Petrobrazî

The Petrobrazî refinery, located about 60 km from Bucharest, Romania, processes approximately 80% local equity heavy crude oil with the rest of its crude supplied via import pipelines from the Constanța oil terminal. The refinery's yield structure allows the production of gasoline, middle distillates, and low-sulfur heavy fuel oil. The refinery is highly integrated with the regional fuels marketing business, which includes over 700 filling stations in Romania, Moldova, Bulgaria, and Serbia.

3 Sites  
—  
1 Refinery concept  
enabling optimal returns

### Integrated refinery yield<sup>1</sup> 2019

In %



<sup>1</sup> Operated as "3 Sites – 1 Refinery"; LPG and naphtha used as feedstock for petrochemicals

<sup>2</sup> Bitumen, coke, and other residues

## Retail and commercial

OMV sells its refined products via its retail filling station network and to commercial customers. The Group's total refined product sales amounted to 20.9 mn t in 2019. Around 30% of the total volumes were marketed by way of the retail channel, while approximately 60% were sold through the commercial channel. Petrochemicals account for the remainder.

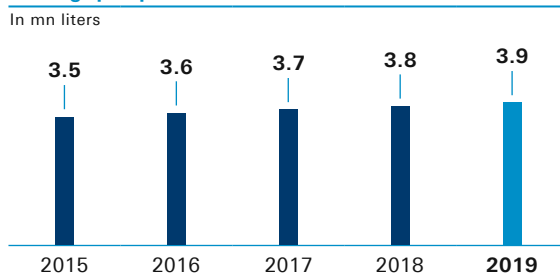
### Retail

At the end of 2019, OMV operated a network of around 2,100 filling stations. The network covers ten countries in Central and Eastern Europe. More than half of the filling stations are in Austria (428 sites), Romania (556 sites), and Germany (300 sites). OMV also operates in the Czech Republic, Hungary, Slovakia, Slovenia, Bulgaria, Serbia, and Moldova. The filling station network's geographical focus is on markets close to OMV's three refineries. This allows the Group to maximize the integrated margins from refineries to the retail network.

Over the last five years, OMV has significantly transformed its retail business by pursuing network optimization, clear customer segmentation, and strategic operational improvements.

This optimization has improved OMV's average throughput per filling station to 3.9 mn liters per year and strongly increased the Operating Result per filling station to EUR 204,000, up 9% compared to 2018.

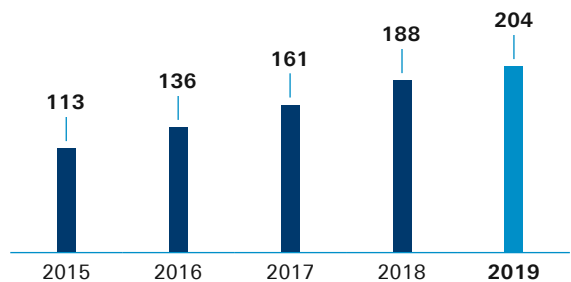
### Throughput per station<sup>1</sup>



<sup>1</sup> Excluding OMV Petrol Ofisi, which was divested in June 2017

### Retail Operating Result per filling station<sup>1</sup>

In thousand EUR



<sup>1</sup> Excluding OMV Petrol Ofisi, which was divested in June 2017

The retail segment serves as an important and stable distribution channel for fuel products and plays an essential role in building OMV's brand image. OMV pursues a multibrand strategy to address different customer needs.

### OMV brand

OMV is the Group's premium brand representing the highest-quality fuels, modern convenience stores including fresh foods, and a wide range of other services. OMV's high-performance MaxxMotion fuels ensure improved efficiency and engine longevity. Appealing VIVA convenience stores offer a broad range of items, including fresh snacks and coffee, as well as services. OMV operates around 1,330 filling stations under the OMV brand in nine European countries.

### Petrom brand

The Petrom brand stands for "value for money," offering high-quality fuels at attractive prices. The brand is well known in Romania and Moldova, where it has been marketed since 1988 and 2000, respectively.

### Avanti and DISKONT brands

These two brands target the discount segment. Avanti and DISKONT unmanned filling stations do not have convenience stores but provide customers with a cost-efficient way to fill their tanks that also saves time. The majority of Avanti filling stations are located in Austria. DISKONT filling stations are strategically located at HOFER/ALDI SÜD supermarkets, allowing them to benefit from strong customer traffic and a comparable customer proposition.

A further expansion of Austria's successful unmanned concept is planned for Germany, Hungary, and Slovenia.







**MaxxMotion**

At its technology center in Austria, OMV continuously improves its premium fuels for outstanding quality and performance. OMV’s innovation teams work in close collaboration with leading automotive OEMs, research institutes, and universities to secure a place at the forefront of future developments in fuel technology.

The successful MaxxMotion performance fuels are a great example of OMV’s innovation capabilities. MaxxMotion stands for maximum power, longer engine life, and lower emissions. Whether diesel or gasoline, MaxxMotion delivers maximum performance with a clean combustion process. MaxxMotion 100plus and MaxxMotion Diesel protect a car’s engine from the inside, as well as remove and minimize harmful deposits. Special, innovative additive formulations keep engines clean, reduce wear, and sustainably prolong engine lifespans.

The excellent winter properties of OMV MaxxMotion Diesel ensure reliable engine operation even at ice-cold temperatures of up to -40°C (CFPP value according to EN 590).



**VIVA**

For many years now, OMV filling stations have been not only a place to find top-quality fuels but also to enjoy an increasing range of services that make stops as convenient as possible for people on the go. VIVA, OMV’s convenience store brand, has established a new filling station culture, where a stop at the service station offers a welcome break from the daily hustle and bustle. VIVA stores have an appealing atmosphere, a first-rate product range, and helpful, service-oriented staff. In addition to freshly prepared snacks, VIVA offers more than 1,500 everyday products, exquisite coffee, gifts, the VIVA wine store, and much more. In addition to freshly prepared snacks, VIVA introduced in 2019 its private label products, such as VIVA Iced Coffee, VIVA Snacks, and VIVA Smoothie bars. In 2020, a range of VIVA near-water beverages will follow. OMV operates around 860 OMV filling stations with VIVA branded convenience stores in nine European countries from Germany to Romania.

The VIVA convenience store concept has developed into a very attractive business and contributes significantly to OMV’s retail earnings. “We Care More” reflects OMV’s retail philosophy, which puts cus-

tomers at the core of activities. OMV aims to stand out from the competition by going beyond customer expectations and by providing more value – by caring more about customer needs.

**Retail competitive advantages**

- ▶ Clear regional focus, filling stations in close proximity to OMV’s refineries
- ▶ Strong brands in all markets
- ▶ Above-average throughput per station compared to branded peers
- ▶ High share of premium fuels (MaxxMotion trademark)
- ▶ Successful convenience store concept with high contribution to total retail margin

**Commercial sales**

OMV sells fuel products to a broad range of business customers in Central and Eastern Europe. This includes sales to other oil companies and distributors.

OMV is the leading diesel and gasoline supplier in its core markets Austria and Romania. The OMV Card is accepted at around 2,100 OMV, Petrom, Avanti, and DISKONT filling stations and by the international ROUTEX partners’ network. The commercial business focuses on large industrial customers in the main segments of road transportation, construction and industries, reseller, marine, and the petrochemical sector.

OMV supplies the largest airports in the CEE region, Vienna and Munich, directly via pipeline from its nearby refineries.

The following five customer promises make up the core of OMV’s customer value proposition, differentiating OMV from the competition in the commodities business:

- ▶ Supply security
- ▶ Easy to do business
- ▶ Industry professionals
- ▶ Quality products
- ▶ Competitive conditions

The commercial sales channel allows OMV to ensure a high level of refinery utilization and enables the maximization of integrated margins along the value chain.

-40°C  
OMV MaxxMotion Diesel ensuring reliable engine operation at low temperatures

## Refining in the Middle East

OMV has held a 15% share in ADNOC Refining and ADNOC Global Trading, since July 2019. This transaction enabled OMV to establish a strong integrated position along the value chain in Abu Dhabi similar to the successful business model in Europe. The value chain spans from Upstream production to refining, trading, and chemicals.

### ADNOC Refining

ADNOC Refining is situated at the heart of the Abu Dhabi hydrocarbon value chain and operates the fourth-largest single-site refinery in the world. It has a total capacity of 47.1 mn t (922 kbb/d), consisting of Ruwais East (420 kbb/d), Ruwais West (417 kbb/d), and the Abu Dhabi refinery (85 kbb/d).

Besides OMV, the other shareholders of ADNOC Refining are ADNOC (65%) and ENI (20%).

The Ruwais megasite is well integrated into petrochemicals. The complex includes a propylene capacity of more than 1.7 mn t, mostly sold to Borouge, the largest polyolefins site in the world. Borouge is jointly owned by Borealis (40%) and ADNOC (60%), which generates synergies along the value chain.

ADNOC Refining's assets also include the associated infrastructure featuring an advanced logistics network with pipelines and storage. In addition, there are utility assets such as a general utility plant that produces power and generates steam, a plant for waste handling and treatment, as well as a disposal

facility. The associated infrastructure supports the Ruwais site and provides predictable income.

Thanks to a high conversion rate, these refineries have a heavy fuel oil position close to zero. White products make up 95% of the total production volume.

ADNOC Refining's investment program includes the crude flexibility project, which expands Ruwais' crude slate to include heavier, more sour crudes and allows the refinery to optimize its feedstock costs. In addition, the program features a waste heat recovery project to capture waste heat from gas turbine operations to generate power and desalinated water.

### ADNOC Global Trading

The Ruwais site has direct access to a deep-water port unlocking the opportunity for OMV to participate in attractive, high-growth markets, in particular the Asia-Pacific markets.

Approximately 30% of ADNOC Refining's production is sold domestically, while roughly 70% is exported. The Trading Joint Venture will be ADNOC Refining's international exporter and will manage the non-Abu Dhabi crude feedstock supply. The launch of the Trading Joint Venture is planned for the end of 2020.

### Pak-Arab Refinery (PARCO)

OMV holds an indirect interest of 10% in PARCO, which is active in the refining, transportation, and marketing business in Pakistan.

Ruwais refinery –  
4<sup>th</sup>-largest  
single-site refinery  
in the world

## OMV's integrated value chain in the United Arab Emirates



<sup>1</sup> Entity to be established

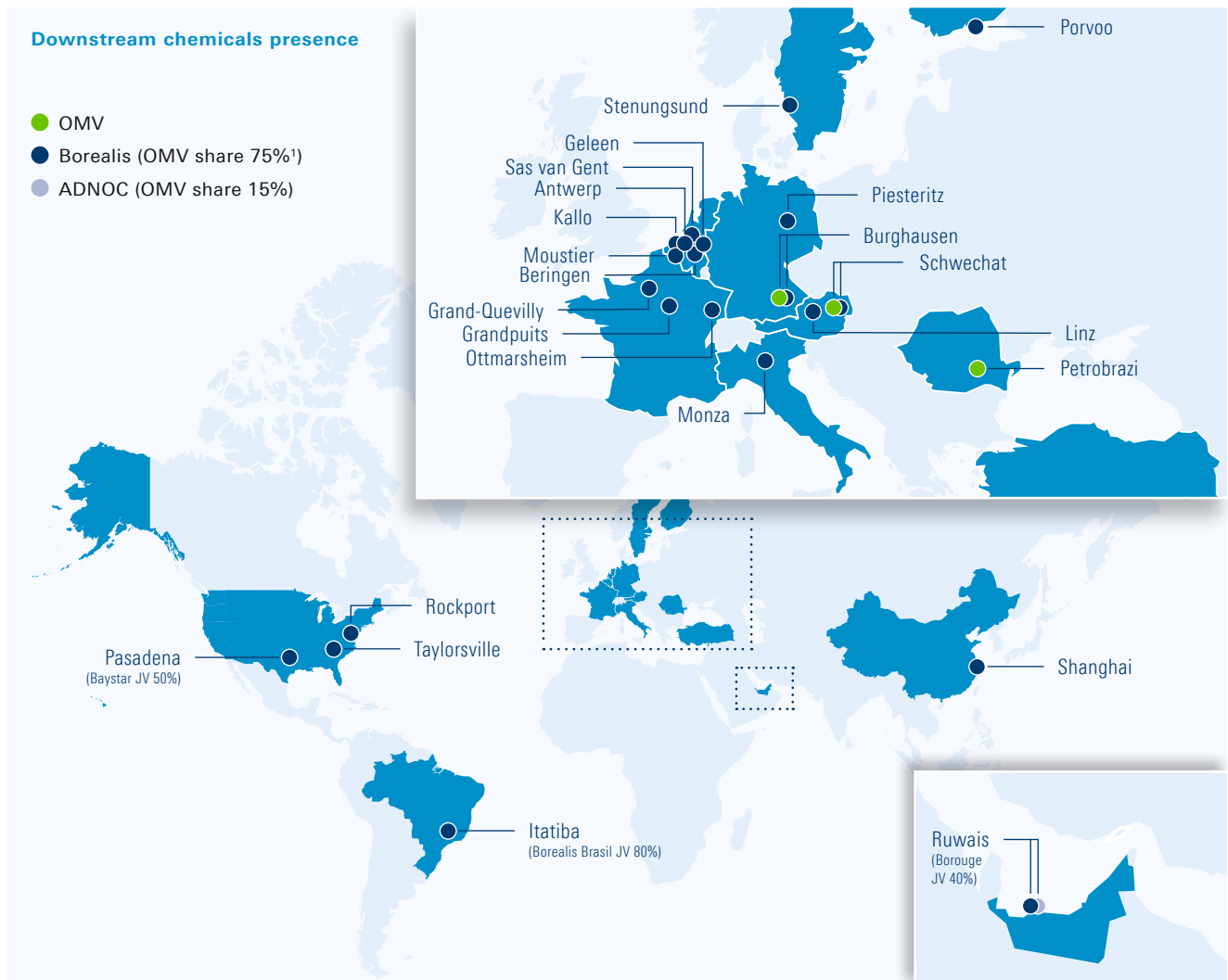
<sup>2</sup> Via Borealis; OMV has signed an agreement to increase its Borealis shareholding to 75%. The closing is expected in the fourth quarter of 2020.

