

Q4

Quarterly Report 2021



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OMV Group

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Disclaimer regarding forward-looking statements

This report contains forward-looking statements. Forward-looking statements usually may be identified by the use of terms such as “outlook,” “expect,” “anticipate,” “target,” “estimate,” “goal,” “plan,” “intend,” “may,” “objective,” “will” and similar terms or by their context. These forward-looking statements are based on beliefs and assumptions currently held by and information currently available to OMV. By their nature, forward-looking statements are subject to risks and uncertainties, both known and unknown, because they relate to events and depend on circumstances that will or may occur in the future and are outside the control of OMV. Consequently, the actual results may differ materially from those expressed or implied by the forward-looking statements. Therefore, recipients of this report are cautioned not to place undue reliance on these forward-looking statements. Neither OMV nor any other person assumes responsibility for the accuracy and completeness of any of the forward-looking statements contained in this report. OMV disclaims any obligation to update these forward-looking statements to reflect actual results, revised assumptions and expectations, and future developments and events. This report does not contain any recommendation or invitation to buy or sell securities in OMV.

OMV Group Report January–December and Q4 2021 including preliminary consolidated financial statements as of December 31, 2021

Key Performance Indicators¹

Group

- ▶ Clean CCS Operating Result rose sharply to EUR 2,001 mn, fueled by better performance in all segments.
- ▶ Clean CCS net income attributable to stockholders of the parent amounted to EUR 1,018 mn; clean CCS Earnings Per Share were EUR 3.11.
- ▶ Cash flow from operating activities excluding net working capital effects more than quadrupled to EUR 3,455 mn, primarily due to a more favorable market environment and the Borealis contribution boosted by dividend distributions from Abu Dhabi Polymers Company Limited (Borouge).
- ▶ Organic free cash flow before dividends totaled EUR 2,024 mn.
- ▶ Clean CCS ROACE stood at 13%.
- ▶ Total Recordable Injury Rate (TRIR) was 0.96.
- ▶ Dividend per share of EUR 2.30 proposed², up 24% compared to the previous year.

Exploration & Production

- ▶ Production grew by 19 kboe/d to 491 kboe/d.
- ▶ Production cost increased by 2% to USD 6.4/boe.

Refining & Marketing

- ▶ OMV refining indicator margin Europe improved considerably to USD 6.3/bbl.
- ▶ Natural gas sales volumes rose by 5% to 53.0 TWh.

Chemicals & Materials

- ▶ Polyethylene indicator margin Europe increased by 21% to EUR 458/t; polypropylene indicator margin Europe grew by 70% to EUR 690/t.
- ▶ Polyolefin sales volumes decreased by 5% to 1.49 mn t.

Key events

- ▶ On February 2, 2022: Borealis received a binding offer from EuroChem for the acquisition of Borealis' fertilizer, melamine and technical nitrogen business
- ▶ On December 20, 2021: OMV scales up innovative ReOil® recycling technology at Schwechat refinery
- ▶ On December 17, 2021: OMV closes the sale of its stake in the Norwegian oil field Wisting
- ▶ On December 16, 2021: OMV again awarded leadership score in CDP Climate Change
- ▶ On December 3, 2021: OMV and Austrian Airlines are taking off with Sustainable Aviation Fuel
- ▶ On November 23, 2021: OMV listed in Dow Jones Sustainability Index for the fourth straight year
- ▶ On November 15, 2021: Khaled bin Mohamed bin Zayed witnesses signing of USD 6.2 billion strategic partnership between ADNOC and Borealis to expand Borouge facility
- ▶ On October 13, 2021: OMV announces redemption of the NC6 Hybrid Notes 2015

Note: Figures in the following tables may not add up due to rounding differences. In the interest of a fluid style that is easy to read, non-gender-specific terms have been used.

¹ Figures reflect the Q4/21 period; all comparisons described relate to the same quarter in the previous year except where otherwise mentioned.

² As proposed by the Executive Board; subject to confirmation by the Supervisory Board and the Annual General Meeting 2022

Directors' Report (condensed, unaudited)

Group performance

Financial highlights

In EUR mn (unless otherwise stated)

Q4/21	Q3/21	Q4/20	Δ ¹		2021	2020	Δ
13,348	8,512	4,956	169%	Sales revenues ²	35,555	16,550	115%
2,001	1,790	524	n.m.	Clean CCS Operating Result³	5,961	1,686	n.m.
1,163	816	184	n.m.	Clean Operating Result Exploration & Production ³	2,837	145	n.m.
351	361	161	118%	Clean CCS Operating Result Refining & Marketing ³	1,001	996	1%
512	623	208	146%	Clean Operating Result Chemicals & Materials ³	2,224	519	n.m.
(22)	(16)	(17)	(30)%	Clean Operating Result Corporate & Other ³	(62)	(47)	(31)%
(2)	7	(12)	86%	Consolidation: elimination of intersegmental profits	(39)	74	n.m.
36	41	33	4	Clean CCS Group tax rate in %	36	32	4
1,239	1,018	321	n.m.	Clean CCS net income ³	3,710	1,026	n.m.
1,018	781	219	n.m.	Clean CCS net income attributable to stockholders of the parent^{3,4}	2,866	679	n.m.
3.11	2.39	0.67	n.m.	Clean CCS EPS in EUR ³	8.77	2.08	n.m.
2,001	1,790	524	n.m.	Clean CCS Operating Result³	5,961	1,686	n.m.
(501)	(750)	954	n.m.	Special items⁵	(1,315)	(220)	n.m.
89	38	35	152%	CCS effects: inventory holding gains/(losses)	418	(416)	n.m.
1,590	1,079	1,513	5%	Operating Result Group	5,065	1,050	n.m.
1,368	339	153	n.m.	Operating Result Exploration & Production	2,439	(1,137)	n.m.
182	134	144	26%	Operating Result Refining & Marketing	922	592	56%
67	618	1,247	(95)%	Operating Result Chemicals & Materials	1,828	1,568	17%
(26)	(19)	(19)	(33)%	Operating Result Corporate & Other	(74)	(56)	(33)%
(2)	7	(12)	86%	Consolidation: elimination of intersegmental profits	(51)	83	n.m.
(55)	(63)	(47)	(17)%	Net financial result	(194)	(175)	(11)%
1,535	1,016	1,466	5%	Profit before tax	4,870	875	n.m.
56	52	(33)	89	Group tax rate in %	42	(69)	111
677	484	1,946	(65)%	Net income	2,804	1,478	90%
538	279	1,880	(71)%	Net income attributable to stockholders of the parent ⁴	2,093	1,258	66%
1.65	0.85	5.75	(71)%	Earnings Per Share (EPS) in EUR	6.40	3.85	66%
3,455	2,007	830	n.m.	Cash flow from operating activities excl. net working capital effects	8,897	2,786	n.m.
2,782	1,608	679	n.m.	Cash flow from operating activities	7,017	3,137	124%
2,321	1,012	(3,771)	n.m.	Free cash flow before dividends	5,196	(2,811)	n.m.
2,241	978	(4,430)	n.m.	Free cash flow after dividends	4,199	(3,690)	n.m.
2,024	1,032	126	n.m.	Organic free cash flow before dividends ⁶	4,536	1,273	n.m.
4,771	6,214	8,130	(41)%	Net debt excluding leases	4,771	8,130	(41)%
5,962	7,394	9,347	(36)%	Net debt including leases	5,962	9,347	(36)%
22	28	41	(19)	Gearing ratio excluding leases in %	22	41	(19)
21	25	32	(11)	Leverage ratio in %	21	32	(11)
911	628	4,830	(81)%	Capital expenditure ⁷	2,691	6,048	(56)%
907	624	726	25%	Organic capital expenditure ⁸	2,650	1,884	41%
13	10	5	8	Clean CCS ROACE in % ³	13	5	8
10	15	8	2	ROACE in %	10	8	2
22,434	22,757	25,291	(11)%	Employees	22,434	25,291	(11)%
0.96	1.08	0.60	60%	Total Recordable Injury Rate (TRIR) ⁹	0.96	0.60	60%

¹ Q4/21 compared to Q4/20

² Sales revenues excluding petroleum excise tax

³ Adjusted for special items and CCS effects; further information can be found below the table "Special items and CCS effects."

⁴ After deducting net income attributable to hybrid capital owners and net income attributable to non-controlling interests

⁵ The disclosure of special items is considered appropriate in order to facilitate the analysis of the ordinary business performance. To reflect comparable figures, certain items affecting the result are added back or deducted. Special items from equity-accounted companies and temporary effects from commodity hedging for material transactions are included.

⁶ 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).

⁷ Capital expenditure including acquisitions

⁸ Organic capital expenditure is defined as capital expenditure including capitalized Exploration and Appraisal expenditure and excluding acquisitions and contingent considerations.

⁹ Calculated as 12 months rolling average per 1 mn hours worked

Fourth quarter 2021 (Q4/21) compared to fourth quarter 2020 (Q4/20)

Consolidated sales revenues increased substantially by 169% to EUR 13,348 mn due to significantly higher market prices, especially gas prices and overall higher gas sales volumes. The **clean CCS Operating Result** rose sharply by EUR 1,478 mn from EUR 524 mn to a record EUR 2,001 mn. The clean Operating Result of Exploration & Production grew considerably to EUR 1,163 mn (Q4/20: EUR 184 mn), while the clean CCS Operating Result of Refining & Marketing improved to EUR 351 mn (Q4/20: EUR 161 mn). In Chemicals & Materials, the clean Operating Result increased to EUR 512 mn (Q4/20: EUR 208 mn). The consolidation line was EUR (2) mn in Q4/21 (Q4/20: EUR (12) mn).

At 36%, the **clean CCS Group tax rate** was higher than in the same quarter last year (Q4/20: 33%) due to an increased contribution from Exploration & Production, particularly from countries with a high tax regime. The **clean CCS net income** substantially increased to EUR 1,239 mn (Q4/20: EUR 321 mn). The **clean CCS net income attributable to stockholders of the parent** was EUR 1,018 mn (Q4/20: EUR 219 mn). **Clean CCS Earnings Per Share** grew to EUR 3.11 (Q4/20: EUR 0.67).

Net **special items** of EUR (501) mn were recorded in Q4/21 (Q4/20: EUR 954 mn) and were mainly driven by non-cash impairment charges and value adjustments in the amount of EUR (1.7) bn, related to ADNOC Refining, E&P assets and the nitrogen business of Borealis. These were partially offset by other effects in the amount of EUR 1.2 bn, mainly stemming from temporary hedging effects and a gain from the sale of the stake in the Wisting oil discovery in Norway. **CCS effects** of EUR 89 mn were recognized in Q4/21. The reported **Operating Result** improved to EUR 1,590 mn (Q4/20: EUR 1,513 mn).

The **net financial result** decreased to EUR (55) mn (Q4/20: EUR (47) mn). This development was mainly due to a lower net interest result which was partly offset by an improved foreign exchange result. With a **Group tax rate** of 56%, **net income** declined to EUR 677 mn (Q4/20: EUR 1,946 mn). The **net income attributable to stockholders of the parent** was EUR 538 mn (Q4/20: EUR 1,880 mn). **Earnings Per Share** amounted to EUR 1.65 (Q4/20: EUR 5.75).

As of December 31, 2021, the **net debt excluding leases** amounted to EUR 4,771 mn compared with EUR 8,130 mn on December 31, 2020. As of December 31, 2021, the **gearing ratio excluding leases** stood at 22% (December 31, 2020: 41%). For further information on the gearing ratio, please see "Financial liabilities." The leverage ratio defined as (net debt including leases) / (equity + net debt including leases) amounted to 21% as of December 31, 2021 (December 31, 2020: 32%).