ADNOC Refining operates the fourth-largest single-site refinery in the world with a total capacity of 47.1 mn t (922 kbb/d).



# Downstream – Chemicals

OMV is strongly forward integrated into chemicals. The Company produces 2.5 mn t of base chemicals in Austria, Germany, and Romania. OMV has recently signed an agreement to increase its share in Borealis to 75%, thereby substantially growing its chemical business and extending the value chain into polymers. Borealis is a leading provider of base chemicals, polyolefins, and fertilizers. The company is the second-largest polyolefin producer in Europe and among the top ten producers globally.



## Key facts 2019

- ▶ OMV base chemicals capacity of 2.5 mn t, thereof 80% olefins
- ▶ Borealis base chemicals production capacity of 3.6 mn t, including Borouge participation
- ▶ Borealis polyolefin production capacity of 5.7 mn t
- ▶ Top-quartile olefin producer (Solomon study)

## Key competitive advantages

- ▶ Integrated into polymers value chain, improving the natural hedge against cyclicality
- ▶ Leading merchant olefin player in Europe
- ▶ Together with Borealis, among the top ten polyolefin producers globally
- ▶ Attractive growth opportunities in polyolefins through Borealis

<sup>1</sup> OMV has signed an agreement to increase its Borealis shareholding to 75%. The closing is expected in the fourth quarter of 2020.

## OMV – base chemicals producer

Almost everything used in our everyday life has a chemical component. Petrochemicals – or chemicals made from oil and gas used in plastics, packaging, clothing, and many other consumer products – are one of the main drivers of the global growth in oil demand.

Plastics are part of the solution to a number of challenges facing our society. For example, light and innovative materials in cars and planes reduce fuel consumption and cut CO<sub>2</sub> emissions. Biocompatible plastic materials enable medical innovation and save human lives. Lightweight packaging extends the life of food and reduces the energy needed for shipping.

OMV operates two major petrochemical sites with a total annual capacity of 2.5 mn t, 80% of which comprises olefins. The steam crackers are supplied with naphtha, LPG, or gasoil from OMV’s refineries.

OMV produces olefins, aromatics, and butadiene at its major integrated production sites in Schwechat (1.0 mn t) and Burghausen (1.3 mn t), as well as aromatics and propylene in Petrobrazil (0.2 mn t).

Olefins are important chemical building blocks to produce, among others, polyolefins, which are used to manufacture a wide variety of consumer and industrial products. Aromatics are used as starting materials for consumer products, such as clothing, pharmaceuticals, cosmetics, computers, and sports equipment. Butadiene is primarily used in manufacturing synthetic rubber, making it a fundamental material for the tire and automotive industries.

OMV supplies Borealis, a leading polyolefin producer, located right across the fence in Schwechat and Burghausen, as well as various customers in the Bavarian chemical “triangle” – one of the most important chemical regions in Europe.

OMV is a shareholder in the Ethylene Pipeline South, which is linked to the trans European pipeline network. This allows OMV’s refinery in Burghausen to sell ethylene beyond physical borders and thus helps maintain plant throughput at a high level.

## OMV petrochemical capacity

In kt p. a.

<b>Ethylene</b>	<b>950</b>
Schwechat	500
Burghausen	450
<b>Propylene</b>	<b>1,090</b>
Schwechat	440
Burghausen	550
Petrobrazil	100
<b>Aromatics</b>	<b>310</b>
Burghausen	210
Petrobrazil	100
<b>Butadiene</b>	<b>150</b>
Schwechat	70
Burghausen	80
<b>Total</b>	<b>2,500</b>

### High-purity isobutene plant in Burghausen



A new high-purity isobutene (ISO C4) plant is currently being built in Burghausen. Start-up is planned in 2020.

This is the first application anywhere in the world of a new, innovative technology developed by OMV in collaboration with BASF for the direct production of high-purity isobutene. The new unit will be integrated into the existing metathesis plant at the Burghausen refinery, which is responsible for energy-efficient manufacturing of propylene for the plastics industry. One major advantage here is the exceptional energy efficiency of the planned ISO C4 unit. The strategy developed by OMV for heat integration requires up to 80% less heating energy by utilizing excess waste heat from existing facilities. The ISO C4 unit will have a production capacity of around 60,000 t p. a.

The isobutene produced will be used to manufacture glues, grease, and other chemicals, such as antioxidants, as well as in the production of vitamin C.

## Borealis – leading polyolefin producer

On March 12, 2020, OMV signed an agreement with Mubadala for an additional 39% share in Borealis. With this acquisition, OMV increases its shareholding to 75%, giving the Company a controlling interest in Borealis.

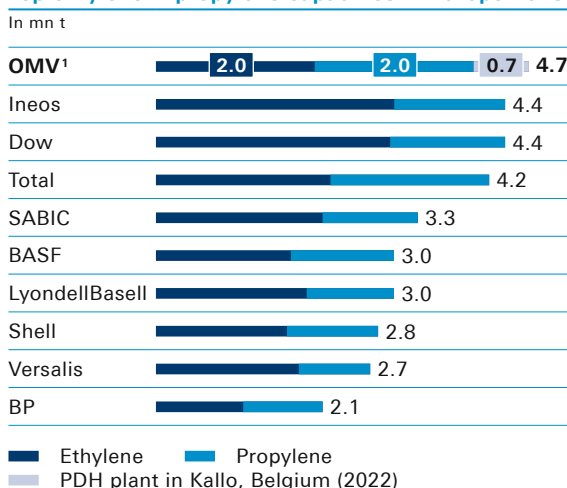
Borealis is a leading provider of base chemicals, polyolefins, and fertilizers. Its drive towards “Value Creation through Innovation” is a cornerstone of its successful business. The company is the second-largest polyolefin producer in Europe and among the top ten producers globally, with a total capacity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

Borealis has a strong European footprint and is active in the Middle East and Asia-Pacific through Borouge, a joint venture with ADNOC (60%). In North America, Borealis and Total (50%) are partners in the Baystar joint venture. In Brazil, the company partners with Braskem (20%) in Itatiba near São Paulo.

Headquartered in Vienna, Austria, Borealis has sales offices in more than 120 countries around the world and employs approximately 6,900 people, with more than 500 employees working in R&D.

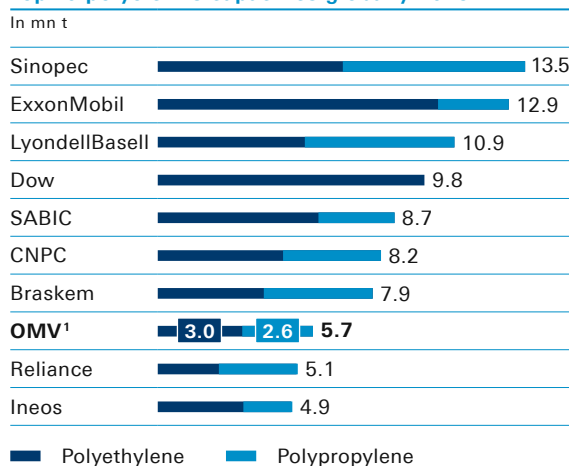
This acquisition makes OMV number one in ethylene and propylene capacity in Europe and one of the world’s leading producers of these chemicals.

### Top ethylene & propylene capacities in Europe 2019



Source: IHS Markit  
<sup>1</sup> Including Borealis 100%

### Top 10 polyolefins capacities globally 2019



### Borealis key performance indicators

		2015	2016	2017	2018	2019
Total sales	in EUR mn	9,026	8,768	9,069	9,937	9,768
thereof pro-rata sales of at-equity consolidated companies	in EUR mn	1,326	1,550	1,505	1,600	1,665
Net sales	in EUR mn	7,700	7,218	7,564	8,337	8,103
Operating profit before depreciation	in EUR mn	1,066	1,338	1,184	953	1,032
Operating profit	in EUR mn	718	938	791	496	605
Net profit	in EUR mn	988	1,107	1,095	906	872
thereof net result from associated companies and joint ventures after tax	in EUR mn	469	487	543	606	386
Capital expenditures	in EUR mn	391	384	505	420	471
Return on capital employed, net after tax	in %	15	16	15	13	11
Cash flow from operating activities	in EUR mn	1,103	1,145	725	517	873
Dividends from associated companies	in EUR mn	0	14	479	573	651
Cash flow from operating activities incl. dividends	in EUR mn	970	1,192	1,333	1,329	1,413
Net interest-bearing debt	in EUR mn	1,096	651	790	1,305	1,546
Gearing ratio	in %	19	10	12	20	24
Number of employees		6,266	6,494	6,619	6,834	6,869
Total Recordable Injuries (TRI)	in number/ mn workhours	1.4	0.9	1.1	1.3	1.6

### Borealis production capacities

In Europe, Borealis produces monomers with a capacity of 2.1 mn t at steam crackers in Finland and Sweden as well as a PDH plant in Belgium. The company also operates polyolefin manufacturing sites with a capacity of 3.7 mn t. The two steam crackers benefit from high feedstock flexibility with the ability to use either naphtha, ethane, or propane. Borealis is thus able to take advantage of feedstock price arbitrage opportunities. In addition, the company has several natural gas underground storage caverns in Sweden and Finland, which enable further optimization.

#### Steam cracker feedstock flexibility

##### Stenungsund

- ▶ Ethane up to 70%
- ▶ Propane up to 50%
- ▶ Naphtha up to 40%

##### Porvoo

- ▶ Propane up to 20%
- ▶ Butane up to 80%
- ▶ Naphtha up to 80%

The fertilizer business is centered in Europe, with production units in France, Austria, the Netherlands, and Belgium and a production capacity of 5 mn t.

Outside Europe, Borealis has a monomer capacity of 1.4 mn t and a polyolefin production capacity of 2 mn t through its interests in Borouge and Baystar.

### Borealis monomer and polymer capacities 2019

In kt p.a.

<b>Monomers Europe</b>	<b>2,135</b>
<b>Ethylene</b>	<b>1,020</b>
Porvoo, Finland	395
Stenungsund, Sweden	625
<b>Propylene</b>	<b>940</b>
Kallo, Belgium	480
Porvoo, Finland	260
Stenungsund, Sweden	200
<b>Aromatics &amp; butadiene</b>	<b>175</b>
Porvoo, Finland	175
<b>Polymers Europe</b>	<b>4,312</b>
<b>Polyethylene</b>	<b>1,880</b>
Antwerp, Belgium	120
Geleen, Netherlands (plastomers)	120
Porvoo, Finland	390
Schwechat, Austria	480
Stenungsund, Sweden	770
<b>Polypropylene</b>	<b>1,885</b>
Beringen, Belgium	385
Burghausen, Germany	560
Kallo, Belgium	285
Porvoo, Finland	220
Schwechat, Austria	435

<b>Compounds</b>	<b>247</b>
Antwerp, Belgium	90
Beringen, Belgium	85
Monza, Italy	30
Porvoo, Finland	42
<b>Phenol and acetone</b>	<b>300</b>
Porvoo, Finland	300
<b>Polymers Americas</b>	<b>350</b>
<b>Polyethylene</b>	<b>200</b>
Pasadena, US (Baystar 50%)	200
<b>Compound</b>	<b>150</b>
Taylorville, US	30
Rockport, US	60
Itatiba, Brazil (Borealis Brasil JV 80%)	60
<b>Borouge 40%</b>	<b>3,240</b>
<b>Monomers Ruwais, UAE</b>	<b>1,440</b>
Ethylene	1,440
<b>Polymers Ruwais, UAE</b>	<b>1,764</b>
Polyethylene and LDPE	1,060
Polypropylene	704
<b>Compound Shanghai, China</b>	<b>36</b>
Compound	36

### Borealis fertilizers, melamine, and technical nitrogen capacities 2019

In kt p.a.

<b>Ammonia Europe</b>	<b>1,640</b>
Grandpuits, France	440
Grand-Quevilly, France	405
Linz, Austria	545
Ottmarsheim, France	250
<b>Nitric Acid Europe</b>	<b>2,300</b>
Grandpuits, France	400
Grand-Quevilly, France	945
Linz, Austria	600
Ottmarsheim, France	355
<b>Fertilizers Europe</b>	<b>4,340</b>
Grandpuits, France	620
Grand-Quevilly, France	1,100
Linz, Austria	1,520
Ottmarsheim, France	300
Sas van Gent, Netherlands, and Moustier, Belgium (Rosier)	800
<b>Melamine Europe</b>	<b>144</b>
Linz, Austria	54
Piesteritz, Germany	90

**Innovation**

Innovation is at the core of Borealis' strategy. Its leading market position has largely been achieved through the proprietary Borstar® technology and continuous investment in research and development. This is reflected in the number of patents: By the end of last year, Borealis had filed almost 10,000 patents.

The unique Borstar® process and catalyst technology enables Borealis to provide a differentiated range of innovative plastics solutions for infrastructure applications, automotive components, and advanced packaging. Borealis' excellent technology portfolio is one of the key factors in securing partners for global projects. A recent example is the joint venture between Borealis and Total in the United States. It is the first time that the new third-generation Borstar® technology will be used in a polyethylene plant.


Innovation activities take place in state-of-the-art research facilities at its Innovation Headquarter in Linz, Austria. Borealis operates two additional innovation centers in Finland and Sweden, and Borouge has its own research center in Abu Dhabi.

In 2019, the company invested around 2% of its gross turnover in R&D for the development of catalysts, processes, and products. Research and development costs amounted to EUR 145 mn in 2019. This is above the industry average. The motto "Keep Discovering" encapsulates Borealis' pioneering mindset and sums up what the company stands for.

**Products**

With more than 50 years of experience, Borealis produces base chemicals – including monomers, melamine, phenol, and acetone – and fertilizers, as well as a wide range of polyolefin products, with a high share of specialties used in many plastics applications that are part of our daily lives.

**Borstar®**



- ▶ Borstar® is a multimodal proprietary technology that yields special properties and structural benefits.
- ▶ PE and PP with good processability for demanding applications – broad molecular weight distribution with favorable mechanical properties
- ▶ Cost effective and smaller environmental footprint by accelerating converting processes
- ▶ Borstar® makes Borealis a partner of choice.

In 2019, Borealis sold 3.8 mn t of polyolefins and 4.3 mn t of fertilizers (excluding joint venture sales). Borealis' polyolefins market share in Europe was 15%, and its fertilizer market share increased to 8% in 2019.

**Total sales by segment in 2019**

in %



■ Polyolefins	53
■ Base chemicals <sup>1</sup>	15
■ Fertilizers & others	15
■ At-equity pro-rata sales <sup>2</sup>	17

<sup>1</sup> Including 40% Borouge sales

<sup>2</sup> Base chemicals defined as ethylene, propylene, butadiene, aromatics, acetone, and phenol

**Margin split in 2019**

in %



■ Specialty products	~60
■ Commodity products	~40



**Base chemicals**

Borealis produces a wide range of base chemicals, including phenol, acetone, ethylene, and propylene. The majority of the ethylene and propylene is supplied to its own plants for producing polyolefins.

**Polyolefins**

The polyolefin products manufactured by Borealis are the building blocks of many valuable plastics applications that are an intrinsic part of our daily lives. Advanced Borealis polyolefins play a role in saving energy along the value chain and promoting more efficient use of natural resources.

Borealis works closely with its customers and industry partners to provide innovative and value-creating plastics solutions in a variety of industries and segments that make end products safer, lighter, more affordable, and more sustainable.

Building on its unique polyolefin manufacturing technology, Borealis produces a large share of polyolefin specialty grades, which account for approximately 60% of total margin.

The polyolefin products are clustered into six main end-use industries:

1. Energy
2. Automotive
3. Pipes and Fittings
4. Consumer Products
5. Healthcare
6. Polymer Solutions

In addition, the Circular Economy Solutions unit is dedicated to discovering new opportunities for long-term business growth in recycling and design for recyclability.



**1. Energy**

Borealis is a leading provider of polyolefin compounds to the global energy industry. Step-change innovations based on the Borlink™ technology make electrical power grids more robust and reliable, eliminate wastage, and help transport energy from renewable sources more efficiently and over longer distances. The company’s broad range of sophisticated products includes solutions for energy transmission and distribution. Safer wires and cables for the solar, automotive, and construction industries are made possible by Borealis’ unique polymer manufacturing technologies.

The Borstar® technology is a market-leading jacketing solution for power cables, offering low shrinkage and stress crack resistance. Installers can put Borstar®-jacketed cables in heavy soil without the use of special ducts or sand bedding, because the jacket features excellent mechanical strength and a strong water barrier.

The global wires and cables market is expected to grow due to increasing urbanization and a rapidly expanding building infrastructure. Energy industry participants want transmission to be as efficient and effective as possible, with a higher voltage level than currently commercialized. To achieve this, there is a need for innovative cables and extruded insulation and jacketing systems.

The company offers a comprehensive range of communications cable solutions for advanced data, copper multipair, fiber optic, and coaxial cables, all of which enhance the efficiency of data and communication networks.

Borealis moved into the global solar industry with the launch of the new flagship solar brand Quentys™ in 2017.



**2. Automotive**

Borealis supplies polyolefin plastic materials for engineering applications in the automotive industry.

The percentage of plastics used in the automotive industry has consistently increased over the years. Equivalent plastic components weigh 50–75% less than their metal counterparts. The weight advantage translates into very significantly improved fuel efficiency and prevented carbon emissions.

**50–75%**  
weight reduction by  
replacing metal with  
plastic components

Proprietary Borealis technologies are lighter-weight replacement solutions for conventional materials like metal, rubber, and engineering polymers. Some automotive applications can be made even more sustainable by combining post-consumer recycled (PCR) and virgin plastic materials to produce high-end grades with consistently reliable and long-term performance. Borealis grades with PCR plastics content meet growing industry and end-user demand for high-quality materials that make better use of our planet’s resources.

In 2014, Borealis was one of the first leading polyolefin suppliers to launch a portfolio of polypropylene compound solutions, including post-consumer recycled (PCR) content for use in automotive applications.

As a key supplier to Volvo, Borealis was among those providing PCR-based solutions for a specially built Volvo XC60 T8 plug-in hybrid SUV. While the model may look like the one currently on the market, it is in fact different: More than 170 components usually made of conventional plastics have now been replaced with lightweight, recycled equivalent materials.

Borealis offers these leading-edge, lightweight polyolefins for a wide range of exterior, interior, and under-the-hood applications. Working closely with global OEMs, Borealis continually develops novel materials for specific composite applications.



### 3. Pipes and Fittings

Borealis supplies materials for advanced polyolefin pipe systems used in many different industries: water and gas supply, wastewater, drainage and sewage disposal, plumbing and heating, and oil and gas. Water and sanitation systems can be made more efficient and reliable by using proprietary Borealis materials. For example, when compared to conventional materials, modern polyethylene systems reduce water losses by a factor of eight. Trenchless technology reduces installation costs by up to 60%. Borealis provides the oil and gas industry with reliable and high-quality solutions from one end of the pipeline to the other, including multilayer coating solutions for onshore and offshore oil and gas pipelines.



### 4. Consumer Products

Borealis supplies superior polyolefin plastic materials used in advanced packaging, fibers, and appliances.

Value-added packaging and fiber innovations play an important role in safeguarding the quality and safety of consumer and industrial products. They also fulfill the demand for enhanced functionality and convenience. Plastic food packaging, for example, helps protect and preserve food from farm to fork. Spoilage is avoided thanks to efficient filling systems and leak-resistant packaging. Food stays fresher longer, and less must be thrown away.

Superior and proprietary Borealis technologies, such as Borstar®, also make advanced applications possible in flexible packaging (including lamination film, shrink film, stand-up pouches), rigid packaging (caps and closures, bottles, thin-wall and transportation packaging), and non-woven and technical fibers (filtration systems, hygiene products, technical textiles).

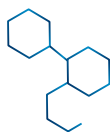
Advanced polypropylene solutions delivered by Borealis make white goods (such as washing machines, refrigerators, air conditioning units) and small appliances (toasters, ventilators, power tools, etc.) lighter, yet more robust and more energy efficient.



### 5. Healthcare

Borealis offers reliable solutions that add value to healthcare through innovation and close cooperation with customers. The growing BorMed™ polyolefin portfolio offers superior technical performance for medical devices, pharmaceuticals, and diagnostic packaging. Borealis' innovations help make healthcare packaging and medical devices safer and more affordable while improving usability, a key criterion in today's ageing society. Healthcare products that have been enhanced by advanced polyolefins made by Borealis include medical devices, medical pouches, sachets, syringes, insulin injection devices, unbreakable transparent bottles, and single-dose eye drop dispensers. Importantly, as a global supplier, Borealis can ensure the security of supply and provide technical support tailored to the specific and stringent market requirements around the world.

During the COVID-19 pandemic crisis, Borealis started production of meltblown fabrics for face mask applications and teamed up with paper republic, a Vienna-based stationery brand, for the production of sustainable and reusable face masks.



### 6. Polymer Solutions

Borealis develops performance-enhancing solutions, such as polymer modifiers (plastomers and elastomers), foam solutions, and reinforced polyolefins for structural parts.

Borealis continues to expand its wide range of attractive polymer modifier solutions. The multifaceted Queo™ brand helps bridge the performance gap between conventional plastics such as PE and conventional elastomers. Queo™ makes it possible to meet or even surpass the most demanding requirements for sealing, flexibility, compatibility, and processability.

Borealis' high-melt-strength (HMS), PP-based foamed products fulfill the varying and sophisticated needs of both converters and consumers in the packaging, automotive, and construction industries. For example, foam solutions for packaging offer excellent recyclability, especially when compared to conventional alternatives. Furthermore, HMS polypropylene foam also offers weight reduction, heat stability, and good thermal insulation properties.

### Fertilizers, melamine, and technical nitrogen products

Borealis produces and distributes around 5 mn t of fertilizers and technical nitrogen products each year. With around 60 warehouses across Europe and an inventory capacity of over 700,000 t, the company is currently Europe's leading fertilizer wholesaler.

The product portfolio comprises nitrogenous fertilizers, compound NPK fertilizers, and specialty fertilizers with various formulas of primary and secondary nutrients as well as oligo-elements.

As the second-largest producer of high-quality melamine in Europe, Borealis produces melamine at its plants in Austria and Germany. A material converted from natural gas, melamine has become essential for the global production of synthetic resins. Around 80% of Borealis' melamine production is destined for the wood-based panel industry, for example for decorative surface coatings for wood-based materials. Melamine also plays an important role in the manufacture of everyday objects used in the kitchen or around the house.

The technical nitrogen product portfolio includes among others AdBlue, ammonia, and urea.

### Borouge joint venture

Established in 1998, Borouge is a key partnership for Borealis and ADNOC. Borealis holds a 40% interest in Borouge.

Through Borouge, Borealis' footprint reaches all the way to the Middle East, the Asia-Pacific region, the Indian subcontinent, and Africa. Borouge is based in the United Arab Emirates with its marketing and sales head office in Singapore. The company employs about 3,500 people, serving customers in 50 countries.

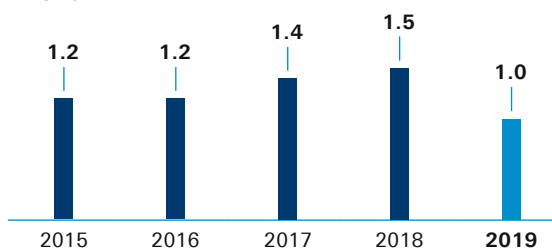
The joint venture has successfully combined the leading edge Borstar® technology with competitive feedstock and access to growing Asian markets.

Borouge's polyolefin production capacity has grown from 500,000 t in 2001 to 4.5 mn t, making it the largest single polyolefin site in the world. The impressive size of the site is also illustrated by the fact that Borouge is among the top ten polyolefin producers worldwide.

**Borouge – largest single polyolefin site in the world**

### Borouge net income<sup>1</sup>

In EUR bn



<sup>1</sup> 100% Borouge

## Growth projects

Borealis has growth ambitions in Europe, the Middle East and the United States fueled by their innovative Borstar® technology. The unique Borstar® process and catalyst technology enables Borealis to provide a differentiated range of innovative plastics solutions for infrastructure applications, automotive components and advanced packaging. Borealis' excellent technology portfolio is one of the key factors in securing partners for global projects.

## Europe

### Kallo (Belgium) – new PDH plant

- ▶ Capacity (100%): 750 kt p.a.  
Expected start-up in 2022
- ▶ Cost-advantaged feedstock: propane
- ▶ Investment (100%): EUR ~1 bn

Borealis is building a propane dehydrogenation plant in Belgium to leverage expected growth in propylene demand in Europe. The new facility will have a production capacity of 750 kt p.a. of propylene, making it one of the largest and most efficient plants of its kind in the world. The location connects to the existing pipeline network in the Amsterdam-Rotterdam-Antwerp (ARA) area, enabling cost-effective and sustainable propylene transportation.

With a total investment of around EUR 1 bn, the new PDH plant is one of the largest investments in the European petrochemicals industry in the last 20 years. It signals the company's dedication to its operations on the European continent and its aim to be the supplier of choice to its European customers. Construction started in September 2019. The plant is expected to begin operating in 2022.

## Americas

### Port Arthur, Texas (US) – Baystar JV with Total

- ▶ Ethane cracker capacity (100%): 1,000 kt p.a.  
Expected start-up in 2021
- ▶ Additional polyethylene plant capacity (100%): 625 kt p.a.  
Expected start-up in 2022
- ▶ Investment (50%): USD ~2 bn

In the United States, Borealis has partnered with Total on the Baystar joint venture with the aim of developing two projects. Borealis holds a 100% ownership interest in Novealis Holdings LLC, which in turn holds 50% in the Baystar joint venture. The other 50% is held by Total.

Baystar is building a 1 mn t p.a. steam cracker in Port Arthur, Texas. The new cracker will process ethane, which is abundantly available and competitively priced in the United States, and will supply feedstock for the joint venture's two polyethylene plants.

Baystar is currently also building a new Borstar® polyethylene unit at the existing Total production site in Bayport with a capacity of 625 kt p.a. This will more than double the polyethylene production capacity of Baystar to 1.1 mn t p.a. The state-of-the-art Borstar® technology, which will be used in North America for the first time, will allow Baystar to produce advanced polyethylene products for the most demanding applications. The plant is expected to start up in 2021.

Borealis' commitment to serving its automotive customers in North America was cemented with the inauguration of the new polypropylene compounding plant in Taylorsville, North Carolina (US), in May 2019. In its first phase of operations, this large facility has added nearly 30 kt p.a. of thermoplastic olefin and short-glass fiber compound capacity to Borealis' and Borouge's global output. The first batches of compounds produced at the plant have been used by major OEMs and Tier customers to produce interior and exterior automotive parts.

## Middle East

### Ruwais, Abu Dhabi (UAE) – Borouge

- ▶ New Borstar® polypropylene plant at Borouge 3 (PP5)  
Capacity (100%): 480 kt p.a.  
Expected start-up in 2021  
Investments (40%): USD ~0.2 bn
- ▶ Borouge 4 (FEED)

Borouge is building the fifth polypropylene plant in Ruwais, Abu Dhabi, which will grow the company's polymer production capacity to almost 5 mn t p.a. by 2021. The company is also evaluating the construction of a fourth cracker in Ruwais. The project is currently in the FEED phase.

# Circular Economy: Plastics Recycling

Plastics make our life more efficient, convenient, and safe. Yet, when insufficient effort is made to recover and reuse plastics and to minimize waste, the very same properties that have made them ubiquitous may have adverse effects on the environment. In the interest of preserving natural capital and minimizing waste, the conventional model of “take-make-waste” must be changed in favor of a circular one. OMV and Borealis are pursuing the clear ambition of becoming a leading player in a future circular economy in which plastics are reused and recycled – and never wasted.