Total **capital expenditure** came in at EUR 911 mn (Q4/20: EUR 4,830 mn) and was mainly attributable to organic projects in the Exploration & Production and Refining & Marketing segments. In Q4/20, capital expenditure chiefly related to the acquisition of an additional 39% share in Borealis AG. In Q4/21, **organic capital expenditure** was up by 25% to EUR 907 mn (Q4/20: EUR 726 mn), mainly due to projects in Refining & Marketing and the full consolidation of Borealis.

January to December 2021 compared to January to December 2020

Consolidated sales revenues increased by 115% to EUR 35,555 mn, due to the additional revenues stemming from full consolidation of Borealis as well as higher gas sales volumes and substantially higher market prices, especially gas prices. The **clean CCS Operating Result** rose substantially from EUR 1,686 mn in 2020 to EUR 5,961 mn. The clean Operating Result generated by Exploration & Production grew sharply to EUR 2,837 mn (2020: EUR 145 mn), while the clean CCS Operating Result recorded by Refining & Marketing improved slightly to EUR 1,001 mn (2020: EUR 996 mn). In Chemicals & Materials, the clean Operating Result rose significantly to EUR 2,224 mn (2020: EUR 519 mn). The consolidation line was EUR (39) mn in 2021 (2020: EUR 74 mn).

The **clean CCS Group tax rate** increased to 36% in 2021 (2020: 32%) due to an improved contribution from Exploration & Production, particularly from high tax regime countries. The **clean CCS net income** went up significantly to EUR 3,710 mn (2020: EUR 1,026 mn). The **clean CCS net income attributable to stockholders** amounted to EUR 2,866 mn (2020: EUR 679 mn). **Clean CCS Earnings Per Share** was EUR 8.77 (2020: EUR 2.08).

Net **special items** of EUR (1,315) mn were recorded in 2021 (2020: EUR (220) mn) and were mainly attributable to non-cash impairment charges and value adjustments related to ADNOC Refining, E&P assets, and the nitrogen business of Borealis as well as temporary hedging effects. **CCS effects** of EUR 418 mn were recognized in 2021. The reported **Operating Result** increased considerably to EUR 5,065 mn (2020: EUR 1,050 mn).

The **net financial result** decreased to EUR (194) mn (2020: EUR (175) mn), chiefly due to a lower net interest result, which was partly offset by an improved foreign exchange result. The **Group tax rate** came in at 42%, with a substantially improved **net income** of EUR 2,804 mn (2020: EUR 1,478 mn). The **net income attributable to stockholders of the parent** was EUR 2,093 mn compared to EUR 1,258 mn in 2020. **Earnings Per Share** increased to EUR 6.40 compared to EUR 3.85 in 2020.

Total **capital expenditure** amounted to EUR 2,691 mn (2020: EUR 6,048 mn), fueled by organic projects in all three business segments, especially in Exploration & Production and Chemicals & Materials. In 2020, capital expenditure was mainly related to the acquisition of an additional 39% share in Borealis. **Organic capital expenditure** increased by 41% to EUR 2,650 mn (2020: EUR 1,884 mn), primarily due to the full consolidation of Borealis.

Special items and CCS effect

In EUR mn

Q4/21	Q3/21	Q4/20	Δ% ¹		2021	2020	Δ%
2,001	1,790	524	n.m.	Clean CCS Operating Result ²	5,961	1,686	n.m.
(501)	(750)	954	n.m.	Special items	(1,315)	(220)	n.m.
(7)	(3)	(0)	n.m.	thereof personnel restructuring	(30)	(39)	22
(1,240)	(38)	(0)	n.m.	thereof unscheduled depreciation / write-ups	(1,297)	(1,084)	(20)
218	0	13	n.m.	thereof asset disposals	223	19	n.m.
528	(709)	942	(44)	thereof other	(210)	885	n.m.
89	38	35	152	CCS effects: inventory holding gains/(losses)	418	(416)	n.m.
1,590	1,079	1,513	5	Operating Result Group	5,065	1,050	n.m.

¹ Q4/21 compared to Q4/20² Adjusted for special items and CCS effects

The disclosure of **special items** is considered appropriate to facilitate the analysis of the ordinary business performance. To reflect comparable figures, certain items affecting the result are added back or deducted. These items can be divided into four subcategories: personnel restructuring, unscheduled depreciation and write-ups, asset disposals, and other.

Furthermore, to enable effective performance management in an environment of volatile prices and comparability with peers, the **Current Cost of Supply (CCS)** effect is eliminated from the accounting result. The **CCS effect**, also called inventory holding gains and losses, is the difference between the cost of sales calculated using the current cost of supply and the cost of sales calculated using the weighted average method after adjusting for any changes in valuation allowances. In volatile energy markets, measurement of the costs of petroleum products sold based on historical values (e.g., weighted average cost) can have distorting effects on reported results. This performance measurement enhances the transparency of results and is commonly used in the oil industry. OMV therefore publishes this measurement in addition to the Operating Result determined in accordance with IFRS.

Cash flow

Summarized cash flow statement

In EUR mn

Q4/21	Q3/21	Q4/20	Δ% ¹		2021	2020	Δ%
3,455	2,007	830	n.m.	Cash flow from operating activities excluding net working capital effects	8,897	2,786	n.m.
2,782	1,608	679	n.m.	Cash flow from operating activities	7,017	3,137	124
(461)	(596)	(4,450)	90	Cash flow from investing activities	(1,820)	(5,948)	69
2,321	1,012	(3,771)	n.m.	Free cash flow	5,196	(2,811)	n.m.
(1,321)	(62)	(689)	(92)	Cash flow from financing activities	(2,977)	2,808	n.m.
(10)	(4)	(5)	(82)	Effect of exchange rate changes on cash and cash equivalents	(25)	(66)	63
990	946	(4,465)	n.m.	Net (decrease)/increase in cash and cash equivalents	2,195	(69)	n.m.
4,074	3,128	7,334	(44)	Cash and cash equivalents at beginning of period	2,869	2,938	(2)
5,064	4,074	2,869	77	Cash and cash equivalents at end of period	5,064	2,869	77
14	13	15	(7)	thereof cash disclosed within Assets held for sale	14	15	(7)
5,050	4,061	2,854		Cash and cash equivalents presented in the consolidated statement of financial position	5,050	2,854	
2,241	978	(4,430)	n.m.	Free cash flow after dividends	4,199	(3,690)	n.m.
2,024	1,032	126	n.m.	Organic free cash flow before dividends²	4,536	1,273	n.m.

¹ Q4/21 compared to Q4/20² 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).

Fourth quarter 2021 (Q4/21) compared to fourth quarter 2020 (Q4/20)

In Q4/21, **cash flow from operating activities excluding net working capital effects** increased sharply to EUR 3,455 mn (Q4/20: EUR 830 mn), primarily due to a more favorable market environment and the Borealis contribution boosted by dividend distributions from Abu Dhabi Polymers Company Limited (Borouge) in the amount of EUR 1.4 bn. Net working capital effects generated a cash outflow of EUR (672) mn, compared to EUR (151) mn in Q4/20. As a result, **cash flow from operating activities** came in at EUR 2,782 mn in Q4/21 (Q4/20: EUR 679 mn).

Cash flow from investing activities showed an outflow of EUR (461) mn compared to EUR (4,450) mn in Q4/20. Q4/20 included a cash outflow of EUR (3,805) mn related to the acquisition of an additional 39% stake in Borealis AG. Q4/21 included a cash inflow of EUR 290 mn related to the sale of the stake in the Norwegian oil field Wisting.

Free cash flow amounted to EUR 2,321 mn (Q4/20: EUR (3,771) mn).

Cash flow from financing activities recorded an outflow of EUR (1,321) mn compared to EUR (689) mn in Q4/20, as Q4/21 was impacted by the repayment of bonds amounting to EUR 1.25 bn.

Free cash flow after dividends increased to EUR 2,241 mn (Q4/20: EUR (4,430) mn).

Organic free cash flow before dividends amounted to EUR 2,024 mn (Q4/20: EUR 126 mn).

January to December 2021 compared to January to December 2020

In 2021, **cash flow from operating activities excluding net working capital effects** grew sharply to EUR 8,897 mn (2020: EUR 2,786 mn), primarily due to an improved market environment and the contribution by Borealis. Working capital components generated a cash outflow of EUR (1,881) mn, reflecting an increase in prices. **Cash flow from operating activities** amounted to EUR 7,017 mn, up by EUR 3,880 mn compared to EUR 3,137 mn in 2020.

Cash flow from investing activities showed an outflow of EUR (1,820) mn in 2021, compared to EUR (5,948) mn in 2020, because the 2020 figure included a cash outflow of EUR (3,870) mn related to the acquisition of an additional 39% stake in Borealis AG. In 2021, cash flow from investing activities comprised cash inflows of EUR 443 mn related to the divestment of Gas Connect Austria, EUR 290 mn related to the sale of the stake in the Norwegian oil field Wisting, and EUR 94 mn related to the sale of the shares in Kom-Munai LLP and Tasbulat Oil corporation LLP (Kazakhstan).

Free cash flow amounted to EUR 5,196 mn (2020: EUR (2,811) mn).

Cash flow from financing activities showed an outflow of EUR (2,977) mn compared with an inflow of EUR 2,808 mn in 2020. The deviation was mainly related to repayments of bonds in 2021 (EUR 1.55 bn), because the 2020 figure included the issuance of bonds of EUR 3.25 bn and hybrid bonds of EUR 1.25 bn.

Free cash flow after dividends increased to EUR 4,199 mn in 2021 (2020: EUR (3,690) mn).

Organic free cash flow before dividends amounted to EUR 4,536 mn (2020: EUR 1,273 mn).

Risk management

As an international oil, gas and chemicals company with operations extending from hydrocarbon exploration and production through to trading and marketing of mineral oil products, chemical products, and natural gas, OMV is exposed to a variety of risks, including market risks, financial risks, operational risks, and strategic risks. A detailed description of risks and risk management activities can be found in the 2020 Annual Report (pages 69–71).

The main uncertainties that can influence the OMV Group's performance are commodity price risk, FX risk, operational risks, and also political and regulatory risks. The commodity price risk is monitored continuously, and appropriate protective measures with respect to cash flow are taken if required. The inherent exposure to safety and environmental risks is monitored through HSSE (Health, Safety, Security, and Environment) and risk management programs, which have a clear commitment to keeping OMV's risks in line with industry standards.

The global outbreak of the COVID-19 pandemic continues to have a major impact on global economic development. Oil prices continued to trade at elevated levels, and natural gas prices remained at extraordinarily high levels during the fourth quarter.

Increases in COVID-19 cases around the world following the emergence of new virus variants combined with disruptions in supply chains and high price inflation could lead to delays in the expected demand recovery. The consequences of the COVID-19 pandemic and other disruptions currently observed, as well as the extent and duration of the economic impact cannot be reliably estimated from today's perspective. However, OMV continues to closely monitor developments and regularly evaluating the impact on the Group's cash flow and liquidity position. OMV is responding to the situation with targeted measures to safeguard the Company's economic stability and the secure supply of energy. The health and wellbeing of every employee is the top priority.

From today's perspective, we assume that based on the measures listed above the Company's ability to continue as a going concern is not impacted.

More information on current risks can be found in the Outlook section of the Directors' Report.

Transactions with related parties

Please refer to the selected explanatory notes of the preliminary consolidated financial statements for disclosures on significant transactions with related parties.

Outlook

Market environment

In 2022, OMV expects the average Brent crude oil price to be around USD 75/bbl (2021: USD 71/bbl). For 2022, the average realized gas price is anticipated to be above EUR 25/MWh (2021: EUR 16.5/MWh).

Group

- ▶ In 2022, organic CAPEX is projected to come in at around EUR 3.5 bn¹ (2021: EUR 2.6 bn), including non-cash effective CAPEX related to leases of around EUR 0.6 bn.