## Circular economy initiatives

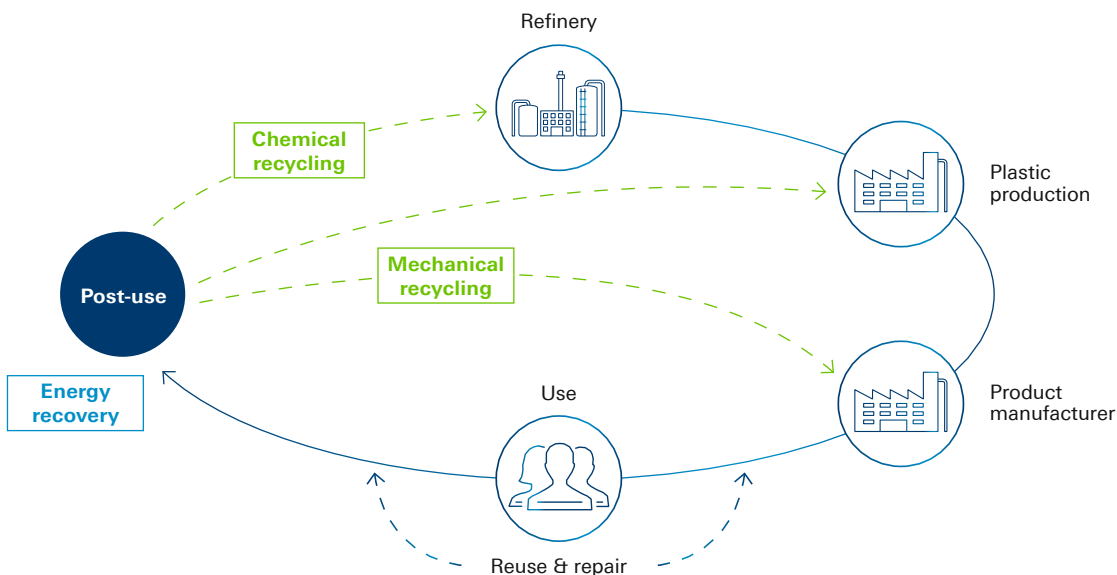
Waste collection	Design for recycling and mechanical recycling	Chemical recycling
 <ul style="list-style-type: none"> <li>▶ Borealis is a cofounder of the STOP project</li> <li>▶ Reduction of ocean plastic pollution in emerging countries</li> <li>▶ Support for creating a sustainable waste management system</li> </ul>	 <ul style="list-style-type: none"> <li>▶ Solutions for replacing difficult-to-recycle materials with 100% recyclable ones</li> <li>▶ Borealis as a technology leader in the industry</li> <li>▶ Two recycling plants in Austria and Germany</li> </ul>	 <ul style="list-style-type: none"> <li>▶ ReOil® – patented technology for converting plastic waste into high-quality synthetic crude</li> <li>▶ Substantially lower CO<sub>2</sub> emissions</li> <li>▶ Target: upscaling to commercial plant producing 200 kt p.a. by 2025</li> </ul>

Total investments of up to EUR 1 bn for innovative sustainable solutions planned until 2025

Plastics have a vital place in the economy and in our business, but most end up in landfills and little is recovered. The vision of a circular economy – where we use resources moderately and recycle

endlessly – is both a business imperative and an opportunity. By 2050, ~60% of plastic production is expected to come from recycled feedstock.

## Closing the recycling circle



## Borealis – leader in mechanical recycling

Borealis was among the first plastic manufacturers to work toward a circular economy. Ever since then, the company has been consistent in its efforts primarily focused on mechanical recycling and design for recyclability.

In October 2019, Borealis became the first virgin polyolefin producer to be named a Core Partner in the New Plastics Economy, an important global initiative led by the Ellen MacArthur Foundation. Having been a participant in the initiative since 2016 and the first major polyolefin producer to sign the New Plastics Economy Global Commitment, Borealis is now the first polyolefin producer to become a Core Partner.

### Mechanical recycling

Borealis has owned mtm plastics GmbH, a leading German recycler of post-consumer polyolefin, since 2016. mtm plastics GmbH is widely acknowledged as a European technology leader in the recycling of mixed post-consumer plastic waste. The plant produces up to 70 kt p.a. of regranulate.

In 2018, Borealis further reinforced its activities in plastics recycling with the acquisition of the Austrian company Ecoplast Kunststoffrecycling GmbH. The company processes plastic waste from both domestic and industrial consumers into high-quality recycle destined primarily for the plastic film market. The ongoing expansion project will increase the production capacity from 28 kt p.a. to over 30 kt p.a.

### Design for recycling

One of the essential elements in creating a circular economy is designing products for recyclability with optimum levels of quality and performance in their second life. This can be achieved by making appropriate material choices and design decisions.

For example, Borealis has developed a 100% recyclable foam that replaces difficult-to-recycle solutions such as food service cups.

Borealis is helping its automotive partners increase the share of recycled plastics in vehicles by developing innovative polyolefin-based solutions. These contain both virgin materials and an increased level of post-consumer recycle (PCR) content. In 2014, Borealis was one of the first virgin polyolefin suppliers to launch a range of dedicated polypropylene compound solutions including PCR for use in automotive applications under its Daplen™ brand.

Borealis has also developed a 100% recyclable full polyethylene laminate stand-up pouch to replace non-recyclable multilayer packaging.

## EverMinds™

In 2018, Borealis created a collaboration platform – EverMinds™ – dedicated to promoting a more circular mindset in the industry and collaborating with upstream and downstream value chain partners.

One of the results of this collaboration is the start of renewable polypropylene production. Renewable propane supplied by Neste is converted into renewable propylene and subsequently into renewable polypropylene at the Kallo and Beringen plants.

For the first time in history, a PDH facility has used renewable propane to replace fossil feedstock, enabling Borealis to produce mass-balance-certified renewable polypropylene for sustainability-focused brands like Henkel. This is an exceptional example of collaboration across the value chain making a positive sustainability impact in the polymers sector.



### Waste collection – STOP project

In 2017, Borealis and SYSTEMIQ founded the STOP initiative: Stop To Ocean Plastics. The project designs, implements, and scales sustainable waste management systems to reduce and prevent marine plastic pollution in Southeast Asia, where the rates of ocean plastic leakage are the highest in the world. The first city partnership in Muncar, Indonesia, which began in 2017, is already making a significant contribution to waste management in the community. Two new city partnerships will be launched in 2020.

## OMV – pioneer in chemical recycling



OMV's proprietary ReOil® technology is an outstanding example of circular economy. At the ReOil® pilot plant at the Schwechat refinery, OMV recycles plastics into synthetic crude using a pyrolysis process. This technology makes it possible to process synthetic crude into any desired refinery product, reducing dependence on natural resources and lowering carbon intensity as compared to standard oil processing.

Substituting conventional crude with synthetic crude oil made from post-consumer plastics is estimated to reduce CO<sub>2</sub> emissions by 45% and lower energy demand by 20% per t.

OMV started researching plastics recycling ten years ago. In 2013, the team set up the first test facility in the technology center at the Schwechat refinery. Heated to over 400°C and treated with a special solvent, the long-chain plastic molecules are cracked to produce synthetic crude oil. The plant can process 1kg recycled plastics (polyolefins and polystyrene) into 1 liter of synthetic crude.

A significantly larger ReOil® plant began operating at the start of 2018 with 20 times the capacity of the original plant. It is no longer housed in the technology center but instead has been fully integrated into the refinery.

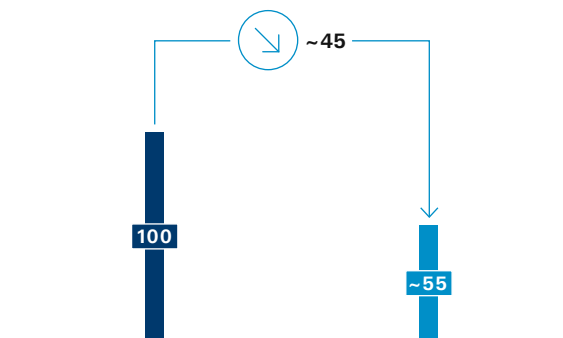
OMV holds the patent for this proprietary recycling process in all major markets such as Europe, the United States, China, India, Japan, Russia, and other countries.

OMV is now planning to build a ReOil® demo plant with a post-consumer plastic feedstock capacity of up to 20,000 t p.a. OMV aims to develop ReOil® into a commercially viable, industrial-scale recycling technology at the Schwechat refinery with a processing capacity of approximately 200,000 t p.a. of used plastics by 2025. This capacity is equivalent to 50% of the total plastic waste suitable for this process (polyolefins, polystyrene) in Austria, or 25% of total plastics in the country.

OMV and Borealis are exploring the potential for synergies in their common belief that post-consumer plastic is too valuable for single use. OMV has also signed a Memorandum of Understanding (MoU) with ADNOC for the establishment of a joint working group to assess the feasibility of a scalable ReOil® plant in the United Arab Emirates.

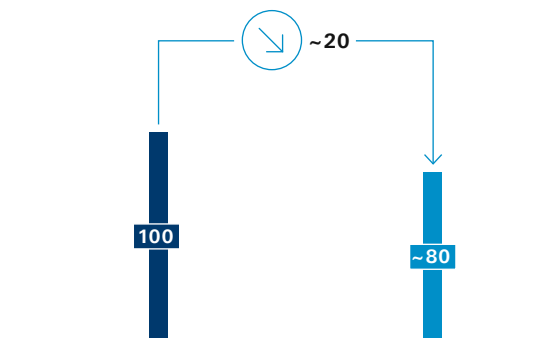
### ReOil® – lower CO<sub>2</sub> emissions<sup>1</sup>

In %



### ReOil® – less energy demand per t<sup>1</sup>

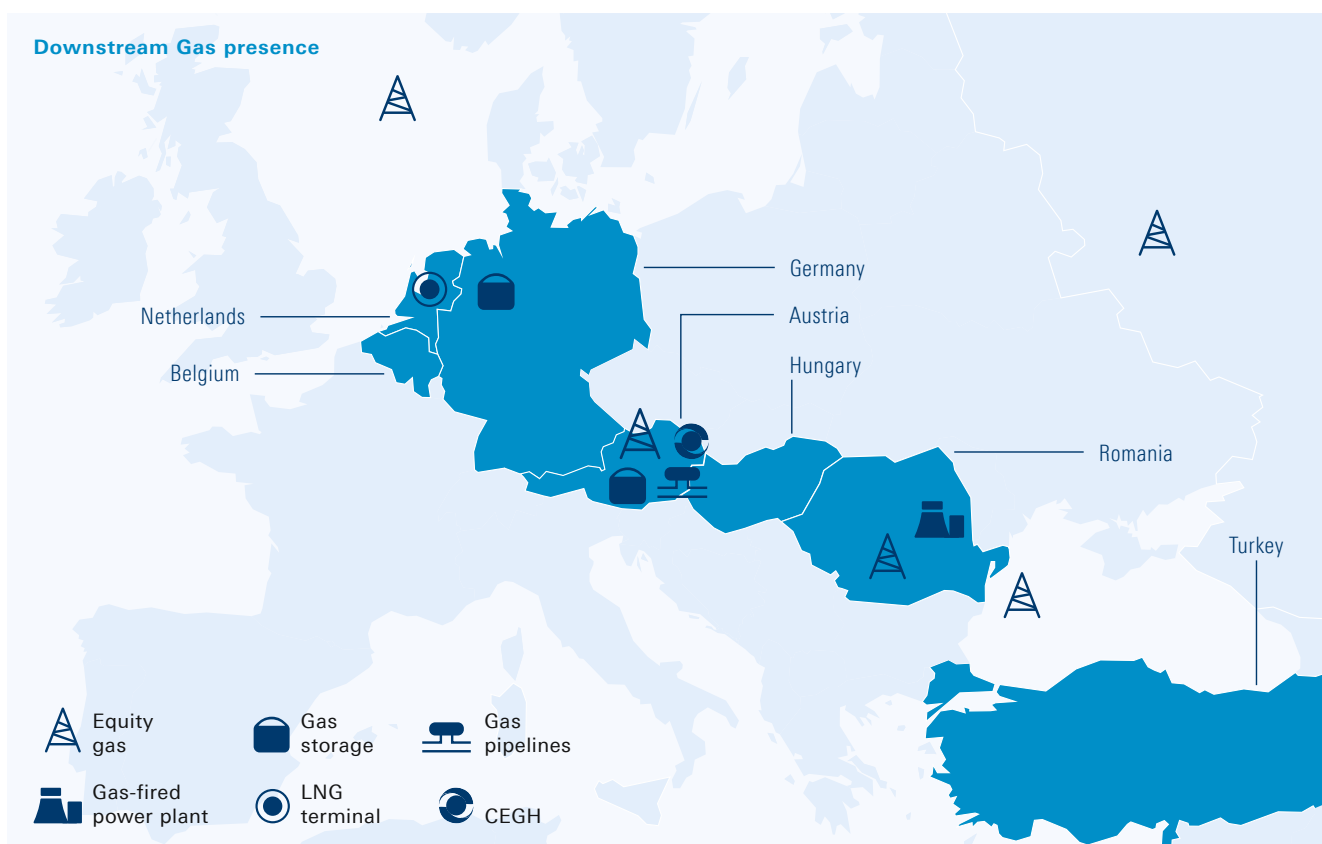
In %



<sup>1</sup> Austrian Federal Environmental Agency, 2016: LCA well-to-refinery fence

## Downstream – Gas

The gas business operates across the entire gas value chain from the wellhead to the burner tip. It comprises fully integrated gas supply, marketing & trading, and logistics activities<sup>1</sup>. In the non-regulated business, OMV markets and trades gas all over Europe and Turkey. OMV also engages in the regulated gas transportation business in Austria through its share in the infrastructure company Gas Connect Austria<sup>2</sup> and operates storage capacities in Austria and Germany. Besides financing the Nord Stream 2 pipeline development, Downstream Gas also includes the Group’s power business activities, with a large-scale gas-fired power plant in Romania.