Exploration & Production

- ▶ OMV expects total production to be around 470 kboe/d in 2022 (2021: 486 kboe/d).
- ▶ Organic CAPEX for Exploration & Production is anticipated to come in at around EUR 1.3 bn in 2022 (2021: EUR 1.1 bn).
- ▶ Exploration and Appraisal (E&A) expenditure is expected to be around EUR 220 mn in 2022 (2021: EUR 210 mn).

Refining & Marketing

- ▶ The OMV refining indicator margin Europe is expected to be around USD 4.5/bbl in 2022 (2021: USD 3.7/bbl).
- ▶ In 2022, fuels and other sales volumes in OMV's markets in Europe are projected to be slightly higher than in 2021 (2021: 16.3 mn t). Retail and commercial margins are forecast to be slightly below those in 2021.
- ▶ In 2022, the utilization rate of the European refineries is expected to be around the prior-year level (2021: 88%). Turnarounds are planned at the Schwechat refinery in the second quarter and at the Burghausen refinery in the third quarter.
- ▶ In 2022, natural gas sales volumes are projected to be slightly below the 2021 level (2021: 196.4 TWh).
- ▶ Organic CAPEX in Refining & Marketing is forecast at around EUR 0.8 bn in 2022 (2021: EUR 0.6 bn).

Chemicals & Materials

- ▶ In 2022, the ethylene indicator margin Europe is expected to be around the 2021 level (2021: EUR 468/t). The propylene indicator margin Europe is expected to be around the 2021 level (2021: EUR 453/t).
- ▶ In 2022, the steam cracker utilization rate in Europe is expected to be slightly below the 2021 level (2021: 90%). Turnarounds are planned at the Stenungsund steam cracker in the second quarter and at the Burghausen steam cracker in the third quarter.
- ▶ In 2022, the polyethylene indicator margin Europe is forecast to be around EUR 400/t (2021: EUR 582/t). The polypropylene indicator margin Europe is expected to be around EUR 600/t (2021: EUR 735/t).
- ▶ In 2022, the polyethylene sales volumes excluding JVs are projected to be above the 2021 level (2021: 1.82 mn t). The polypropylene sales volumes excluding JVs are expected to be slightly above the 2021 level (2021: 2.13 mn t).
- ▶ Organic CAPEX related to Chemicals & Materials is predicted to be around EUR 1.3 bn in 2022 (2021: EUR 0.8 bn).

¹ Organic capital expenditure is defined as capital expenditure including capitalized Exploration and Appraisal expenditure and excluding acquisitions and contingent considerations.

Business segments

Exploration & Production

In EUR mn (unless otherwise stated)

Q4/21	Q3/21	Q4/20	Δ% ¹		2021	2020	Δ%
1,619	1,226	518	n.m.	Clean Operating Result before depreciation and amortization, impairments and write-ups	4,457	1,627	174
1,163	816	184	n.m.	Clean Operating Result	2,837	145	n.m.
205	(477)	(31)	n.m.	Special items	(398)	(1,282)	69
1,368	339	153	n.m.	Operating Result	2,439	(1,137)	n.m.
316	300	301	5	Capital expenditure ²	1,173	1,090	8
73	44	39	90	Exploration expenditure	210	227	(8)
153	45	44	n.m.	Exploration expenses	281	896	(69)
6.37	6.69	6.22	2	Production cost in USD/boe	6.67	6.58	1

Key Performance Indicators

491	470	472	4	Total hydrocarbon production in kboe/d	486	463	5
192	198	182	5	thereof crude oil and NGL production in kboe/d	200	177	13
298	272	290	3	thereof natural gas production in kboe/d	287	286	0
17.7	18.2	16.8	5	Crude oil and NGL production in mn bbl	72.9	64.7	13
161.3	146.7	155.9	3	Natural gas production in bcf	613.2	612.0	0
467	465	454	3	Total hydrocarbon sales volumes in kboe/d	462	439	5
189	213	190	(0)	thereof crude oil and NGL sales volumes in kboe/d	196	177	11
277	251	264	5	thereof natural gas sales volumes in kboe/d	265	262	1
79.76	73.51	44.16	81	Average Brent price in USD/bbl	70.91	41.84	69
77.05	69.57	41.60	85	Average realized crude oil price in USD/bbl ³	65.60	37.97	73
9.61	5.66	3.37	185	Average realized natural gas price in USD/1,000 cf ³	5.97	3.12	91
26.97	15.66	9.26	191	Average realized natural gas price in EUR/MWh ^{3,4}	16.49	8.94	84
1.144	1.179	1.193	(4)	Average EUR-USD exchange rate	1.183	1.142	4

¹ Q4/21 compared to Q4/20² Capital expenditure including acquisitions³ Average realized prices include hedging effects.⁴ The average realized gas price is converted to MWh using a standardized calorific value across the portfolio of 10.8 MWh for 1,000 cubic meters of natural gas.

Fourth quarter 2021 (Q4/21) compared to fourth quarter 2020 (Q4/20)

- ▶ The clean Operating Result grew sharply to EUR 1,163 mn, thanks to strong positive market effects and operational performance.
- ▶ Production up by 19 kboe/d to 491 kboe/d, mainly thanks to Libya, the UAE and Russia; sales volumes followed production.
- ▶ Production cost increased slightly to USD 6.4/boe.

In Q4/21, the **clean Operating Result** increased markedly from EUR 184 mn in Q4/20 to EUR 1,163 mn. A benign market environment was bolstered by an improved operational performance. Net market effects boosted returns by EUR 991 mn, owing to consistently strong commodity price growth, both for crude oil and natural gas, along with a positive FX influence. An adverse impact came from natural gas hedging losses. Operational performance added another EUR 48 mn, on the back of higher production and sales volumes, mainly driven by the return to full operations in Libya, revised OPEC quota restrictions in the United Arab Emirates, and higher natural gas flows in Russia. Q4/21 exploration expenses were mainly caused by the write-off of exploration assets to the tune of EUR 111 mn, EUR 66 mn of which has an impact on the clean Operating Result.

In Q4/21, net **special items** amounted to EUR 205 mn (Q4/20: EUR (31) mn), mainly consisting of temporary natural gas hedging effects and a gain connected to the sale of the stake in the Wisting oil discovery in Norway. Value adjustments of receivables connected to certain E&P assets had an adverse effect of EUR (383) mn. The **Operating Result** strengthened to EUR 1,368 mn (Q4/20: EUR 153 mn).

Production cost excluding royalties increased to USD 6.4/boe (Q4/20: USD 6.2/boe), as costs had been held at a minimum in the previous year's quarter.

The **total hydrocarbon production** volume expanded by 19 kboe/d to 491 kboe/d. While the force majeure in Libya affected Q4/21 output only in the second half of December, production in the same period last year was affected to a higher extent while ramping up after the force majeure in 2020. Output in the UAE grew on the back of revised OPEC quota restrictions. Russian production improved due to the installation of new compressors, restoring export pipeline pressure. Natural decline in Romania and the

divestment of the oil assets in Malaysia and Kazakhstan were limiting factors on production growth. **Total hydrocarbon sales volumes** improved to 467 kboe/d (Q4/20: 454 kboe/d), following the production development.

While the quarterly average oil price growth continued at a similar pace as in the previous quarter, prices saw high levels of volatility within the quarter. Brent's October gains beyond USD 80/bbl, driven by OPEC+ quotas and fears over a potential coal and natural gas shortage over winter were undone during November by Omicron-induced demand uncertainty and a strategic petroleum reserve release in the United States. Brent stayed around or below USD 75/bbl for most of December. Only towards the end of the month did easing Omicron concerns and supply disruptions in Libya and Nigeria drive a price rally. The **average Brent price** increased during the quarter, to USD 79.8/bbl. In a yearly comparison, the oil price rose considerably. This is why the Group's **average realized crude oil price** advanced by 85% year-over-year. On the natural gas side, prices continued their steady upward climb from already high levels and experienced two notable peaks during the quarter. One occurred in early October when the competition for available spot LNG between Europe and Asia intensified. The situation loosened when Russia made good on its promise to increase deliveries to Europe. Still, European inventories at the beginning of the heating season were the lowest in a decade. Uncertainty about the start of Nord Stream 2 and rising political tension between Russia and the Ukraine had prices rising again in the second half of November and into December. The extraordinary premiums that European buyers had to pay to divert LNG cargoes away from Asia led to another price peak just before Christmas. Mild weather relaxed European market tightness as the year ended. OMV's **average realized natural gas price** almost tripled compared to the same quarter last year.

Capital expenditure including capitalized E&A rose from EUR 301 mn to EUR 316 mn in Q4/21, as the COVID-19 pandemic had led to activity cutback in the same quarter last year. In Q4/21, organic capital expenditure was primarily directed at projects in Romania, Norway, and New Zealand. **Exploration expenditure** was raised by 90% to EUR 73 mn in Q4/21 and was mainly related to activities in Romania and New Zealand.

January to December 2021 compared to January to December 2020

The **clean Operating Result** rose sharply from EUR 145 mn to EUR 2,837 mn in 2021. Exceptionally strong market effects of EUR 2,282 mn as a consequence of substantially better oil and gas prices were reinforced by very positive operational effects of EUR 507 mn. They could be achieved thanks to the return to full operations in Libya, revised OPEC quota restrictions in the United Arab Emirates, and the commissioning of a new natural gas field in Tunisia. Sales volumes followed the production development. Depreciation increased by EUR 97 mn in line with production increases.

Net **special items** amounted to EUR (398) mn in 2021 (2020: EUR (1,282) mn), which were mainly related to temporary hedging effects. While net special items in 2020 were mainly related to the impairments triggered by OMV's revision of its long-term Brent crude oil price planning assumptions, the 2021 amount was impacted by the EUR (383) mn value adjustment of receivables connected to certain E&P assets. The **Operating Result** reached EUR 2,439 mn (2020: EUR (1,137) mn).

Production cost excluding royalties was flat at USD 6.7/boe in 2021 (2020: USD 6.6/boe).

The **total hydrocarbon production volume** increased by 23 kboe/d to 486 kboe/d. Libyan production was at full capacity during almost the entire period, while it had been severely affected by a force majeure situation for most of the previous year. Output in the United Arab Emirates grew on the back of revised OPEC quota restrictions and in Tunisia after the commissioning of a new natural gas field. Natural decline in Romania and Austria, the full divestment of operations in Kazakhstan in May 2021, and lower natural gas extraction in New Zealand stifled production growth to some extent. **Total hydrocarbon sales volumes** rose to 462 kboe/d (2020: 439 kboe/d), following the production development.

In 2021, the **average Brent price** reached USD 70.9/bbl, a substantial growth of 69%. The Group's **average realized crude price** improved by 73%. The **average realized gas price** in EUR/MWh advanced by 84%.

Capital expenditure including capitalized E&A was raised to EUR 1,173 mn in 2021 (2020: EUR 1,090 mn), rebounding from the previous austerity-induced level. Organic capital expenditure was primarily directed at projects in Romania, Norway, and New Zealand. **Exploration expenditure** was EUR 210 mn in 2021, a reduction of 8% compared with 2020. It was mainly related to activities in Norway, Romania, and at SapuraOMV.

Proved reserves (1P) as of December 31, 2021, decreased to 1,295 mn boe (thereof OMV Petrom: 419 mn boe), with a one-year Reserve Replacement Rate (RRR) of 77% in 2021 (2020: 102%). The three-year rolling average RRR is 105% (2020: 138%). Proved reserves were added through successful drilling and development activities in Malaysia, New Zealand, and Norway, and improvement in reservoir performance in Norway, Romania, and the United Arab Emirates. These additions were offset to some extent by divestments in Kazakhstan, Romania, and Malaysia. The improvement in global oil prices also had a positive impact on the proved reserves position as of the end of 2021. **Proved and probable reserves (2P)** decreased to 2,197 mn boe (thereof OMV Petrom: 680 mn boe), impacted by the divestments in Kazakhstan, Romania, and Malaysia.

Refining & Marketing

In EUR mn (unless otherwise stated)

Q4/21	Q3/21	Q4/20	Δ ¹		2021	2020	Δ
459	467	264	74%	Clean CCS Operating Result before depreciation and amortization, impairments and write-ups ²	1,431	1,434	(0)%
351	361	161	118%	Clean CCS Operating Result ²	1,001	996	1%
14	6	(33)	n.m.	thereof ADNOC Refining & Trading	(11)	(107)	90%
116	41	79	47%	thereof gas	252	337	(25)%
(258)	(265)	(52)	n.m.	Special items	(509)	22	n.m.
89	38	36	151%	CCS effects: inventory holding gains/(losses) ²	430	(425)	n.m.
182	134	144	26%	Operating Result	922	592	56%
317	120	207	53%	Capital expenditure ³	654	570	15%

Key Performance Indicators

6.25	4.43	1.71	n.m.	OMV refining indicator margin Europe in USD/bbl ⁴	3.67	2.44	50%
95	91	81	14	Utilization rate refineries Europe in %	88	86	2
4.35	4.66	3.78	15%	Fuels and other sales volumes Europe in mn t	16.34	15.45	6%
1.61	1.87	1.47	10%	thereof retail sales volumes in mn t	6.40	5.88	9%
52.99	39.96	50.39	5%	Natural gas sales volumes in TWh	196.39	164.01	20%

Note: As of Q1/21 the Downstream Business Segment was split into Refining & Marketing and Chemicals & Materials. For comparison only, 2020 figures are presented in the new structure.

¹ Q4/21 compared to Q4/20

² Adjusted for special items and CCS effects; further information can be found below the table "Special items and CCS effects."

³ Capital expenditure including acquisitions

⁴ Actual refining margins realized by OMV may vary from the OMV refining indicator margin due to factors including different crude oil slate, product yield, and operating conditions.

Fourth quarter 2021 (Q4/21) compared to fourth quarter 2020 (Q4/20)

- ▶ Clean CCS Operating Result rose strongly to EUR 351 mn, driven by substantially higher refining margins, improved performance by ADNOC Refining & Trading, strong gas business performance, and increased fuel sales volumes.
- ▶ A larger contribution came from the gas business mainly due to a stronger power result and the reversal of certain provisions, and was partly offset by the lower gas logistics result following the divestment of Gas Connect Austria in Q2/21.
- ▶ Margin hedges contributed positively to the result, albeit to a much lesser extent than in Q4/20.

The **clean CCS Operating Result** increased substantially to EUR 351 mn (Q4/20: EUR 161 mn). Strong margins, a positive result from ADNOC Refining & Trading, an improved gas business result, and demand recovery overcompensated for the lower contribution from margin hedges.

The **OMV refining indicator margin Europe** strengthened considerably to USD 6.3/bbl (Q4/20: USD 1.7/bbl). Higher cracks for gasoline, naphtha, and middle distillates were only partially offset by rising energy and loss costs and lower heavy fuel oil cracks. In Q4/21, the **utilization rate of the European refineries** substantially improved by 14 percentage points to 95% (Q4/20: 81%). Higher utilization rates were seen across all three refineries. This can be mostly attributed to a recovery in demand for refined products and, in the case of Schwechat, the lack of maintenance activities this quarter. The Petrobrazi refinery achieved a full utilization, improving on the already high levels of the previous year's quarter. At 4.3 mn t, **fuels and other sales volumes Europe** grew considerably by 15% in the wake of eased COVID-19 travel restrictions. The commercial business showed an increased contribution, boosted by a strong rebound in quantities sold by 22%, along with improved margins. The higher commercial sales volumes are mostly thanks to improved demand for jet fuel compared to Q4/20, when travel restrictions had a major negative impact on aviation activity. The retail business also contributed more to the results on the back of a 10% growth in retail volumes sold, better margins, and higher non-fuel business sales, which more than compensated for higher variable costs.

The contribution of **ADNOC Refining & Trading** rose to EUR 14 mn (Q4/20: EUR (33) mn), mainly due to increased refining margins in ADNOC Refining, thanks to improved market conditions and a higher utilization rate. In addition, ADNOC Global Trading provided a strong support to the result as a consequence of its successful launch at the end of 2020.

The contribution of the **gas business** increased to EUR 116 mn (Q4/20: EUR 79 mn), largely due to an improved power result owing to higher revenues from the electricity balancing market and higher power prices. The earnings also received a strong boost from one-off revenues stemming from the reversal of certain provisions. This was partly offset by the lower logistics result following the divestment of Gas Connect Austria at the end of May 2021 and rising storage, CO₂, energy, and gas expenses. **Natural gas sales volumes** rose by 5% from 50.4 TWh to 53.0 TWh, mainly on account of higher sales volumes in Germany and the Netherlands. This was partially offset by lower sales amounts in Romania as demand decreased following soaring natural gas prices.

Net **special items** amounted to EUR (258) mn (Q4/20: EUR (52) mn) and primarily related to an impairment in ADNOC Refining amounting to EUR (669) mn. The impairment was attributable to lower assumed refining margins and production volumes. This was partially offset by the impact from commodity derivatives. In Q4/21, **CCS effects** of EUR 89 mn were recorded as a consequence of increasing crude oil prices. The **Operating Result** of Refining & Marketing increased by 26% to EUR 182 mn (Q4/20: EUR 144 mn).

Capital expenditure in Refining & Marketing was EUR 317 mn (Q4/20: EUR 207 mn). In Q4/21, organic capital expenditure was predominantly related to investments in the European refineries and retail stations.

January to December 2021 compared to January to December 2020

The **clean CCS Operating Result** was stable at EUR 1,001 mn (2020: EUR 996 mn). Stronger refining margins, improved performance by ADNOC Refining & Trading, and higher demand were offset almost entirely by a lower contribution from margin hedges and a weaker result from the gas business and oil trading. The **OMV refining indicator margin Europe** increased by 50% to USD 3.7/bbl (2020: USD 2.4/bbl), mainly as a consequence of a stronger macro environment. Substantially higher gasoline, naphtha, and jet cracks were only partly offset by weaker diesel cracks, which only rebounded toward the end of the year. In 2021, the **utilization rate of the European refineries** reached a resilient level of 88% (2020: 86%). At 16.3 mn t, **fuels and other sales volumes in Europe** increased by 6%, mainly on account of robust demand recovery. In the commercial business, demand for jet fuel and diesel grew thanks to the easing of travel restrictions, while margins remained fairly constant, pushing up sales volumes. The result from the retail business improved despite lower margins, following an increase of 9% in retail sales quantities, as well as due to a higher contribution from the non-fuel business.

In 2021, the contribution of **ADNOC Refining & Trading** came in at EUR (11) mn (2020: EUR (107) mn), mainly due to better operational performance and a higher refining margin environment. The result was further improved by ADNOC Global Trading following its successful launch at the end of 2020.

The result of the **gas business** declined by 25% to EUR 252 mn (2020: EUR 337 mn), mainly following the divestment of Gas Connect Austria to VERBUND at the end of May 2021. In addition, higher storage, CO₂, gas, and energy expenses, as well as a negative impact from power forward contracts lowered the result. The ability to benefit from high market volatility through supply and sales contracts, higher revenues from the electricity balancing market, and the one-off revenues following the reversal of certain provisions partly compensated for this development. **Natural gas sales volumes** rose significantly from 164.0 TWh to 196.4 TWh, thanks to higher sales quantities in Germany and the Netherlands primarily. This was partially offset by lower sales in Romania.

Net **special items** amounted to EUR (509) mn (2020: EUR 22 mn) and were primarily related to an impairment in ADNOC Refining amounting to EUR (669) mn, which was due to lower assumed refining margins and production volumes. This was partially offset by the effect of commodity derivatives. **CCS effects** of EUR 430 mn were recorded in 2021 as a consequence of a substantially higher crude oil price level, while CCS effects in 2020 amounted to EUR (425) mn following the sharp drop in crude oil prices. The **Operating Result** of Refining & Marketing increased significantly to EUR 922 mn (2020: EUR 592 mn).

Capital expenditure in Refining & Marketing amounted to EUR 654 mn (2020: EUR 570 mn). Organic capital expenditure in 2021 was predominantly related to investments in the European refineries and retail stations.

Chemicals & Materials

In EUR mn (unless otherwise stated)

Q4/21	Q3/21	Q4/20	Δ ¹		2021	2020	Δ
654	752	321	104%	Clean Operating Result before depreciation and amortization, impairments and write-ups	2,770	672	n.m.
512	623	208	146%	Clean Operating Result	2,224	519	n.m.
337	400	81	n.m.	thereof Borealis excluding JVs	1,437	219	n.m.
138	137	81	71%	thereof Borealis JVs	534	81	n.m.
(444)	(5)	1,039	n.m.	Special items	(396)	1,049	n.m.
67	618	1,247	(95)%	Operating Result	1,828	1,568	17%
268	202	4,312	(94)%	Capital expenditure ²	835	4,360	(81)%

Key Performance Indicators

498	489	397	26%	Ethylene indicator margin Europe in EUR/t	468	435	8%
506	488	340	49%	Propylene indicator margin Europe in EUR/t	453	364	25%
458	524	378	21%	Polyethylene indicator margin Europe in EUR/t	582	350	67%
690	748	405	70%	Polypropylene indicator margin Europe in EUR/t	735	413	78%
92	88	60	31	Utilization rate steam crackers Europe in %	90	73	17
1.49	1.50	1.56	(5)%	Polyolefin sales volumes in mn t	5.93	5.95	(0)%
0.43	0.46	0.44	(2)%	thereof polyethylene sales volumes excl. JVs in mn t	1.82	1.76	3%
0.53	0.51	0.54	(2)%	thereof polypropylene sales volumes excl. JVs in mn t	2.13	2.12	1%
0.34	0.33	0.35	(5)%	thereof polyethylene sales volumes JVs in mn t ³	1.25	1.30	(4)%
0.19	0.20	0.23	(16)%	thereof polypropylene sales volumes JVs in mn t ³	0.74	0.77	(4)%

Note: As of Q1/21 the Downstream Business Segment was split into Refining & Marketing and Chemicals & Materials. For comparison only, 2020 figures are presented in the new structure. Following the closing of the acquisition of the additional 39% stake on October 29, 2020, Borealis is fully consolidated in OMV's figures and the at-equity contributions stemming from Borealis JVs are reported separately.

¹ Q4/21 compared to Q4/20

² Capital expenditure including acquisitions, notably the acquisition of an additional 39% stake in Borealis in Q4/20 for USD 4.68 bn

³ Pro-rata volumes of at-equity consolidated companies

Fourth quarter 2021 (Q4/21) compared to fourth quarter 2020 (Q4/20)

- ▶ The clean Operating Result more than doubled to EUR 512 mn, mainly following a substantially better market environment, positive inventory effects, and a higher contribution due to the full consolidation of Borealis.
- ▶ The result generated by Borealis' JVs increased markedly compared to Q4/20, mainly following an improved Asian market environment.
- ▶ Following the closing of the acquisition of an additional 39% stake on October 29, 2020, OMV holds a 75% stake in Borealis, which is thus fully consolidated in OMV's figures and supported the strong result.

The **clean Operating Result** more than doubled to EUR 512 mn (Q4/20: EUR 208 mn), mainly due to substantially higher olefin and polyolefin margins in Europe as well as positive inventory valuation effects. The full consolidation of Borealis and a strong contribution from the Borealis JVs also added to the result.