### Key facts 2019

- ▶ EUR 194 mn clean Operating Result
- ▶ ~30 TWh (~2.7 bcm) gas storage capacity in Austria and Germany
- ▶ ~74 TWh equity production
- ▶ 137 TWh gas sales volume in Europe

### Competitive advantages

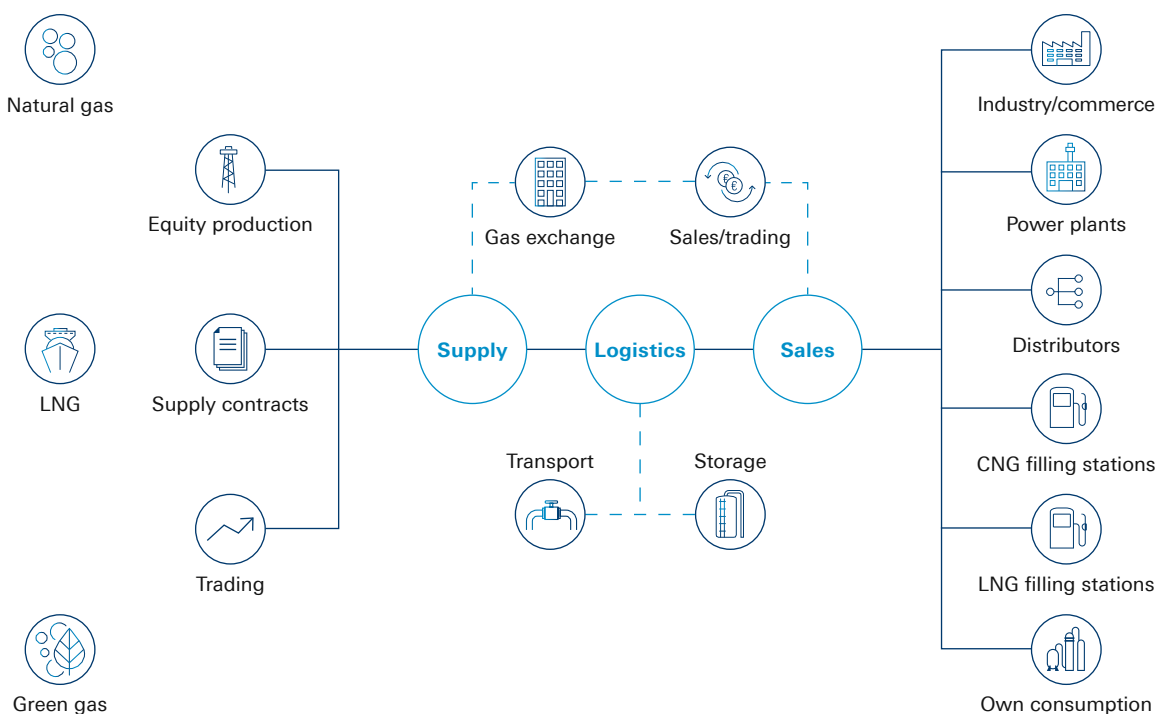
- ▶ Strongly integrated portfolio along the value chain
- ▶ Market leader in Austria and Romania
- ▶ Long-standing reliable partnerships and contracts with Europe’s major gas suppliers, Gazprom and Equinor

<sup>1</sup> OMV’s gas business is operated in strict adherence with the applicable gas unbundling rules.

<sup>2</sup> In March 2020, OMV announced exclusive negotiations for the sale of the 51% stake in Gas Connect Austria to VERBUND.



**Downstream gas value chain**



OMV is active along the entire gas value chain, able to capture higher returns for the complete gas supply portfolio. Total gas volumes from equity production in Romania, Norway, and Austria amounted to 74 TWh. Third-party volumes are supplied under a number of long-, mid-, and short-term contracts for a modern and diversified portfolio.

OMV runs gas storage facilities with a total capacity of about 30 TWh. Its subsidiary Gas Connect Austria operates a gas pipeline network in Austria.

The Group ensures security of supply as well as flexibility and short-term balancing of supply and consumption by using some of its storage capacities together with trading gas on European hubs.

Total gas sales volumes amounted to 137 TWh in 2019, an increase of 20% compared to 2018. The gas is marketed to end consumers as well as commercial customers, with a strong focus on industrial customers and municipalities in six European countries and in Turkey. In the power business, OMV runs a modern large-scale gas-fired power plant in Brazi, Romania. Total power output amounted to 3.4 TWh in 2019.

**Operational KPIs**

		2015	2016	2017	2018	2019
<b>Natural gas sales volumes</b>	<b>in TWh</b>	<b>110</b>	<b>109</b>	<b>113</b>	<b>114</b>	<b>137</b>
thereof OMV Gas	in TWh	57	56	57	66	88
thereof OMV Petrom	in TWh	45	44	45	39	47
thereof OMV Turkey	in TWh	8	9	11	9	1
<b>Natural gas trading volumes</b>	<b>in TWh</b>	<b>493</b>	<b>687</b>	<b>712</b>	<b>771</b>	<b>963</b>
Average storage volume sold	in TWh	21	22	16	13	19
<b>Gas supply volumes</b>	<b>in TWh</b>	<b>125</b>	<b>130</b>	<b>156</b>	<b>146</b>	<b>163</b>
thereof equity gas	in TWh	67	71	77	70	74
thereof 3rd-party supply	in TWh	58	59	79	76	89
Net electrical output	in TWh	5.4	5.2	7.1	5.1	3.4

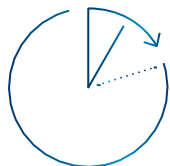
## Supply, marketing, and trading

OMV markets and trades natural gas in six European countries and in Turkey. Total gas sales volumes amounted to 137 TWh in 2019. OMV holds the market leader position in its domestic market, Austria, as well as in Romania. In 2019, 35% of OMV gas sales volumes were marketed in Northwest Europe. In addition to the gas sales business, OMV runs a vital gas trading business across Europe totaling almost 1,000 TWh in 2019. Next to the sizeable trading activities on the European trading hubs and energy exchanges, the main trading platforms used are the Central European Gas Hub (CEGH) in Austria and the energy exchange platform OPCOM in Romania. OMV holds a 65% stake in Central European Gas Hub AG.

Natural gas trading volumes totaling almost 1,000 TWh

OMV has successfully restructured the gas business, which was confronted with significant adverse market changes in recent years. In 2019, OMV was able to substantially improve the capacity utilization of the Gate Regasification Terminal. OMV's LNG business provides an additional gas supply source to meet OMV's ambitious sales growth targets in Northwest Europe.

### Growth offensive Northwest Europe



The natural gas market in Northwest Europe offers significant growth opportunities for OMV. The Group is aiming for a market share of 10% in Germany by 2025, equaling approximately 100 TWh. In 2019, OMV took a big step toward this target by selling about 40 TWh to large-scale consumers in Germany and about 9 TWh in the Netherlands. Pursuing the growth strategy, OMV also entered the Belgian natural gas market in 2019.

### LNG terminal Rotterdam

OMV also holds a throughput agreement in Gate, a liquefied natural gas (LNG) regasification terminal in the Netherlands. The terminal allows OMV full flexibility for gas supply optimization and ensures supply security.

## Logistics

### Gas Connect Austria<sup>1</sup>

OMV holds a 51% stake in Gas Connect Austria (GCA), which plays an important role in the European gas supply. GCA operates a 900 km long high-pressure natural gas pipeline network in Austria with a total technical capacity of roughly 130 bcm per year. The main gas entry and distribution point in Austria is Baumgarten, which is operated by GCA. About one-fourth of all Russian gas exports to the EU pass through this gas hub. From there, gas is transported to customers in Austria as well as further to other European countries, such as Germany, Hungary, Italy, Slovenia, and Croatia.

### Nord Stream 2 pipeline project

OMV is cofinancing the Nord Stream 2 pipeline project along with four other European companies. The project company Nord Stream 2 AG is constructing a twin pipeline through the Baltic Sea, connecting Russia with Europe. The pipeline will have a capacity of 55 bcm and a length of about 1,200 km and will run roughly parallel to the existing Nord Stream 1 pipeline. Nord Stream 2 AG is based in Zug, Switzerland, and is wholly owned by Gazprom. The European partners are committed to providing long-term financing for 50% of the total project cost, estimated at EUR 9.5 bn. This means each European company will fund up to EUR 950 mn. OMV will receive an attractive interest rate.

As European gas production is declining, more imports are needed. Nord Stream 2 will provide Europe with cost-efficient and reliable gas supplies. It will enhance Baumgarten's leading role as a gas hub for Central Europe.

### CEGH

Central European Gas Hub AG (CEGH) is the operator of the Virtual Trading Point (VTP) in Austria and provides a gas nomination platform for international gas companies. The gas exchange products for the Austrian and Czech markets are offered on EEX Gas in cooperation between EEX and CEGH.

CEGH is a subsidiary of OMV (65%), Wiener Boerse (20%), and Eustream (15%). The CEGH VTP saw an all-time high in 2019: 754 TWh of natural gas was traded, providing strong evidence for the leading position of CEGH as the gas trading platform in the CEE region.

<sup>1</sup> In March 2020, OMV announced exclusive negotiations with VERBUND on the sale of the 51% stake in GCA.



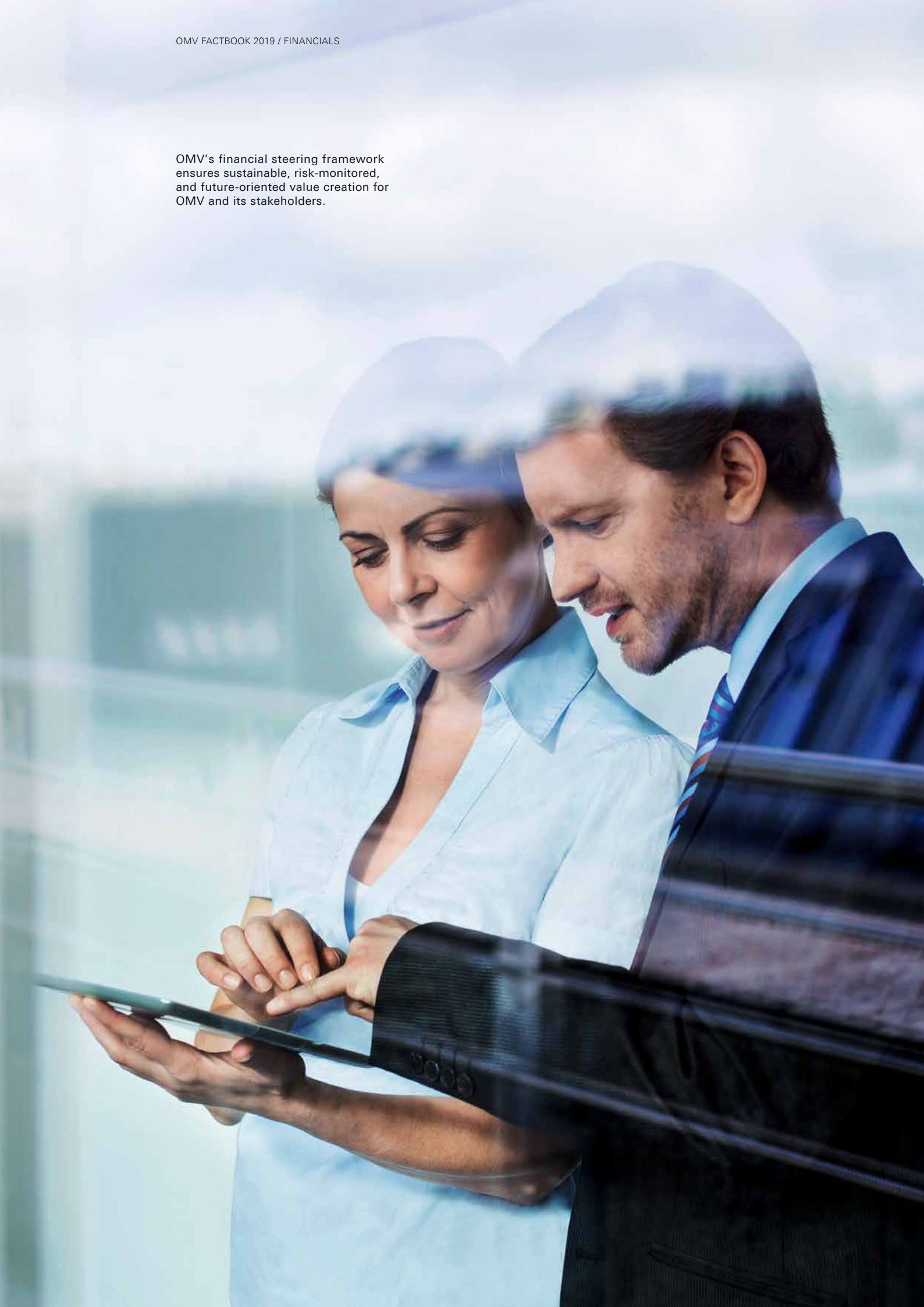
**Gas storage**

OMV operates gas storage facilities in Austria and Germany with a total capacity of about 30 TWh (~2.7 bcm). The Austrian storage facilities are located at the terminals of the major transit pipeline system (Baumgarten) and in the vicinity of important urban areas of consumption, such as Vienna. In Germany, the gas storage site is well connected to the pipeline grid, enabling not only the supply to the German market but also allowing exports to the Netherlands.

**Power plant**

OMV operates one gas-fired power plant in Brazi, Romania, with a capacity of 860 MW. This plant uses state-of-the-art combined-cycle power processes with an efficiency of around 60% and is among the most efficient plants in Europe. Overall emissions are very low compared with other processes.

OMV's financial steering framework ensures sustainable, risk-monitored, and future-oriented value creation for OMV and its stakeholders.



# 4 – FINANCIALS

OMV's financial steering framework is built upon the principles of capital, operational, and financing efficiency, as well as a sustainable portfolio management and comprehensive financial risk and compliance management. With a focus on value enhancement, a strong balance sheet, and growth in profitability, the financial steering framework ensures sustainable, risk-monitored, and future-oriented value creation for OMV and its stakeholders.

TOTAL SHAREHOLDER RETURN  
(IN 2018: -25%)

36%

CLEAN CCS EARNINGS PER SHARE  
(IN 2018: € 4.88)

€ 4.97

DIVIDEND PER SHARE<sup>1</sup>  
(IN 2018: € 1.75)

€ 1.75

ORGANIC FREE CASH FLOW BEFORE  
DIVIDENDS (IN 2018: € 2.5 BN)

€ 2.1 bn

NET DEBT EXCLUDING LEASES  
(IN 2018: € 1.7 BN)

€ 3.6 bn

GEARING (NET DEBT/EQUITY) EXCLUDING  
LEASES (IN 2018: 11%)

22%

<sup>1</sup> 2019: as proposed by the Executive Board and the Supervisory Board; subject to confirmation by the Annual General Meeting on September 29, 2020

# OMV on the Capital Markets

With a market capitalization of EUR 16.4 bn at year-end 2019, OMV, listed on the Vienna Stock Exchange, is one of Austria's largest stock-listed companies. In 2019, the OMV share was up by 31%, after having declined by 28% in 2018. In line with OMV's dividend policy, the Executive Board of OMV has proposed to the AGM a dividend of EUR 1.75 per share.

## Financial markets in 2019

Bouncing back from a challenging year 2018, European equity markets surged throughout 2019. The reference index STOXX 600 was up 18.9% in dollar terms, slightly underperforming the MSCI World (+ 23.1%). All major geographical indexes rose, and almost all sectors were up during the year. Looser monetary policy was a significant driver behind equity market performance globally, with the Fed cutting interest rates three times in 2019. The European Central Bank also further cut the base rate into negative territory (-0.5%) and restarted the quantitative easing program, buying EUR 20 bn in bonds per month from November.

Despite the geopolitical tensions, stock markets performed strongly in 2019. The US-China trade talks dominated the headlines. An agreement between the two superpowers was reached, reducing the scope of tariffs, with China promising

to increase purchases of US goods and services. Some new tariffs were imposed, however. In Europe, the UK-focused FTSE 250 was among the top-performing indexes in dollar terms. Its performance was supported by optimism around a trade deal between the European Union and the United Kingdom, as the terms of the UK's exit became clearer, and uncertainty waned significantly.

The 2019 price performance of stocks in the oil and gas sector was depressed by the expectation that crude oil prices would weaken through 2020. This was due to a slowdown in global demand and growing non-OPEC production (largely from the United States). Environmental, Social, and Governance (ESG) issues were also a major topic impacting the sector, most notably with the world's largest sovereign fund, Norges, set to reduce its dependency on the oil sector by selling approximately USD 6 bn worth of equity holdings in crude producers.

## At a glance

		2015	2016	2017	2018	2019
Number of outstanding shares <sup>1</sup>	in mn	326.4	326.4	326.5	326.7	326.9
Market capitalization <sup>1</sup>	in EUR bn	8.5	11.0	17.3	12.5	16.4
Volume traded on the Vienna Stock Exchange	in EUR bn	7.1	6.0	8.8	9.1	8.2
Year's high	in EUR	30.46	34.78	54.14	56.24	54.54
Year's low	in EUR	20.70	21.45	32.37	37.65	39.32
Year-end	in EUR	26.13	33.56	52.83	38.25	50.08
Earnings Per Share (EPS)	in EUR	(3.37)	(1.24)	1.33	4.40	5.14
Book value per share <sup>1</sup>	in EUR	35.76	33.44	34.35	36.44	39.80
Cash flow per share <sup>2</sup>	in EUR	8.68	8.82	10.56	13.46	12.42
Dividend Per Share (DPS) <sup>3</sup>	in EUR	1.00	1.20	1.50	1.75	1.75
Payout ratio	in %	n.m.	n.m.	113	40	34
Dividend yield <sup>1</sup>	in %	3.8	3.6	2.8	4.6	3.5
Total Shareholder Return (TSR) <sup>4</sup>	in %	24	34	61	(25)	36

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

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

<sup>3</sup> 2019: as proposed the Executive Board and the Supervisory Board; subject to confirmation by the Annual General Meeting on September 29, 2020

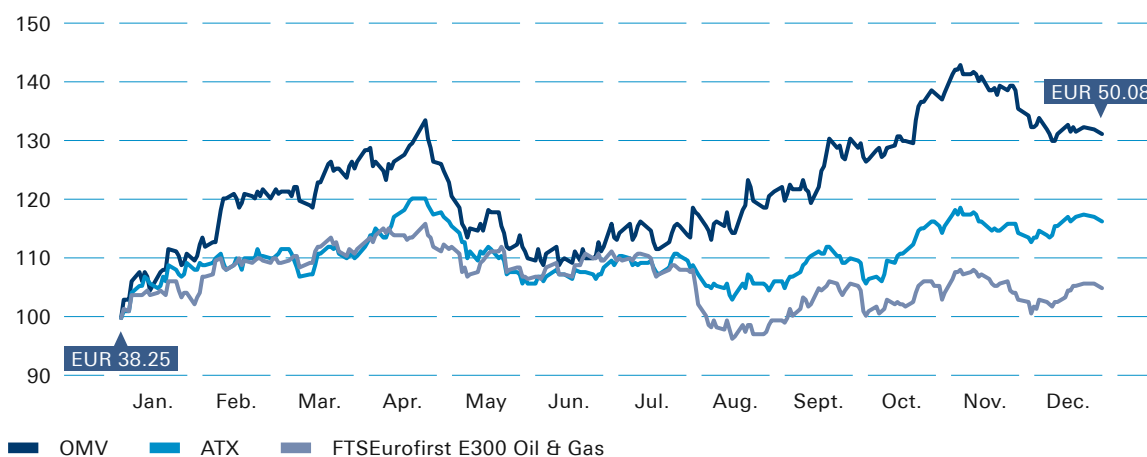
<sup>4</sup> Assuming reinvestment of the dividend

## OMV share price performance and volume

OMV's share price closed the year 31% higher compared to the previous year's close. Assuming dividend reinvestment, the Total Shareholder Return was 36%. OMV's share price started the year at EUR 38.25 and breached the EUR 50 threshold by late April. After that, the price declined and troughed at around EUR 42 in mid-June. In the second half

of the year, OMV's stock recovered impressively, hitting the year's high of over EUR 54 in early November. The last two months of the year were dominated by a slight decline, and the stock closed at EUR 50.08 at the end of December. The daily trading volume of OMV shares in 2019 averaged 350,172 (2018: 385,176). At the end of 2019, OMV's total market capitalization was EUR 16.4 bn compared to EUR 12.5 bn at the end of 2018.

### OMV share price performance 2019 (based on 100)

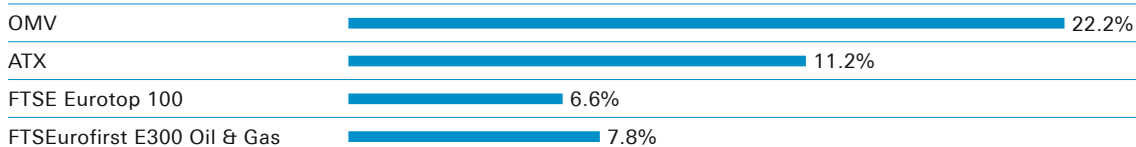


OMV shares outperformed benchmark indexes and peers markedly in a recovering market environment, after having underperformed the market in 2018. In 2019, the Austrian ATX gained 16%. Over the same period, the FTSE Eurotop 100 global industry benchmark grew by 22%, while the FTSEurofirst E300 Oil & Gas index only increased by 5%. Mea-

sured over a five-year period, the return generated by OMV shares outperformed index returns. An investor who acquired OMV stock worth EUR 100 at the end of 2014 and reinvested the dividends in additional shares saw the value of the investment increase to EUR 270 at the end of 2019, with an average annual return of 22%.

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

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



■ 5 years (December 31, 2014, to December 31, 2019)

<sup>1</sup> Based on the Total Return Index (RI) from Datastream; compound annual growth rate method used to calculate the average annual increase with dividends reinvested

## Dividend

### Dividend policy

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

The Executive Board of OMV has proposed to the Annual General Meeting on September 29, 2020, the payment of a dividend of EUR 1.75 per share. The dividend will thus remain on the same level as in the previous year. This is in line with the Company's progressive dividend policy of either increasing the dividend every year or maintaining it on the previous year's level. The dividend yield, based on the closing price of the last trading day of 2019, amounts to 3.49%.

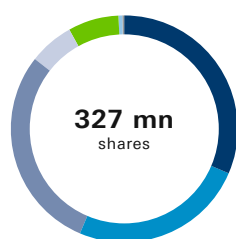
**EUR 1.75**  
Stable dividend  
compared to  
the previous year

## OMV shareholder structure

OMV's shareholder structure remained relatively unchanged in 2019 and was as follows at year-end: 43.0% free float, 31.5% Österreichische Beteiligungs AG (ÖBAG, representing the Austrian government)<sup>1</sup>, 24.9% Mubadala Petroleum and Petrochemicals Holding Company (MPPH), 0.4% employee share programs, and 0.1% treasury shares.

### Shareholder structure

In %

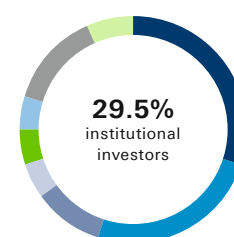


ÖBAG	31.5
MPPH/Abu Dhabi	24.9
Institutional investors	29.3
Unidentified free float	6.3
Identified retail ownership/ brokerage & trading accounts	7.4
Employee share programs	0.4
Own shares	0.1

An analysis of our shareholder structure carried out at the end of 2019 showed that institutional investors held 29.5% of OMV's shares. At 30%, investors from the United States made up the largest regional group of institutional investors. The proportion of investors from the United Kingdom amounted to 25%, while shareholders from France held 10%. Norwegian, German, and Austrian investors held 5% each.

### Geographical distribution of institutional investors

In %



United States	30.2
United Kingdom	24.8
France	10.0
Norway	5.2
Germany	4.9
Austria	4.6
Rest of Europe	13.6
Rest of world	6.5

OMV Aktiengesellschaft's capital stock amounts to EUR 327,272,727 and consists of 327,272,727 no-par-value bearer shares. At year-end 2019, OMV held a total of 372,613 treasury shares. The capital stock consists entirely of common shares. Due to OMV's adherence to the one-share, one-vote principle, there are no classes of shares that bear special rights. A consortium agreement between the two major shareholders, ÖBAG and MPPH, contains arrangements for coordinated action and restrictions on the transfer of shareholdings.

<sup>1</sup> 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.



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

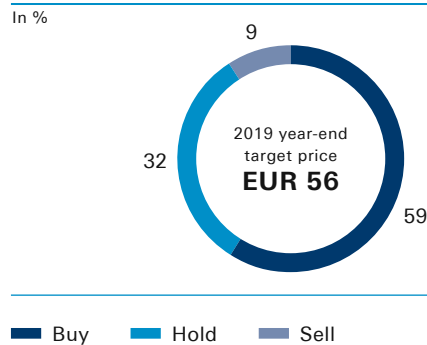
OMV places great importance on working with ESG rating agencies. OMV is committed to acting responsibly toward the environment and society. Our accomplishments in this regard are reflected in further improvement of our already robust ESG performance in 2019. Most notably, RobecoSAM recognized OMV as an Industry Mover in its Yearbook 2019. OMV demonstrated the largest proportional improvement in sustainability performance compared to the previous year out of the top 15% of companies in the industry. Also, OMV received the highest AAA score in the MSCI ESG Ratings assessment for the seventh year in a row. This places OMV among the best 10% of oil and gas companies. OMV also maintained its Prime Status in the ISS ESG rating with a score of B-. This positions us among the 5% best oil and gas companies in terms of ESG performance. OMV was also recognized by CDP with a score of A- (Leadership) in the Climate Change category, earning us a place among the 14 best oil and gas companies in this ranking. We were also assigned the highest Level 4 rating for carbon management quality by the Transition Pathway Initiative.

Besides these outstanding achievements, OMV has maintained its inclusion in several ESG indexes. Most notably, OMV was included in the Dow Jones Sustainability Index (DJSI World) for the second year in a row as the only Austrian company in the index. This sets OMV among the top 10% oil and gas companies in terms of ESG ratings. OMV received the highest AAA score from the MSCI Global Sustainability Index for the sixth year in a row, and was reconfirmed as a constituent of two MSCI indexes: the ACWI ESG Leaders Index and the ACWI SRI Index. Furthermore, OMV was affirmed as a member of the FTSE4Good Index Series, which is used by a wide variety of market participants to create and assess responsible investment funds. OMV also maintained its inclusion in the STOXX® Global ESG Leaders index, based on OMV’s assessment by Sustainalytics, and in the ECPI® indexes. After being reappraised by EcoVadis – a platform analyzing the ESG performance of suppliers – OMV maintained its Silver supplier status.

## Analyst coverage

At the end of 2019, OMV was covered by 22 sell-side financial analysts who regularly publish research reports on OMV. This ensures OMV good visibility in the financial community. At the end of 2018, 80% of these analysts had issued a “buy” recommendation, with the remainder advising “hold.” As 2019 came to a close, almost 60% of the analysts still recommended their clients to buy OMV stock after a price gain of 31% over the year. About one-third of analysts issued a “hold” recommendation, while only two analysts suggested selling OMV shares. The average target price receded marginally from EUR 57 per share last year to EUR 56 at the end of 2019.

### Analyst recommendations



## Investor Relations activities

Ensuring active, candid dialogue with the capital market is a top priority at OMV. The Investor Relations department’s mission is to provide comprehensive insight into OMV’s strategy and business operations to all capital market participants, thereby guaranteeing equal treatment of all stakeholders. Throughout 2019, OMV was in constant dialogue with investors and analysts in the interest of presenting OMV’s progress toward completing its 2025 strategy. In addition, OMV organized two international investor group visits in Vienna to provide insight into Upstream and Downstream activities, a group lunch for Austrian investors, as well as a sell-side analyst lunch in London with the participation of 20 sell-side analysts. OMV organized three governance roadshows with the Chairman of the Supervisory Board in London, Frankfurt, and Vienna. This established a dialogue with the governance experts of some of the major shareholders. Finally, the Executive Board and the Investor Relations department strengthened and deepened relationships with analysts and investors through numerous road shows and conferences across Europe, North America, and Asia.

# Financing

OMV's financing strategy focuses on cash flow and financial stability. Principal targets are a positive free cash flow after dividends, a strong investment grade credit rating based on a healthy balance sheet, and a long-term gearing (net debt/equity) of 30% or less excluding leases.

## Financing policy

OMV covers its financing needs on the international capital and loan markets, aiming at a broad diversification of its debt investor base. Senior bonds (publicly and privately placed) are the key element of the well-balanced debt maturity profile, complemented by ample committed credit facilities and other

types of bank funding. OMV manages all financing and treasury activities at Group level.

Debt is mainly denominated in euros, with the majority being subject to fixed interest rates. Net debt excluding leases at the end of 2019 was EUR 3,633 mn, compared to EUR 1,726 mn at the end of 2018.