The contribution of OMV base chemicals grew slightly, mainly following higher ethylene and propylene indicator margins. This was mostly offset by higher customer discounts in light of the increased price levels and the increased cost of the feedstock mix, which also includes other intermediates besides naphtha. The **ethylene indicator margin Europe** increased by 26% to EUR 498/t (Q4/20: EUR 397/t), while the **propylene indicator margin Europe** rose to a greater extent, by 49%, to EUR 506/t (Q4/20: EUR 340/t). Strong European demand elevated prices for ethylene and propylene, overcompensating increases in naphtha prices.

The **utilization rate of the European steam crackers** operated by OMV and Borealis improved significantly by 31 percentage points to 92% in Q4/21 (Q4/20: 60%). Q4/20 has been impacted by the unplanned outage of the Stenungsund steam cracker that began in Q2/20.

The contribution of **Borealis excluding JVs** grew sharply by EUR 256 mn to EUR 337 mn (Q4/20: EUR 81 mn). This was mainly attributable to a very strong performance of the polyolefin business, positive inventory valuation effects, and the full consolidation of Borealis. A one-time payment of a licensing fee related to the Borouge 4 expansion also added to the result. The Borealis base chemicals business weakened despite higher indicator margins and increased production at the Stenungsund steam cracker, following the substantially higher cost of light feedstock and a lower contribution from the phenol business. The polyolefin business saw a steep increase due to substantially higher margins and also positive inventory valuation effects. The **European polyethylene indicator margin** grew by 21% to EUR 458/t (Q4/20: EUR 378/t) while the **European polypropylene indicator margin** rose by 70% to EUR 690/t (Q4/20: EUR 405/t). Margins, in particular for polypropylene, were supported by constraints on deep-sea imports

on account of ongoing logistic limitations and healthy European demand. Compared to Q4/20, polyethylene and polypropylene sales volumes decreased slightly by 2%. Higher sales volumes in the energy and health care industries buoyed demand, but could not offset lower volumes in the mobility and infrastructure industries. The result contributed by the nitrogen business grew compared to Q4/20, mainly on account of positive inventory effects and the reclassification as asset held for sale. In a challenging market environment, the nitrogen business managed to deliver strong sales margins in Q4/21.

The contribution of **Borealis JVs** grew substantially in Q4/21 to EUR 138 mn (Q4/20: EUR 81 mn). This was mainly attributable to a strong market environment in Asia, an effect to some extent offset by lower sales volumes. In Q4/21, the Borealis JVs were consolidated at-equity for the whole quarter, compared with two months in Q4/20, which also increased their contribution. Compared to Q4/20, polyethylene sales volumes from the JVs decreased by 5% while polypropylene sales volumes were down by 16%. While sales volumes in Borouge could not reach the exceptionally high levels of Q4/20, sales volumes from Baystar remained stable.

Net **special items** amounted to EUR (444) mn (Q4/20: EUR 1,039 mn) and were mainly related to the impairment of the nitrogen business of Borealis. In Q4/20, net special items were mainly related to a step-up in the valuation of the previously owned 36% share in Borealis. As a result, the **Operating Result** of Chemicals & Materials came in at EUR 67 mn compared to EUR 1,247 mn in Q4/20.

Capital expenditure in Chemicals & Materials amounted to EUR 268 mn (Q4/20: EUR 4,312 mn). In Q4/20, capital expenditure was mainly related to the acquisition of an additional 39% stake in Borealis for USD 4.68 bn. In Q4/21, besides ordinary running business investments, organic capital expenditure was predominantly related to investments for the construction by Borealis of a new propane dehydrogenation plant in Belgium.

January to December 2021 compared to January to December 2020

The **clean Operating Result** more than quadrupled to EUR 2,224 mn (2020: EUR 519 mn), mainly attributable to substantially higher European polyolefin margins, positive inventory valuation effects, and the full consolidation of Borealis.

The contribution of OMV base chemicals increased, mainly fueled by higher ethylene and propylene indicator margins. The **ethylene indicator margin Europe** grew by 8% to EUR 468/t (2020: EUR 435/t), while the **propylene indicator margin Europe** increased by 25% to EUR 453/t (2020: EUR 364/t). Both saw strong demand throughout the year, in particular in the second half. Propylene indicator margin was able to benefit from a demand recovery in the automotive sector.

The **utilization rate of the European steam crackers** operated by OMV and Borealis improved significantly by 17 percentage points to 90% (2020: 73%). 2020 was impacted by the unplanned outage of the Stenungsund steam cracker that began in Q2/20.

The contribution of **Borealis excluding JVs** soared by EUR 1,219 mn to EUR 1,437 mn (2020: EUR 219 mn), primarily due to the outstanding performance of the polyolefin business and increased contributions from the base chemicals and nitrogen businesses. The Borealis base chemicals business improved largely on account of positive inventory valuation effects and higher capacity utilization at the Stenungsund steam cracker. The polyolefin business saw an unprecedented rise in results, which was driven by a steep increase in margins and positive inventory valuation effects, but also benefited from higher volumes. The **polyethylene indicator margin Europe** increased by 67% to EUR 582/t (2020: EUR 350/t) while the **polypropylene indicator margin Europe** saw a stronger increase, by 78%, to EUR 735/t (2020: EUR 413/t). Both indicator margins were supported by strong demand in the European markets coupled with a tightening supply-demand balance. In particular at the beginning of 2021, a heavy maintenance season limited regional supply while logistic constraints throughout the year inhibited additional supply from outside of Europe. **Polyethylene sales volumes** improved by 3% while **polypropylene sales volumes** grew by 1% compared to 2020. The energy and health care industries in particular drove demand, while volumes in the consumer industry softened. The contribution from the nitrogen business grew compared to 2020, mainly due to positive inventory effects and a positive effect from the reclassification as an asset held for sale.

The contribution of **Borealis' JVs** grew substantially to EUR 534 mn in 2021 (2020: EUR 81 mn). The full consolidation of Borealis and the subsequent separate reporting of the JVs were the main factors in this increase, while much higher polyolefin prices in the Asian markets and in the United States fueled the result. Polyethylene and polypropylene sales volumes generated by the JVs decreased by 4% compared to 2020, mainly on account of lower Borouge sales volumes to logistic constraints in Asia. Baystar sales volumes remained stable in 2021 despite being impacted by the Texas freeze in the first quarter of 2021.

Net **special items** amounted to EUR (396) mn (2020: EUR 1,049 mn) and were mainly related to the impairment of the nitrogen business of Borealis. In 2020, net special items were mainly related to a step-up in the valuation of the previously owned 36% share in Borealis. The **Operating Result** of Chemicals & Materials grew to EUR 1,828 mn compared to EUR 1,568 mn in 2020.

Capital expenditure in Chemicals & Materials amounted to EUR 835 mn (2020: EUR 4,360 mn). Capital expenditure in 2020 was mainly related to the acquisition of an additional 39% stake in Borealis for USD 4.68 bn. In 2021, besides ordinary running business investments, organic capital expenditure predominantly related to investments for the construction of the new propane dehydrogenation plant in Belgium by Borealis.

Preliminary Group Financial Statements (condensed, unaudited)

Income statement (unaudited)

In EUR mn (unless otherwise stated)

Q4/21	Q3/21	Q4/20		2021	2020
13,348	8,512	4,956	Sales revenues	35,555	16,550
471	122	1,461	Other operating income	933	1,877
101	167	62	Net income from equity-accounted investments	600	38
13,921	8,801	6,480	Total revenues and other income	37,087	18,465
(7,662)	(5,258)	(3,024)	Purchases (net of inventory variation)	(20,257)	(9,598)
(1,162)	(851)	(620)	Production and operating expenses	(3,645)	(1,892)
(310)	(138)	(75)	Production and similar taxes	(658)	(325)
(1,846)	(670)	(546)	Depreciation, amortization, impairments and write-ups	(3,750)	(2,418)
(762)	(669)	(546)	Selling, distribution and administrative expenses	(2,746)	(1,896)
(153)	(45)	(44)	Exploration expenses	(280)	(896)
(435)	(90)	(111)	Other operating expenses	(688)	(389)
1,590	1,079	1,513	Operating Result	5,065	1,050
0	0	0	Dividend income	19	19
44	41	49	Interest income	161	177
(83)	(98)	(70)	Interest expenses	(334)	(280)
(16)	(6)	(25)	Other financial income and expenses	(40)	(91)
(55)	(63)	(47)	Net financial result	(194)	(175)
1,535	1,016	1,466	Profit before tax	4,870	875
(858)	(532)	480	Taxes on income	(2,066)	603
677	484	1,946	Net income for the period	2,804	1,478
538	279	1,880	thereof attributable to stockholders of the parent	2,093	1,258
19	25	25	thereof attributable to hybrid capital owners	94	84
120	180	41	thereof attributable to non-controlling interests	617	136
1.65	0.85	5.75	Basic Earnings Per Share in EUR	6.40	3.85
1.64	0.85	5.75	Diluted Earnings Per Share in EUR	6.40	3.85

Statement of comprehensive income (condensed, unaudited)

In EUR mn

Q4/21	Q3/21	Q4/20		2021	2020
677	484	1,946	Net income for the period	2,804	1,478
313	286	(455)	Currency translation differences	946	(1,234)
19	202	(53)	Gains/(losses) on hedges	210	38
0	—	(28)	Share of other comprehensive income of equity-accounted investments	0	(102)
332	488	(536)	Total of items that may be reclassified ("recycled") subsequently to the income statement	1,156	(1,298)
(14)	0	4	Remeasurement gains/(losses) on defined benefit plans	53	4
(1)	—	(2)	Gains/(losses) on investments	(1)	(2)
(15)	24	9	Gains/(losses) on hedges that are subsequently transferred to the carrying amount of the hedged item	17	(113)
(0)	(0)	3	Share of other comprehensive income of equity-accounted investments	(0)	(6)
(30)	24	13	Total of items that will not be reclassified ("recycled") subsequently to the income statement	69	(118)
(4)	(50)	10	Income taxes relating to items that may be reclassified ("recycled") subsequently to the income statement	(41)	(10)
11	(6)	(11)	Income taxes relating to items that will not be reclassified ("recycled") subsequently to the income statement	8	18
7	(55)	(2)	Total income taxes relating to components of other comprehensive income	(33)	8
309	456	(524)	Other comprehensive income for the period, net of tax	1,192	(1,407)
986	940	1,422	Total comprehensive income for the period	3,996	70
812	672	1,437	thereof attributable to stockholders of the parent	3,164	(4)
19	25	25	thereof attributable to hybrid capital owners	94	84
155	243	(40)	thereof attributable to non-controlling interests	739	(9)

Statement of financial position (unaudited)

In EUR mn

	Dec. 31, 2021	Dec. 31, 2020
Assets		
Intangible assets	3,161	3,443
Property, plant and equipment	18,569	19,203
Equity-accounted investments	6,887	8,321
Other financial assets	3,730	3,447
Other assets	113	103
Deferred taxes	1,265	1,179
Non-current assets	33,724	35,695
Inventories	3,150	2,352
Trade receivables	4,518	3,316
Other financial assets	5,148	3,018
Income tax receivables	107	36
Other assets	621	537
Cash and cash equivalents	5,050	2,854
Current assets	18,595	12,112
Assets held for sale	1,479	1,464
Total assets	53,798	49,271
Equity and liabilities		
Share capital	327	327
Hybrid capital	2,483	3,228
Reserves	12,695	10,184
Equity of stockholders of the parent	15,505	13,739
Non-controlling interests	6,491	6,159
Equity	21,996	19,899
Provisions for pensions and similar obligations	1,299	1,458
Bonds	7,275	8,019
Lease liabilities	887	943
Other interest-bearing debts	1,415	1,280
Provisions for decommissioning and restoration obligations	3,683	3,926
Other provisions	643	576
Other financial liabilities	587	454
Other liabilities	118	135
Deferred taxes	1,309	1,229
Non-current liabilities	17,216	18,020
Trade payables	4,860	4,304
Bonds	795	850
Lease liabilities	131	141
Other interest-bearing debts	350	703
Income tax liabilities	1,301	278
Provisions for decommissioning and restoration obligations	72	72
Other provisions	360	304
Other financial liabilities	4,367	3,095
Other liabilities	1,440	868
Current liabilities	13,677	10,616
Liabilities associated with assets held for sale	909	736
Total equity and liabilities	53,798	49,271

February 3, 2022

Statement of changes in equity (condensed, unaudited)

In EUR mn

	Share capital	Capital reserves	Hybrid capital	Revenue reserves	Other reserves ¹	Treasury shares	Equity of stockholders of the parent	Non-controlling interests	Total equity
January 1, 2021	327	1,506	3,228	10,502	(1,820)	(3)	13,739	6,159	19,899
Net income for the period	—	—	—	2,187	—	—	2,187	617	2,804
Other comprehensive income for the period	—	—	—	61	1,009	—	1,071	121	1,192
Total comprehensive income for the period	—	—	—	2,248	1,009	—	3,258	739	3,996
Dividend distribution and hybrid coupon	—	—	—	(699)	—	—	(699)	(268)	(967)
Changes in hybrid capital	—	—	(745)	(43)	—	—	(789)	—	(789)
Disposal of treasury shares	—	1	—	—	—	0	2	—	2
Share-based payments	—	7	—	—	—	—	7	—	7
Increase/(decrease) in non-controlling interests	—	—	—	—	—	—	—	(147)	(147)
Reclassification of cash flow hedges to balance sheet	—	—	—	—	(13)	—	(13)	8	(5)
December 31, 2021	327	1,514	2,483	12,008	(824)	(3)	15,505	6,491	21,996

¹ "Other reserves" contain currency translation differences, unrealized gains and losses from hedges, and the share of other comprehensive income of equity-accounted investments.

	Share capital	Capital reserves	Hybrid capital	Revenue reserves	Other reserves ¹	Treasury shares	Equity of stockholders of the parent	Non-controlling interests	Total equity
January 1, 2020	327	1,506	1,987	9,832	(635)	(4)	13,012	3,851	16,863
Net income for the period	—	—	—	1,341	—	—	1,341	136	1,478
Other comprehensive income for the period	—	—	—	(3)	(1,258)	—	(1,262)	(146)	(1,407)
Total comprehensive income for the period	—	—	—	1,338	(1,258)	—	80	(9)	70
Capital increase	—	—	1,241	—	—	—	1,241	—	1,241
Dividend distribution and hybrid coupon	—	—	—	(673)	—	—	(673)	(209)	(882)
Disposal of treasury shares	—	3	—	—	—	1	4	—	4
Share-based payments	—	(3)	—	—	—	—	(3)	—	(3)
Increase/(decrease) in non-controlling interests	—	—	—	5	—	—	5	2,519	2,524
Reclassification of cash flow hedges to balance sheet	—	—	—	—	73	—	73	8	81
December 31, 2020	327	1,506	3,228	10,502	(1,820)	(3)	13,739	6,159	19,899

¹ "Other reserves" contain currency translation differences, unrealized gains and losses from hedges, and the share of other comprehensive income of equity-accounted investments.

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Summarized statement of cash flows (condensed, unaudited)

In EUR mm

Q4/21	Q3/21	Q4/20		2021	2020
677	484	1,946	Net income for the period	2,804	1,478
1,958	695	561	Depreciation, amortization and impairments including write-ups	3,935	3,197
(71)	(43)	(589)	Deferred taxes	10	(846)
(261)	(1)	(8)	Losses/(gains) on the disposal of non-current assets	(267)	(12)
(223)	71	(165)	Net change in provisions	(29)	(40)
1,375	802	(914)	Other adjustments	2,444	(991)
3,455	2,007	830	Cash flow from operating activities excluding net working capital effects	8,897	2,786
(252)	(444)	(50)	(Increase)/decrease in inventories	(1,084)	288
(1,434)	409	(757)	(Increase)/decrease in receivables	(1,932)	145
1,013	(363)	656	(Decrease)/increase in liabilities	1,136	(82)
2,782	1,608	679	Cash flow from operating activities	7,017	3,137
			Investments		
(758)	(579)	(564)	Intangible assets and property, plant and equipment	(2,497)	(1,960)
(109)	(50)	(95)	Investments, loans and other financial assets	(382)	(194)
—	—	(3,815)	Acquisitions of subsidiaries and businesses net of cash acquired	—	(3,880)
			Disposals		
331	45	10	Proceeds in relation to non-current assets	397	72
74	(13)	15	Proceeds from the sale of subsidiaries and businesses, net of cash disposed	661	15
(461)	(596)	(4,450)	Cash flow from investing activities	(1,820)	(5,948)
(1,330)	(82)	(23)	(Decrease)/increase in long-term borrowings	(2,037)	2,541
89	57	(7)	(Decrease)/increase in short-term borrowings	61	(96)
—	(4)	—	Decrease in non-controlling interest	(4)	—
(80)	(33)	(659)	Dividends paid	(997)	(879)
—	—	—	Hybrid bond	—	1,241
(1,321)	(62)	(689)	Cash flow from financing activities	(2,977)	2,808
(10)	(4)	(5)	Effect of exchange rate changes on cash and cash equivalents	(25)	(66)
990	946	(4,465)	Net (decrease)/increase in cash and cash equivalents	2,195	(69)
4,074	3,128	7,334	Cash and cash equivalents at beginning of period	2,869	2,938
5,064	4,074	2,869	Cash and cash equivalents at end of period	5,064	2,869
14	13	15	thereof cash disclosed within Assets held for sale	14	15
5,050	4,061	2,854	Cash and cash equivalents presented in the consolidated statement of financial position	5,050	2,854
2,321	1,012	(3,771)	Free cash flow	5,196	(2,811)
2,241	978	(4,430)	Free cash flow after dividends	4,199	(3,690)

Selected notes to the preliminary consolidated financial statements

Legal principles

The preliminary condensed consolidated financial statements for 2021 have been prepared in line with the accounting policies that will be used in preparing the OMV Annual Report, which are consistent with those used in the 2020 Annual Report. The final audited, consolidated statements will be published in March 2022 as part of the 2021 Annual Report. The preliminary condensed consolidated financial statements for 2021 are unaudited, and an external review by an auditor was not performed.

The preliminary condensed consolidated financial statements for 2021 have been prepared in million EUR (EUR mn, EUR 1,000,000). Accordingly, there may be rounding differences.

In addition to the preliminary consolidated financial statements, further information on main items affecting the preliminary consolidated financial statements as of December 31, 2021, is given as part of the description of OMV's business segments in the Directors' Report.

Accounting policies

The accounting policies in effect on December 31, 2020, remain largely unchanged. The amendments effective since January 1, 2021, did not have a material effect on the Group's financial statements.

Changes in segment reporting

Starting with Q1/21, the OMV Group structure was reorganized, which involved splitting and expanding the current area of Refining & Petrochemical Operations into two areas: Refining & Marketing and Chemicals & Materials. Internal reporting and the relevant information provided to the chief operating decision-maker in order to assess performance and allocate resources have been updated to reflect the current organization structure.

In order to comply with the provisions of the international reporting standard that regulates segment reporting (IFRS 8), the business segments will be reported as follows: Exploration & Production, Refining & Marketing, and Chemicals & Materials.

The Exploration & Production (former Upstream) segment engages in the businesses of oil and gas exploration, development, and production. The produced oil and gas are primarily sold within the OMV Group.

Refining & Marketing (formerly the fuels part of the Downstream Oil and Downstream Gas business) combines the Refining division and the Marketing & Trading division. The Refining division is accountable for all activities in refining operations, supply of products, bio and intermediate feedstock, as well as gas logistics of the OMV Group. The Marketing division consists of natural gas supply & marketing, retail mobility and convenience, fuel sales and marketing as well as crude supply and trading, and commercial excellence.

The Chemicals & Materials segment (former petrochemicals part of the Downstream segment including Borealis) combines all existing chemicals and circular economy activities in the OMV Group.

Segment reporting information of earlier periods has been adjusted accordingly to comply with IFRS 8.29. The tables below depict the segment reporting information as reported in 2020 and restated after the reorganization:

Intersegmental sales

In EUR mn

	Q1/20	Q2/20	Q3/20	Q4/20	2020
Reported					
Upstream	673	413	460	632	2,178
Downstream	23	15	15	9	63
Corporate and Other	88	88	89	82	348
Total	784	516	565	724	2,589
Restated					
Exploration & Production	673	413	460	632	2,178
Refining & Marketing	401	241	338	365	1,345
Chemicals & Materials	155	88	143	129	515
Corporate & Other	88	88	89	82	348
Total	1,317	831	1,030	1,209	4,387

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Sales to third parties

In EUR mn	Q1/20	Q2/20	Q3/20	Q4/20	2020
Reported					
Upstream	499	286	372	370	1,527
Downstream	4,260	2,850	3,322	4,586	15,019
Corporate and Other	1	1	1	1	4
Total	4,760	3,138	3,696	4,956	16,550
Restated					
Exploration & Production	499	286	372	370	1,527
Refining & Marketing	3,827	2,563	2,974	3,287	12,651
Chemicals & Materials	433	288	348	1,299	2,368
Corporate & Other	1	1	1	1	4
Total	4,760	3,138	3,696	4,956	16,550

Total sales (not consolidated)

In EUR mn	Q1/20	Q2/20	Q3/20	Q4/20	2020
Reported					
Upstream	1,171	700	832	1,002	3,705
Downstream	4,284	2,865	3,338	4,595	15,082
Corporate and Other	89	89	91	83	352
Total	5,545	3,654	4,260	5,680	19,139
Restated					
Exploration & Production	1,171	700	832	1,002	3,705
Refining & Marketing	4,228	2,804	3,312	3,652	13,996
Chemicals & Materials	589	376	491	1,428	2,884
Corporate & Other	89	89	91	83	352
Total	6,077	3,968	4,726	6,165	20,937

Operating Result

In EUR mn	Q1/20	Q2/20	Q3/20	Q4/20	2020
Reported					
Upstream	(9)	(237)	(1,044)	153	(1,137)
Downstream	(18)	342	444	1,392	2,160
Corporate and Other	(20)	(5)	(12)	(19)	(56)
Segment total	(47)	100	(612)	1,526	967
Consolidation: elimination of intersegmental profits	128	(38)	5	(12)	83
OMV Group Operating Result	81	63	(607)	1,513	1,050
Restated					
Exploration & Production	(9)	(237)	(1,044)	153	(1,137)
Refining & Marketing	(151)	246	353	144	592
Chemicals & Materials	133	96	91	1,247	1,568
Corporate & Other	(20)	(5)	(12)	(19)	(56)
Segment total	(47)	100	(612)	1,526	967
Consolidation: elimination of intersegmental profits	128	(38)	5	(12)	83
OMV Group Operating Result	81	63	(607)	1,513	1,050

Assets

In EUR mn	Mar. 31, 2020	June 30, 2020	Sept. 30, 2020	Dec. 31, 2020
Reported				
Upstream	14,302	14,308	12,700	12,662
Downstream	4,623	4,376	4,488	9,721
Corporate and Other	272	269	262	262
Total	19,198	18,953	17,450	22,646
Restated				
Exploration & Production	14,302	14,308	12,700	12,662
Refining & Marketing	4,014	3,767	3,873	3,955
Chemicals & Materials	609	609	614	5,767
Corporate & Other	272	269	262	262
Total	19,198	18,953	17,450	22,646