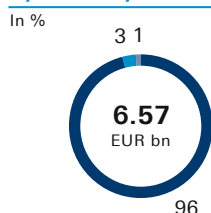
**22%**  
gearing (net debt/  
equity) excluding leases  
at year-end 2019

## Financing policy

		2015	2016	2017	2018	2019
Debt <sup>1</sup>	in EUR mn	5,386	5,283	5,986	6,040	7,624
Cash	in EUR mn	1,348	2,314	3,981	4,026	2,938
Net debt excluding leasing	in EUR mn	3,748	2,691	1,713	1,726	3,633
Gearing (net debt/equity) excluding leases	in %	26	19	12	11	22
Net debt including leasing	in EUR mn	4,038	2,969	2,005	2,014	4,686

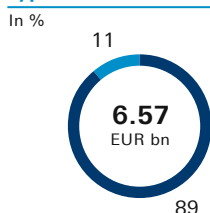
<sup>1</sup> Short- and long-term borrowings, bonds, and finance leases

### Debt breakdown by currency<sup>1</sup>



■ EUR  
■ USD  
■ Other

### Debt breakdown by type of interest rate<sup>1</sup>



■ Fixed interest rate  
■ Variable interest rate

<sup>1</sup> As of December 31, 2019; short and long-term borrowings and bonds

As of year-end 2019, the OMV Group had around EUR 3.2 bn in undrawn committed credit facilities.

To obtain medium- and long-term debt financing, OMV has predominantly issued publicly placed senior bonds under its Euro Medium Term Note (EMTN) program, which was originally signed on March 31, 2009, and last updated on June 4, 2020. As of June 16, 2020, senior bonds with a total volume of EUR 8.550 bn were outstanding, with maturity dates ranging from 2021 to 2034. This includes EUR 300 mn in floating rate notes, which were issued by means of a private placement under the program. The average maturity of the OMV Group's senior bonds is 6.12 years.

Total interest-bearing debt, excluding senior bonds and finance leases, amounted to EUR 769 mn as of year-end 2019 and mainly consisted of the following instruments:

- ▶ EUR 447 mn term loan and shareholder loans
- ▶ EUR 232 mn multilateral and syndicated loans
- ▶ EUR 90 mn bilateral money market borrowings

For the acquisition of a controlling interest in Borealis announced in March 2020, OMV entered into a committed facility agreement. At signing, the facility amounted to EUR 4 bn, of which EUR 3.25 bn have been successfully refinanced through senior bond issues in April and June 2020. Thus, as of end of June 2020, the remaining commitments under the acquisition facility for the Borealis deal amount to EUR 0.75 bn.

OMV's hybrid bonds have no scheduled maturity date and bear a fixed interest rate until their respective first call date. All hybrid bonds were assigned a 50% equity credit from rating agencies Moody's and Fitch. They are classified as 100% equity under International Financial Reporting Standards and are thus not included in OMV's reported total bond liabilities and total debt figures.

### Outstanding senior and hybrid bonds<sup>1</sup>

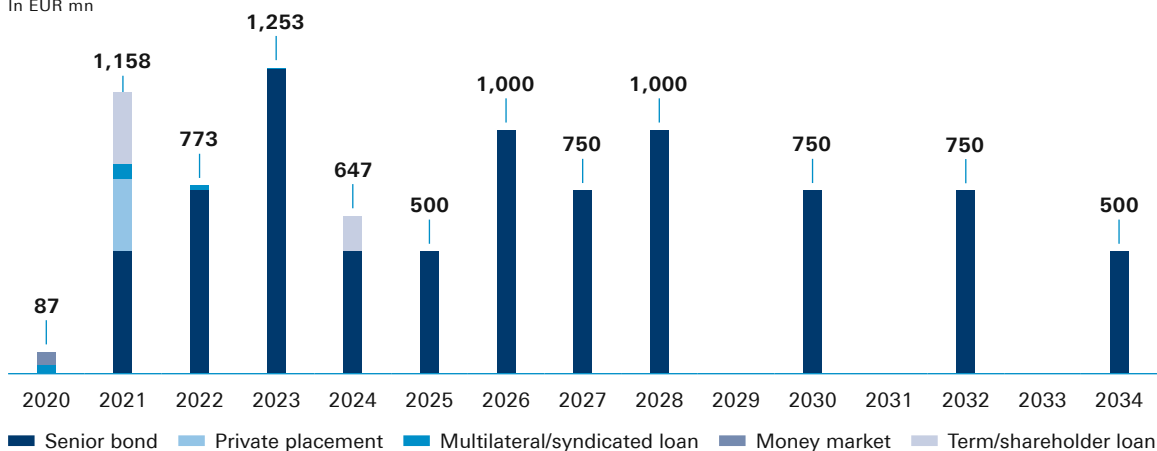
Date of issue	Bond (publicly and privately placed)	Amount in EUR mn	Coupon in %	Maturity
June 2019	Eurobond (XS2009169132)	300	0.00 var	06/11/21
October 2011	Eurobond (XS0690406243)	500	4.25 fix	10/12/21
September 2012	Eurobond (XS0834367863)	750	2.625 fix	09/27/22
April 2020	Eurobond (XS2154347293)	500	1.50 fix	04/09/24
December 2017	Eurobond (XS1734689620)	1,000	1.00 fix	12/14/26
September 2012	Eurobond (XS0834371469)	750	3.50 fix	09/27/27
June 2020	Eurobond (XS2189614014)	750	0.00 fix	06/16/23
December 2018	Eurobond (XS1917590876)	500	0.75 fix	12/04/23
July 2019	Eurobond (XS2022093434)	500	0.00 fix	07/03/25
April 2020	Eurobond (XS2154347707)	500	2.00 fix	04/09/28
December 2018	Eurobond (XS1917590959)	500	1.875 fix	12/04/28
June 2020	Eurobond (XS2189613982)	750	0.75 fix	06/16/30
April 2020	Eurobond (XS2154348424)	750	2.375 fix	04/09/32
July 2019	Eurobond (XS2022093517)	500	1.00 fix	07/03/34
December 2015	Hybrid bond (XS1294342792)	750	5.25 fix <sup>2</sup>	Perp-NC6
December 2015	Hybrid bond (XS1294343337)	750	6.25 fix <sup>2</sup>	Perp-NC10
June 2018	Hybrid bond (XS1713462403)	500	2.875 fix <sup>2</sup>	Perp-NC6
September 2020	Hybrid bond (XS2224439385)	750	2.50 fix <sup>2</sup>	Perp-NC6
September 2020	Hybrid bond (XS2224439971)	500	2.875 fix <sup>2</sup>	Perp-NC9

<sup>1</sup> As of September 1, 2020

<sup>2</sup> Until first call date

### Debt maturity profile<sup>1</sup>

In EUR mn



<sup>1</sup> As of June 16, 2020

### Risk management

The overall objective of the Group's risk policy is to safeguard the cash flows required and to maintain a strong investment-grade rating. The Group has implemented an Enterprise-Wide Risk Management program with the aim of effectively identifying, analyzing, evaluating, and reporting relevant risks across the Group. Assessed risks are controlled and mitigated at all organizational levels using clearly defined risk policies and responsibilities. The key risks, however, are governed centrally to ensure OMV's ability to meet planning objectives and to facilitate sustainable growth.

### Credit rating

On May 21, 2018, Moody's upgraded OMV's issuer rating from Baa1 to A3 with a stable outlook, reflecting the improved business profile following the transformation process over the last two years and OMV's strong financial profile. As of June 2020, the OMV Group is rated A3 by Moody's and A- by Fitch, both with a negative outlook that was revised from stable in March 2020.

# Financial Five-Year Summary

In 2019, OMV recorded a clean CCS Operating Result of EUR 3.5 bn. Strong organic free cash flow before dividends of EUR 2.1 bn enabled OMV to pay a record dividend and contributed to financing major acquisitions in both Upstream and Downstream.

## Economic environment

		2015	2016	2017	2018	2019
Average Brent price	in USD/bbl	52.39	43.73	54.19	71.31	64.21
Average Urals price	in USD/bbl	51.45	42.10	53.23	70.12	64.19
Average EUR-USD exchange rate		1.110	1.107	1.130	1.181	1.120
Average EUR-RON exchange rate		4.445	4.490	4.569	4.654	4.745
NWE refining margin	in USD/bbl	7.14	4.93	6.58	5.50	5.18
Average CEGH gas price	in EUR/MWh	20.65	14.82	18.08	23.01	14.75
Average NCG gas price	in EUR/MWh	19.99	14.13	17.51	22.80	13.96
Average base load electricity price Romania	in EUR/MWh	36.41	33.30	48.15	46.40	50.27

Sources: Reuters/Platts, Central European Gas Hub (CEGH), OPCOM, Net Connect Germany (NCG)

## Financial performance overview

		2015	2016	2017	2018	2019
Clean CCS Operating Result <sup>1</sup>	in EUR mn	1,737	1,535	2,958	3,646	3,536
thereof Upstream	in EUR mn	117	40	1,225	2,027	1,951
thereof Downstream	in EUR mn	1,546	1,533	1,770	1,643	1,677
thereof Corporate and Other	in EUR mn	(43)	(50)	(16)	(21)	(67)
thereof consolidation	in EUR mn	116	12	(21)	(3)	(25)
Clean CCS net income attributable to stockholders <sup>1,2</sup>	in EUR mn	1,148	995	1,624	1,594	1,624
Clean CCS EPS <sup>1</sup>	in EUR	3.52	3.05	4.97	4.88	4.97
Net debt excluding leases	in EUR mn	3,748	2,691	1,713	1,726	3,633
Gearing (net debt/equity) excluding leases	in %	26	19	12	11	22
Net debt including leases	in EUR mn	4,038	2,969	2,005	2,014	4,686
Equity ratio	in %	44	43	45	42	42
Cash flow from operating activities	in EUR mn	2,834	2,878	3,448	4,396	4,056
Free cash flow before dividends	in EUR mn	(39)	1,081	1,681	1,043	(583)
Free cash flow after dividends	in EUR mn	(569)	615	1,013	263	(1,441)
Organic free cash flow before dividends <sup>3</sup>	in EUR mn	n.d.	n.d.	1,862	2,495	2,119

## Income statement summary

In EUR mn		2015	2016	2017	2018	2019
Operating Result		(1,661)	(32)	1,732	3,524	3,582
thereof Borealis		356	399	394	327	314
Net financial result		(248)	(198)	(246)	(226)	(129)
Taxes on income and profit		654	47	(634)	(1,305)	(1,306)
Net income		(1,255)	(183)	853	1,993	2,147
thereof attributable to non-controlling interests		(197)	118	315	477	393
thereof attributable to hybrid capital owners		42	103	103	78	75
thereof attributable to stockholders		(1,100)	(403)	435	1,438	1,678

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

<sup>2</sup> After deducting net income attributable to hybrid capital owners and net income attributable to non-controlling interests

<sup>3</sup> Organic free cash flow before dividends is cash flow from operating activities less cash flow from investing activities, excluding disposals and material inorganic cash flow components (e.g., acquisitions).

## Statement of financial position

In EUR mn

	2015	2016	2017	2018	2019
<b>Assets</b>					
Intangible assets	3,275	1,713	2,648	3,317	4,163
Property, plant and equipment	16,440	14,613	13,654	15,115	16,479
Equity-accounted investments	2,562	2,860	2,913	3,011	5,151
Other financial assets	846	947	1,959	2,659	2,414
Other assets	81	70	55	36	56
Deferred taxes	850	839	744	759	686
<b>Non-current assets</b>	<b>24,054</b>	<b>21,042</b>	<b>21,972</b>	<b>24,896</b>	<b>28,950</b>
Inventories	1,873	1,663	1,503	1,571	1,845
Trade receivables	2,567	2,459	2,503	3,420	3,042
Other financial assets	2,245	1,245	1,140	2,727	3,121
Income tax receivables	108	32	15	9	11
Other assets	374	198	265	264	297
Cash and cash equivalents	1,348	2,069	3,972	4,026	2,931
<b>Current assets</b>	<b>8,516</b>	<b>7,666</b>	<b>9,398</b>	<b>12,017</b>	<b>11,248</b>
Assets held for sale	94	3,405	206	47	177
<b>Total assets</b>	<b>32,664</b>	<b>32,112</b>	<b>31,576</b>	<b>36,961</b>	<b>40,375</b>
<b>Equity and liabilities</b>					
Capital stock	327	327	327	327	327
Hybrid capital	2,231	2,231	2,231	1,987	1,987
Reserves	9,114	8,357	8,658	9,591	10,698
OMV equity of the parent	11,672	10,915	11,216	11,905	13,012
Non-controlling interests	2,626	3,010	3,118	3,436	3,851
<b>Equity</b>	<b>14,298</b>	<b>13,925</b>	<b>14,334</b>	<b>15,342</b>	<b>16,863</b>
Provisions for pensions and similar obligations	1,045	1,057	1,003	1,096	1,111
Bonds	3,721	3,725	3,968	4,468	5,262
Lease liabilities	n.a.	n.a.	n.a.	n.a.	934
Interest-bearing debts	871	1,012	823	441	620
Provisions for decommissioning and restoration obligations	3,342	3,320	3,070	3,673	3,872
Other provisions	535	553	497	446	572
Other financial liabilities	410	409	405	924	301
Other liabilities	160	155	148	138	157
Deferred taxes	229	122	437	731	1,132
<b>Non-current liabilities</b>	<b>10,314</b>	<b>10,354</b>	<b>10,352</b>	<b>11,917</b>	<b>13,961</b>
Trade payables	3,380	3,731	3,262	4,401	4,155
Bonds	295	38	788	539	540
Lease liabilities	n.a.	n.a.	n.a.	n.a.	120
Interest-bearing debts	200	222	114	304	148
Provisions for income taxes	215	212	140	349	332
Provisions for decommissioning and restoration obligations	100	92	110	63	87
Other provisions	418	435	349	355	293
Other financial liabilities	2,341	1,169	1,288	2,806	2,818
Other liabilities	1,074	828	775	863	903
<b>Current liabilities</b>	<b>8,021</b>	<b>6,727</b>	<b>6,826</b>	<b>9,680</b>	<b>9,395</b>
Liabilities associated with assets held for sale	32	1,107	63	22	156
<b>Total equity and liabilities</b>	<b>32,664</b>	<b>32,112</b>	<b>31,576</b>	<b>36,961</b>	<b>40,375</b>

**Cash flow statement**

In EUR mn

	2015	2016	2017	2018	2019
<b>Net income for the period</b>	<b>(1,255)</b>	<b>(183)</b>	<b>853</b>	<b>1,993</b>	<b>2,147</b>
Depreciation, amortization and impairments including write-ups	5,153	3,784	1,941	1,780	2,395
Deferred taxes	(787)	(178)	142	298	100
Losses/(gains) on the disposal of non-current assets	(19)	(81)	0	(2)	(7)
Net change in personnel and long-term provisions <sup>1</sup>	233	(25)	9	n.d.	n.d.
Net change in provisions <sup>1</sup>	n.d.	n.d.	n.d.	(61)	(24)
Other adjustments	(91)	(290)	927	216	(346)
<b>Sources of funds<sup>1</sup></b>	<b>3,234</b>	<b>3,026</b>	<b>3,871</b>	<b>4,223</b>	<b>4,264</b>
(Increase)/decrease in inventories	207	(110)	70	(73)	(260)
(Increase)/decrease in receivables	512	(840)	(51)	(1,041)	372
(Decrease)/increase in liabilities	(1,004)	747	(347)	1,287	(320)
(Decrease)/increase in short-term provisions <sup>1</sup>	(114)	54	(96)	n.d.	n.d.
<b>Cash flow from operating activities</b>	<b>2,834</b>	<b>2,878</b>	<b>3,448</b>	<b>4,396</b>	<b>4,056</b>
<b>Investments</b>					
Intangible assets and property, plant and equipment	(2,978)	(2,022)	(1,586)	(3,193)	(2,158)
Investments, loans and other financial assets	(88)	(66)	(366)	(305)	(2,265)
Acquisitions of subsidiaries and businesses, net of cash acquired	–	(54)	(1,644)	(357)	(460)
<b>Disposals</b>					
Proceeds from the sale of non-current assets	193	331	72	60	209
Proceeds from the sale of subsidiaries and businesses, net of cash disposed	–	14	1,758	442	36
<b>Cash flow from investing activities</b>	<b>(2,874)</b>	<b>(1,797)</b>	<b>(1,766)</b>	<b>(3,353)</b>	<b>(4,638)</b>
(Decrease)/increase in long-term borrowings	137	(172)	784	(793)	396
(Decrease)/increase in short-term borrowings	(327)	74	(89)	102	(22)
Increase in non-controlling interest	0	454	0	0	–
Decrease in non-controlling interest	(12)	36	0	0	–
Dividends paid to OMV equity holders	(459)	(464)	(529)	(621)	(673)
Dividends paid to non-controlling interests	(71)	(2)	(140)	(158)	(186)
Hybrid bond	1,490	–	–	496	–
<b>Cash flow from financing activities</b>	<b>758</b>	<b>(74)</b>	<b>27</b>	<b>(975)</b>	<b>(484)</b>
Effect of exchange rate changes on cash and cash equivalents	(19)	(42)	(42)	(22)	(22)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>700</b>	<b>965</b>	<b>1,667</b>	<b>45</b>	<b>(1,088)</b>
Cash and cash equivalents at beginning of period	649	1,348	2,314	3,981	4,026
<b>Cash and cash equivalents at end of period</b>	<b>1,348</b>	<b>2,314</b>	<b>3,981</b>	<b>4,026</b>	<b>2,938</b>
thereof cash disclosed within Assets held for sale	0	245	9	–	7
<b>Cash and cash equivalents presented in the consolidated statement of financial position</b>	<b>1,348</b>	<b>2,069</b>	<b>3,972</b>	<b>4,026</b>	<b>2,931</b>
<b>Free cash flow before dividends</b>	<b>(39)</b>	<b>1,081</b>	<b>1,681</b>	<b>1,043</b>	<b>(583)</b>
<b>Free cash flow after dividends</b>	<b>(569)</b>	<b>615</b>	<b>1,013</b>	<b>263</b>	<b>(1,441)</b>
<b>Free cash flow after dividends including non-controlling interest changes<sup>2</sup></b>	<b>(581)</b>	<b>1,105</b>	<b>1,013</b>	<b>263</b>	<b>(1,441)</b>
<b>Organic free cash flow before dividends<sup>3</sup></b>	<b>n.d.</b>	<b>n.d.</b>	<b>1,862</b>	<b>2,495</b>	<b>2,119</b>
<b>Organic free cash flow after dividends<sup>4</sup></b>	<b>n.d.</b>	<b>n.d.</b>	<b>1,194</b>	<b>1,715</b>	<b>1,261</b>

<sup>1</sup> As of Q1/19, the definition of sources of funds changed and now also includes net changes in short-term provisions. To ensure comparability, figures from the 2018 reference period were adjusted.

<sup>2</sup> In 2016, the non-controlling interest change mainly included the cash inflow from the sale of a 49% minority stake in Gas Connect Austria.

<sup>3</sup> Organic free cash flow before dividends is cash flow from operating activities less cash flow from investing activities, excluding disposals and material inorganic cash flow components (e.g., acquisitions).

<sup>4</sup> Organic free cash flow after dividends is cash flow from operating activities less cash flow from investing activities, excluding disposals and material inorganic cash flow components (e.g., acquisitions), and less dividend payments.

**Segment reporting**

In EUR mn

	2015	2016	2017	2018	2019
<b>Intersegmental sales</b>					
Upstream	2,883	2,272	2,839	3,386	3,656
Downstream	83	73	79	74	84
Corporate and Other	393	366	349	335	341
<b>OMV Group</b>	<b>3,359</b>	<b>2,711</b>	<b>3,267</b>	<b>3,795</b>	<b>4,081</b>
<b>Sales to external customers</b>					
Upstream	1,017	1,013	1,329	2,170	2,583
Downstream	21,506	18,243	18,887	20,756	20,874
Corporate and Other	4	4	6	4	4
<b>OMV Group</b>	<b>22,527</b>	<b>19,260</b>	<b>20,222</b>	<b>22,930</b>	<b>23,461</b>
<b>Total sales (not consolidated)</b>					
Upstream	3,900	3,285	4,168	5,556	6,239
Downstream	21,589	18,316	18,967	20,830	20,958
Corporate and Other	397	370	355	339	345
<b>OMV Group</b>	<b>25,886</b>	<b>21,971</b>	<b>23,490</b>	<b>26,725</b>	<b>27,542</b>
<b>Segment and Group profit</b>					
Operating Result Upstream	(2,394)	(1,046)	1,218	2,122	1,879
Operating Result Downstream	702	1,106	584	1,420	1,847
Operating Result Corporate and Other	(48)	(56)	(48)	(47)	(91)
Operating Result segment total	(1,740)	4	1,753	3,495	3,636
Consolidation: elimination of intersegmental profits	79	(36)	(21)	28	(54)
OMV Group Operating Result	(1,661)	(32)	1,732	3,524	3,582
Net financial result	(248)	(198)	(246)	(226)	(129)
<b>OMV Group profit before tax</b>	<b>(1,909)</b>	<b>(230)</b>	<b>1,486</b>	<b>3,298</b>	<b>3,453</b>
<b>Assets<sup>1</sup></b>					
Upstream	13,036	11,250	11,322	13,536	15,049
Downstream	6,492	4,915	4,839	4,755	5,315
Corporate and Other	188	161	140	141	277
<b>Total</b>	<b>19,715</b>	<b>16,326</b>	<b>16,301</b>	<b>18,432</b>	<b>20,642</b>

<sup>1</sup> Segment assets consist of intangible assets and property, plant and equipment.

**CAPEX, Operating Result before depreciation, clean CCS Operating Result before depreciation**

In EUR mn

	2015	2016	2017	2018	2019
<b>Capital expenditure<sup>1</sup></b>					
Upstream	2,140	1,356	2,781	3,075	2,070
Downstream	608	513	580	576	2,774
Corporate and Other	21	10	15	25	72
<b>OMV Group</b>	<b>2,769</b>	<b>1,878</b>	<b>3,376</b>	<b>3,676</b>	<b>4,916</b>
<b>Organic capital expenditure<sup>2</sup></b>					
Upstream	2,131	1,373	1,064	1,314	1,568
Downstream	596	485	557	555	611
Corporate and Other	21	10	15	25	72
<b>OMV Group</b>	<b>2,749</b>	<b>1,868</b>	<b>1,636</b>	<b>1,893</b>	<b>2,251</b>
<b>Operating Result before depreciation</b>					
Upstream	1,797	1,546	2,657	3,413	3,660
Downstream	1,623	2,258	1,058	1,890	2,423
Corporate and Other	(9)	(21)	(22)	(27)	(53)
Consolidation: elimination of inter-segmental profits	79	(36)	(21)	28	(54)
<b>OMV Group</b>	<b>3,490</b>	<b>3,747</b>	<b>3,672</b>	<b>5,304</b>	<b>5,976</b>
<b>Clean CCS Operating Result before depreciation<sup>3</sup></b>					
Upstream	1,813	1,521	2,677	3,370	3,722
Downstream	2,191	2,175	2,243	2,111	2,223
Corporate and Other	(3)	(15)	10	(1)	(30)
Consolidation: elimination of inter-segmental profits	116	12	(21)	(3)	(25)
<b>OMV Group</b>	<b>4,117</b>	<b>3,693</b>	<b>4,909</b>	<b>5,477</b>	<b>5,890</b>

<sup>1</sup> Capital expenditure including acquisitions<sup>2</sup> Organic capital expenditure is defined as capital expenditure including capitalized Exploration and Appraisal excluding acquisitions and contingent consideration.<sup>3</sup> Adjusted for special items and CCS effects**Major shareholdings**

In EUR mn

	2015	2016	2017	2018	2019
<b>OMV Petrom (100% consolidated)<sup>1</sup></b>					
Clean CCS Operating Result	572	380	718	1,034	973
Dividends paid to non-controlling interests	70	0	89	117	155
<b>Borealis (at-equity-accounted investment, OMV share 36%)</b>					
Clean Operating Result	356	399	399	360	314
Dividends paid to OMV	36	153	270	360	297
<b>ADNOC Refining (at-equity-accounted investment, OMV share 15%)</b>					
Clean CCS Operating Result	n.a.	n.a.	n.a.	n.a.	8
Dividends paid to OMV	n.a.	n.a.	n.a.	n.a.	34

<sup>1</sup> OMV holds 51% of OMV Petrom's shares; figures reported by OMV Petrom are not comparable due to consolidation.



# Abbreviations and Definitions

## A

### AGM

Annual General Meeting

## B

### bbbl

Barrel (1 barrel equals approximately 159 liters)

### bbld

Barrel per day

### bcm

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

### bcma

Billion cubic meters per annum (32°F/0°C)

### bn

Billion

### boe

Barrel of oil equivalent

### boed

Barrel of oil equivalent per day

## C

### CAPEX

Capital Expenditure

### Capital employed

Equity including non-controlling interests plus net debt

### 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 val-

ues (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

### CEGH

Central European Gas Hub

### cf

Standard cubic feet (60°F/16°C)

### 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 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

### CNG

Compressed Natural Gas

## E

### E&A

Exploration & Appraisal

### EPS

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

### Equity ratio

Equity divided by balance sheet total, expressed as a percentage

### EU

European Union

### EUR

Euro

## F

### Finding costs

Finding costs are calculated as exploration costs, divided by the sum of proven reserves revisions, extensions, and discoveries

### Finding & development costs

Finding & development costs are calculated as a sum of exploration and development costs, divided by the sum of proven reserves revisions, extensions, and discoveries

### FX

Foreign exchange

## G

### GDP

Gross Domestic Product

### Gearing

Net debt divided by equity, expressed as a percentage

### GW

Gigawatt

**H**

**HSSE**  
Health, Safety, Security, and Environment

**J**

**JV**  
Joint venture

**K**

**kbbl/d**  
Thousand barrels per day

**kboe**  
Thousand barrels of oil equivalent

**kboe/d**  
Thousand barrels of oil equivalent per day

**km<sup>2</sup>**  
Square kilometer

**KPI**  
Key Performance Indicator

**L**

**LNG**  
Liquefied Natural Gas

**LTIR**  
Lost-Time Injury Rate per million hours worked

**M**

**mn**  
Million

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

**MW**  
Megawatt

**MWh**  
Megawatt hour

**N**

**n.a.**  
Not available

**NCG**  
NetConnect Germany

**n.d.**  
Not disclosed

**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

**n.m.**  
Not meaningful

**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**

**ÖBAG**  
Österreichische Beteiligungs AG

**OECD**  
Organisation for Economic Co-operation and Development

**OEM**  
Original Equipment Manufacturer

**OPEX**  
Operating Expenditures; cost of material and personnel during production, excluding royalties

**Organic capital expenditure**

Organic capital expenditure is defined as capital expenditure including capitalized Exploration and Appraisal excluding acquisitions and contingent consideration

**Organic free cash flow after dividends**

Organic free cash flow after dividends is cash flow from operating activities less cash flow from investing activities, excluding disposals and material inorganic cash flow components (e.g., acquisitions), and less dividend payments

**P**

**p.a.**  
Per annum

**Payout ratio**  
Dividend per share divided by Earnings Per Share, expressed as a percentage

**Pearl**  
Pearl Petroleum Company Limited

**PJ**  
Petajoule (1 petajoule corresponds to approximately 278 mn kilowatt hours)

**proven (1P) reserves**  
Proven reserves, or 1P reserves, are those quantities of petroleum, which by analysis of geoscience and engineering data can be estimated with reasonable certainty to be commercially recoverable from a given date forward, from known reservoirs, and under defined economic conditions, operating methods, and government regulations

## Q

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### **Q1, Q2, Q3, Q4**

First, second, third, fourth quarter of the year

## R

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### **ROACE**

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

### **RRR**

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

## S

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### **Sales revenues**

Sales excluding petroleum excise tax

### **Special items**

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

## T

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### **t**

Metric ton

### **toe**

Metric ton of oil equivalent

### **TWh**

Terawatt hour

## U

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### **UAE**

United Arab Emirates

### **USD**

US dollar

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► [reports.omv.com/en/sustainability-report/2019](https://reports.omv.com/en/sustainability-report/2019)



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