Clean CCS Operating Result

In EUR mn

	Q1/20	Q2/20	Q3/20	Q4/20	2020
Reported					
Upstream	137	(152)	(24)	184	145
Downstream	501	309	335	369	1,514
Corporate and Other	(15)	(3)	(12)	(17)	(47)
Consolidation: elimination of intersegmental profits	77	(9)	18	(12)	74
Total	699	145	317	524	1,686
Restated					
Exploration & Production	137	(152)	(24)	184	145
Refining & Marketing	367	231	236	161	996
Chemicals & Materials	133	78	99	208	519
Corporate & Other	(15)	(3)	(12)	(17)	(47)
Consolidation: elimination of intersegmental profits	77	(9)	18	(12)	74
Total	699	145	317	524	1,686

Changes in the consolidated Group

Compared with the consolidated financial statements as of December 31, 2020, the consolidated Group changed as follows:

Changes in the consolidated Group

Name of company	Registered office	Type of change ¹	Effective date
Exploration & Production			
Energy Petroleum Taranaki Limited	Wellington	Deconsolidation (M)	January 1, 2021
OMV GSB LIMITED	Wellington	Deconsolidation (M)	January 1, 2021
OMV NZ Services Limited	Wellington	Deconsolidation (M)	January 1, 2021
OMV Taranaki Limited	Wellington	Deconsolidation (M)	January 1, 2021
Petroleum Infrastructure Limited	Wellington	Deconsolidation (M)	January 1, 2021
Taranaki Offshore Petroleum Company of New Zealand	Wellington	Deconsolidation (M)	January 1, 2021
KOM MUNAI LLP	Aktau	Deconsolidation	May 14, 2021
TASBULAT OIL CORPORATION LLP	Aktau	Deconsolidation	May 14, 2021
SapuraOMV Upstream (PM) Inc.	Nassau	Deconsolidation	August 1, 2021
OMV PETROM GEORGIA LLC	Tbilisi	First consolidation	August 31, 2021
OMV (WEST AFRICA) Exploration & Production GmbH in Liqu.	Vienna	Deconsolidation (L)	December 16, 2021
OMV East Abu Dhabi Exploration GmbH	Vienna	Deconsolidation (I)	December 31, 2021
Refining & Marketing			
OMV Retail Deutschland GmbH	Burghausen	First consolidation	January 1, 2021
FE-Trading trgovina d.o.o.	Ljubljana	Deconsolidation (M)	May 31, 2021
AGGM Austrian Gas Grid Management AG	Vienna	Deconsolidation	May 31, 2021
GAS CONNECT AUSTRIA GmbH	Vienna	Deconsolidation	May 31, 2021
Trans Austria Gasleitung GmbH ²	Vienna	Deconsolidation	May 31, 2021
OMV Kraftwerk Haiming GmbH in Liqu.	Haiming	Deconsolidation (L)	August 31, 2021
E-Mobility Provider Austria GmbH ²	Vienna	Deconsolidation	September 30, 2021
SMATRICES GmbH & Co KG ²	Vienna	Deconsolidation	September 30, 2021
Avanti GmbH	Anif	Deconsolidation (M)	October 1, 2021
Haramidere Depoculuk Anonim Şirketi	Istanbul	Deconsolidation	December 3, 2021
Enerco Enerji Sanayi Ve Ticaret A.Ş. ²	Istanbul	Deconsolidation	December 30, 2021
Chemicals & Materials			
CERHA HEMPEL Leilani Holding GmbH ³	Vienna	First consolidation (A)	June 22, 2021
Renasci N.V. ²	Ghent	First consolidation (A)	June 24, 2021
C2PAT GmbH ²	Vienna	First consolidation	August 6, 2021
C2PAT GmbH & Co KG ²	Vienna	First consolidation	October 8, 2021
Borealis US Holdings LLC	Port Murray	Deconsolidation (L)	December 7, 2021

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

² Company consolidated at equity (in case of divestment, at-equity consolidation until reclassification to held for sale)

³ Renamed to Borealis Circular Solutions Holding GmbH

Exploration & Production

Divestments

As per May 14, 2021, OMV Petrom finalized the sale of its 100% share in Kom-Munai LLP and Tasbulat Oil Corporation LLP (both based in Aktau, Kazakhstan) to Magnetic Oil Limited. The sales transaction did not have a significant impact on the income statement.

On August 1, 2021, SapuraOMV Upstream Sdn. Bhd. sold its share in SapuraOMV Upstream (PM) Inc. to Jadestone Energy PLC, a Singapore-based, London-listed independent oil and gas company. SapuraOMV Upstream (PM) Inc. held interests in various producing assets located offshore Peninsular Malaysia. The sales transaction did not have a significant impact on the income statement.

Refining & Marketing

Divestments

On May 31, 2021, OMV closed the transaction to sell its 51% interest in Gas Connect Austria GmbH (based in Vienna) to VERBUND. The purchase price agreed for the 51% OMV stake in Gas Connect Austria GmbH amounts to EUR 271 mn, less dividend payouts for the 2020 business year totaling around EUR 33 mn (for the 51% OMV interest). In addition, VERBUND assumes the outstanding liabilities of Gas Connect Austria GmbH to OMV of around EUR 212 mn. Under the conditions of the purchase agreement, VERBUND has paid approximately EUR 451 mn to OMV. OMV has settled a cash pool liability to a subsidiary of Gas Connect Austria GmbH of around EUR 7 mn. The sales transaction did not have a significant impact on the income statement.

As per September 30, 2021, OMV Downstream GmbH finalized the sale of its 40% share in SMATRICS GmbH & Co KG (based in Vienna) and its 40% share in E-Mobility Provider Austria GmbH (based in Vienna) to VERBUND. Both companies were previously consolidated at-equity. The sales transaction did not have a significant impact on the income statement.

Chemicals & Materials

Investments

In June 2021, OMV subscribed through Borealis Group to a new share issue, thus acquiring 10% in RENASCI N.V., a company incorporated in Belgium. RENASCI N.V. is principally engaged in the development of the proprietary processes and know how about various technologies regarding waste treatment and recycling. This investment is in line with Borealis' strategy to grow its circular economy business. Through the shareholder agreement, Borealis is guaranteed two seats on the board of RENASCI N.V. and participates in major significant financial and operating decisions. The Group has therefore determined that it has significant influence over this entity, even though it only holds 10% of the voting rights. Therefore, the investment is accounted for as an associated company.

Cash flow impact of major divestments

Net cash inflows from disposal of subsidiaries and businesses

In EUR mn

	Gas Connect Group	Kom-Munai LLP and Tasbulat Oil corporation LLP
Consideration received	451	100
less cash disposed	(8)	(5)
Net cash inflows	443	94

Other significant transactions

Refining & Marketing

The plan to divest OMV's business in Slovenia, where OMV currently operates 120 filling stations, led to the reclassification of assets and liabilities in Slovenia as held for sale in Q1/21 without having an impact on the income statement at that time. On June 8, 2021, OMV and MOL Group reached agreement for MOL Group to acquire OMV Slovenia. The transaction is subject to required regulatory approvals and closing is expected in 2022. The agreed purchase price amounts to EUR 301 mn (100% share). As part of the agreement, MOL Group will assume outstanding lease liabilities, resulting in a total enterprise value for the business of approximately EUR 346 mn. The purchase price is subject to customary net working capital and net debt adjustments.

Chemicals & Materials

OMV plans to sell the nitrogen business unit that is part of the Borealis Group (75% held by OMV) including fertilizer, technical nitrogen, and melamine products. This led to the reclassification of the disposal group to assets and liabilities held for sale in Q1/21 without having an impact on the income statement at that time. The company's share in fertilizer production sites in the Netherlands and Belgium ("Rosier") is presently not being considered within the potential sales process.

OMV determines the net position of emission certificates for the group. As of December 31, 2021, an obligation to surrender 2,277,248 emission certificates (market value: EUR 172 mn) related to the nitrogen business unit was not included in the balance sheet line “Liabilities associated with assets held for sale” due to the net presentation policy.

The result of the fair value measurement of the nitrogen business as of December 31, 2021, has led to impairment which is described in more details in the section Notes to the Income Statement – Impairments.

Seasonality and cyclicalit

Seasonality is of significance, especially in the Refining & Marketing and Chemicals & Materials Business Segments. For details, please refer to the “Business Segments” section.

Notes to the income statement

Other notes to the income statement

Sales revenues

In EUR mn

	2021	2020
Revenues from contracts with customers	34,792	16,076
Revenues from other sources	763	474
Total sales revenues	35,555	16,550

Other revenues mainly include revenues from commodity transactions that are within the scope of IFRS 9 “Financial Instruments,” the adjustment of revenues from considering the national oil company’s profit share as income tax in certain production sharing agreements in the Exploration & Production Business Segment, the hedging result, and rental and lease revenues.

Revenues from contracts with customers

In EUR mn

	2021				Total
	Exploration & Production	Refining & Marketing	Chemicals & Materials	Corporate & Other	
Crude oil, NGL, condensates	1,057	1,071	—	—	2,128
Natural gas and LNG	1,043	9,107	—	—	10,150
Fuel, heating oil, and other refining products	—	10,460	—	—	10,460
Chemical products	—	56	10,347	—	10,403
Gas storage, transmission, distribution, and transportation	11	140	—	—	151
Other goods and services	32	1,294	160	13	1,500
Total	2,143	22,129	10,507	13	34,792

Revenues from contracts with customers

In EUR mn

	2020				Total
	Exploration & Production	Refining & Marketing	Chemicals & Materials	Corporate & Other	
Crude oil, NGL, condensates	769	615	—	—	1,384
Natural gas and LNG	715	3,280	—	—	3,995
Fuel, heating oil, and other refining products	—	6,932	—	—	6,932
Chemical products	—	15	2,314	—	2,329
Gas storage, transmission, distribution, and transportation	11	231	—	—	242
Other goods and services	27	1,115	50	3	1,194
Total	1,521	12,188	2,363	3	16,076

Other operating income

On December 17, 2021, OMV (Norge) AS, a fully consolidated affiliate of OMV, closed the divestment of its entire 25% stake in the Wisting licenses to Lundin Energy AB. The purchase price before customary closing adjustments was USD 320 mn, with a contingent payment of up to USD 20 mn depending on final project CAPEX. The economic effective date of the transaction was January 1, 2021. The transaction led to a gain recognized in other operating income of EUR 261 mn.

Impairments

Exploration & Production

Based on impairment testing EUR 111 mn of exploration and appraisal assets were impaired in Q4/21.

Refining & Marketing

The deterioration in the margin outlook led to a change in price assumptions and triggered impairment testing in the ADNOC Refining and Trading CGU which is accounted for at-equity. This led to an impairment of EUR 669 mn due to lower refining margins and production volumes in ADNOC Refining using an after-tax discount rate of 6.61%. A decrease in the margin of USD 1/bbl for all years would lead to an additional impairment of approximately EUR 600 mn.

Chemicals & Materials

Impairment losses of EUR 444 mn were recognized for the nitrogen business unit of Borealis Group to reflect the fair value less cost of disposal as of December 31, 2021. The valuation was based on the binding offer from EuroChem for the acquisition of the disposal group received on February 2, 2022.

Other operating expenses

Other operating expenses included EUR 256 mn losses from fair value changes related to the asset from reserves redetermination rights related to the acquisition of interests in the Yuzhno Russkoye field, which was triggered by reserves reassessment, partly offset by positive discounting effects.

Taxes on income and profit

In EUR mn (unless otherwise stated)

Q4/21	Q3/21	Q4/20		2021	2020
(929)	(575)	(109)	Current taxes	(2,056)	(244)
71	43	589	Deferred taxes	(10)	846
(858)	(532)	480	Taxes on income and profit	(2,066)	603
56	52	(33)	Effective tax rate in %	42	(69)

Notes to the statement of financial position

Commitments

As of December 31, 2021, OMV had contractual obligations for the acquisition of intangible assets and property, plant and equipment of EUR 1,474 mn (December 31, 2020: EUR 1,529 mn), mainly relating to exploration and production activities in Exploration & Production and Chemicals & Materials.

Equity

On June 2, 2021, the Annual General Meeting approved the payment of a dividend of EUR 1.85 per share, resulting in a total dividend payment of EUR 605 mn to OMV Aktiengesellschaft stockholders. Dividend distributions to minority shareholders amounted to EUR 268 mn in 2021.

An interest payment to hybrid capital owners amounting to EUR 94 mn was also made in 2021.

On October 13, 2021, the Executive Board approved that OMV exercises its right to call and redeem the EUR 750 mn hybrid notes issued on November 30, 2015, with the first call date in 2021. The fair value of the hybrid bond was reclassified from equity to short-term bonds as of October 13, 2021. In accordance with § 5 (3) of the terms and conditions of the hybrid bond 2015, OMV called and redeemed the hybrid bond at its nominal value plus interest on the first call date, i.e., November 30, 2021.

The total number of own shares held by the Company as of December 31, 2021, amounted to 261,326 (December 31, 2020: 297,846).

Financial liabilities**Gearing ratio excluding leases ¹**

In EUR mn (unless otherwise stated)

	Q4/21	Q4/20	Δ
Bonds	8,070	8,869	(9)%
Other interest-bearing debts	1,765	2,130	(17)%
Debt excluding leases	9,835	10,999	(11)%
Cash and cash equivalents	5,064	2,869	77%
Net Debt excluding leases	4,771	8,130	(41)%
Equity	21,996	19,899	11%
Gearing ratio excluding leases in %	22	41	(19)

¹ Including assets and liabilities reclassified to held for sale**Fair value measurement**

Financial instruments recognized at fair value are disclosed according to the fair value measurement hierarchy as stated in Note 2 of the OMV Consolidated Financial Statements 2020.

Fair value hierarchy of financial assets ¹ and net amount of assets and liabilities held for sale at fair value

In EUR mn

	Dec. 31, 2021				Dec. 31, 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Equity investments	—	—	17	17	—	—	15	15
Investment funds	30	—	—	30	35	—	—	35
Derivatives designated and effective as hedging instruments	—	398	—	398	—	71	—	71
Other derivatives	40	4,180	—	4,220	69	2,433	—	2,502
Other financial assets at fair value ²	—	—	432	432	—	—	744	744
Net amount of assets and liabilities associated with assets held for sale	—	(23)	377	354	—	98	—	98
Total	70	4,556	826	5,451	104	2,602	759	3,465

¹ Excluding assets held for sale² Includes an asset from reserves redetermination rights related to the acquisition of interests in the Yuzhno-Russkoye field. 2020 included additionally contingent considerations from the divestments of the 30% stake in the Rosebank field and of OMV (U.K.) Limited.**Fair value hierarchy of financial liabilities**

In EUR mn

	Dec. 31, 2021				Dec. 31, 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Liabilities on derivatives designated and effective as hedging instruments	17	85	—	102	—	98	—	98
Liabilities on other derivatives	42	3,935	—	3,977	70	2,349	—	2,418
Total	59	4,019	—	4,079	70	2,446	—	2,516

Financial assets and liabilities valued at amortized cost for which fair values are disclosed ¹

In EUR mn

	Carrying amount	Fair Value	Fair value level		
			Level 1	Level 2	Level 3
		Dec. 31, 2021			
Bonds	63	63	—	63	—
Financial assets	63	63	—	63	—
Bonds	8,070	8,586	8,586	—	—
Other interest-bearing debt	1,765	1,742	—	1,742	—
Financial liabilities	9,835	10,328	8,586	1,742	—
		Dec. 31, 2020			
Bonds	64	64	—	64	—
Financial assets	64	64	—	64	—
Bonds	8,869	9,652	9,352	300	—
Other interest-bearing debt	1,983	2,002	—	2,002	—
Financial liabilities	10,852	11,654	9,352	2,302	—

¹ Excluding assets and liabilities that were reclassified to held for sale**Segment reporting****Intersegmental sales**

In EUR mn

Q4/21	Q3/21	Q4/20	Δ% ¹		2021	2020	Δ%
1,923	1,232	632	n.m.	Exploration & Production	4,828	2,178	122
976	717	365	167	Refining & Marketing	2,780	1,345	107
351	310	129	172	Chemicals & Materials	1,109	515	115
92	90	82	12	Corporate & Other	361	348	4
3,341	2,350	1,209	176	Total	9,079	4,387	107

Sales to third parties

In EUR mn

Q4/21	Q3/21	Q4/20	Δ% ¹		2021	2020	Δ%
848	151	370	129	Exploration & Production	1,884	1,527	23
9,480	5,688	3,287	188	Refining & Marketing	23,148	12,651	83
3,017	2,669	1,299	132	Chemicals & Materials	10,509	2,368	n.m.
4	4	1	n.m.	Corporate & Other	14	4	n.m.
13,348	8,512	4,956	169	Total	35,555	16,550	115

Total sales (not consolidated)

In EUR mn

Q4/21	Q3/21	Q4/20	Δ% ¹		2021	2020	Δ%
2,770	1,384	1,002	177	Exploration & Production	6,712	3,705	81
10,455	6,405	3,652	186	Refining & Marketing	25,928	13,996	85
3,368	2,979	1,428	136	Chemicals & Materials	11,618	2,884	n.m.
96	94	83	16	Corporate & Other	376	352	7
16,689	10,862	6,165	171	Total	44,634	20,937	113

Segment and Group profit

In EUR mn

Q4/21	Q3/21	Q4/20	Δ% ¹		2021	2020	Δ%
1,368	339	153	n.m.	Operating Result Exploration & Production	2,439	(1,137)	n.m.
182	134	144	26	Operating Result Refining & Marketing	922	592	56
67	618	1,247	(95)	Operating Result Chemicals & Materials	1,828	1,568	17
(26)	(19)	(19)	(33)	Operating Result Corporate and Other	(74)	(56)	(33)
1,591	1,071	1,526	4	Operating Result segment total	5,115	967	n.m.
(2)	7	(12)	86	Consolidation: elimination of intersegmental profits	(51)	83	n.m.
1,590	1,079	1,513	5	OMV Group Operating Result	5,065	1,050	n.m.
(55)	(63)	(47)	(17)	Net financial result	(194)	(175)	(11)
1,535	1,016	1,466	5	OMV Group profit before tax	4,870	875	n.m.

¹ Q4/21 compared to Q4/20

February 3, 2022

Assets ¹

In EUR mn

	Dec. 31 2021	Dec. 31, 2020
Exploration & Production	12,217	12,662
Refining & Marketing	3,989	3,955
Chemicals & Materials	5,283	5,767
Corporate & Other	241	262
Total	21,730	22,646

¹ Segment assets consist of intangible assets and property, plant and equipment. They do not include assets reclassified to held for sale.

Other notes**Transactions with related parties**

In 2021, there were arm's length supplies of goods and services between the Group and equity-accounted investments, except for transactions with OJSC Severneftegazprom, which are not based on market prices but on cost plus defined margin.

Material transactions with equity-accounted investments

In EUR mn

	2021		2020	
	Sales and other income	Purchases and services received	Sales and other income	Purchases and services received
Abu Dhabi Polymers Company Limited (Borouge)	108	7	16	0
Borealis AG	—	—	897	31
Borouge Pte. Ltd.	331	494	40	51
Bayport Polymers LLC	6	—	2	—
GENOL Gesellschaft m.b.H.	124	0	93	1
Erdöl-Lagergesellschaft m.b.H.	43	81	51	68
Deutsche Transalpine Oelleitung GmbH	0	29	0	27
Kilpilahti Power Plant LTD	4	74	0	0
Neochim AD ¹	—	10	—	0
OJSC Severneftegazprom	—	127	—	133
Société d'Intérêt Collectif Agricole Laignes Agrifluides (SICA Laignes Agrifluides)	7	—	—	—
Trans Austria Gasleitung GmbH ²	4	11	10	23

¹ Neochim AD was reclassified to held for sale in Q1/21.

² Trans Austria Gasleitung GmbH was sold as of May 31, 2021, as part of the Gas Connect Disposal Group.

Balances with equity-accounted investments

In EUR mn

	Dec. 31 2021	Dec. 31, 2020
Loan receivables	1,017	753
Advance payments	22	16
Trade receivables	134	78
Other receivables	8	7
Contract assets	16	7
Trade payables	188	106
Other payables	1	143
Contract liabilities	120	144

Dividend income from equity-accounted investments

In EUR mn

	2021	2020
Abu Dhabi Petroleum Investments LLC	—	5
Abu Dhabi Polymers Company Limited (Borouge)	1,876	—
Borealis AG	—	108
Bayport Polymers LLC	21	21
Borouge Pte. Ltd.	42	—
Deutsche Transalpine Oelleitung GmbH	1	1
OJSC Severneftegazprom	17	14
Pearl Petroleum Company Limited	30	25
EEX CEGH Gas Exchange Services GmbH	1	1
Società Italiana per l'Oleodotto Transalpino S.p.A.	1	1
Trans Austria Gasleitung GmbH ¹	9	16
Total Group	1,999	191

¹ Trans Austria Gasleitung GmbH was sold as of May 31, 2021, as part of the Gas Connect Disposal Group.

Due to additional loan drawings, the undrawn financing commitment to Bayport Polymers decreased to EUR 251 mn as of December 31, 2021 (December 31, 2020: EUR 407 mn). Further information can be found in the OMV Consolidated Financial Statements 2020 (Note 35 Related Parties).

Information on the government-related entities can be found in the OMV Consolidated Financial Statements 2020 (Note 35 Related Parties). There have been no changes up to the publication of the preliminary consolidated financial statements for 2021.

Subsequent events

On January 20, 2022, the government bill for the Eco Social Tax Reform Act passed the third reading of the National Parliament of Austria. The bill stipulates the reduction in corporate income tax rate from 25% to 24% in 2023 and further to 23% from 2024 onward. Had the new tax rates been substantially enacted as of December 31, 2021, the Group's deferred tax assets would have decreased by EUR 42 mn.

On February 2, 2022, Borealis Group has received a binding offer from EuroChem for the acquisition of Borealis' nitrogen business including fertilizer, melamine and technical nitrogen products. The offer values the business on an enterprise value basis at EUR 455 mn. Borealis Group will initiate mandatory information and consultation procedures with employee representatives. The transaction is also subject to certain closing conditions and regulatory approvals, with closing expected for the second half of 2022. Borealis Group will continue to focus on its core activities of providing innovative and sustainable solutions in the fields of polyolefins and base chemicals and on the transformation towards a circular economy.

February 3, 2022

Declaration of the Management

We confirm to the best of our knowledge that the preliminary and unaudited financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group as required by the applicable accounting standards and that the Group Directors' Report gives a true and fair view of the development and performance of the business, and the position of the Group together with a description of the principal risks and uncertainties that the Group faces.

Vienna, February 3, 2022

The Executive Board

Alfred Stern m.p.
Chairman of the Executive Board,
Chief Executive Officer and
Executive Officer Chemicals & Materials

Johann Pleininger m.p.
Deputy Chairman of the Executive Board
and Executive Officer Exploration & Production

Reinhard Florey m.p.
Chief Financial Officer

Martijn van Koten m.p.
Executive Officer Refining

Elena Skvortsova m.p.
Executive Officer Marketing & Trading

Further Information

Next events

- ▶ OMV Group Trading Update Q1 2022: April 8, 2022
- ▶ OMV Group Report January–March 2022: April 29, 2022
- ▶ OMV Ordinary Annual General Meeting: June 3, 2022

The entire OMV financial calendar and additional information can be found at: www.omv.com

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