OMV Group Factsheet Q2 2022

July 28, 2022

Key Performance Indicators[1]

Group

- Clean CCS Operating Result grew substantially to EUR 2,937 mn, fueled by better performance in Exploration & Production and Refining & Marketing
- Clean CCS net income attributable to stockholders of the parent more than doubled to EUR 1,418 mn; clean CCS Earnings Per Share were EUR 4.34
- Cash flow from operating activities excluding net working capital effects increased substantially to EUR 2,365 mn
- Organic free cash flow before dividends totaled EUR (190) mn, and was significantly impacted by negative net working capital effects, mainly stemming from the filling of our natural gas storage facilities
- Clean CCS ROACE stood at 19%
- Total Recordable Injury Rate (TRIR) was 1.06

Chemicals & Materials

- Polyethylene indicator margin Europe decreased to EUR 442/t; polypropylene indicator margin Europe decreased to EUR 543/t
- Polyolefin sales volumes increased slightly to 1.45 mn t

Refining & Marketing

- OMV refining indicator margin Europe grew sharply to USD 20.5/bbl[2]
- Fuels and other sales volumes Europe decreased by 5% to 3.82 mn t

Exploration & Production[3]

- Production decreased by 145 kboe/d to 345 kboe/d, mainly due to the change in the consolidation method of Russian operations, planned maintenance, and unplanned outages
- Production cost increased by 22% to USD 8.3/boe

Notes: 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. As of Q1/22, the gas business, previously reported in Refining & Marketing, was split into Gas Marketing Western Europe reported under Exploration & Production and Gas & Power Eastern Europe reported under Refining & Marketing. For comparison only, 2021 figures are presented in the new structure.

[1] Figures reflect the Q2/22 period; all comparisons described relate to the same quarter in the previous year except where otherwise mentioned.

[2] As of Q2/22, the refining indicator margin reflects the change in the crude oil reference price from Urals to Brent at OMV Petrom.

[3] As of March 1, 2022, Russian operations are no longer included in Group operational KPIs, Operating Results, or cash flows.

OMV

Outlook

Market environment

In 2022, OMV expects the average Brent crude oil price to be above USD 100/bbl (previous forecast: around USD 95/bbl; 2021: USD 71/bbl). For 2022, the average realized gas price is anticipated to be around EUR 45/MWh (2021: EUR 16.5/MWh).

Group

- In 2022, organic CAPEX is projected to come in at around EUR 3.7 bn[1] (previous forecast: EUR 3.5 bn; 2021: EUR 2.6 bn), including non-cash effective CAPEX related to leases of around EUR 0.6 bn. The increase compared to the previous forecast mainly reflects the consolidation of the nitrogen business for a longer period than initially projected, additional costs following the Schwechat refinery incident, as well as higher CAPEX in E&P primarily due to FX effects.

Chemicals & Materials

- In 2022, the ethylene indicator margin Europe is expected to be above the 2021 level (previous forecast: around 2021 level; 2021: EUR 468/t). The propylene indicator margin Europe is expected to be above the 2021 level (previous forecast: around 2021 level; 2021: EUR 453/t).
- In 2022, the steam cracker utilization rate in Europe is expected to be below the 2021 level (previous forecast: slightly below the 2021 level; 2021: 90%). A turnaround is currently underway at the Burghausen steam cracker. Increased utilization of the Schwechat steam cracker is expected in September/October when the refinery is due to be operational again.
- 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 500/t (previous forecast: EUR 600/t; 2021: EUR 735/t).
- In 2022, the polyethylene sales volumes excluding JVs are projected to be slightly below the 2021 level (previous forecast: above the 2021 level; 2021: 1.82 mn t). The polypropylene sales volumes excluding JVs are expected to be slightly below the 2021 level (previous forecast: slightly above the 2021 level; 2021: 2.13 mn t).
- Organic CAPEX related to Chemicals & Materials is predicted to be around EUR 1.4 bn in 2022 (previous forecast: around EUR 1.3 bn; 2021: EUR 0.8 bn).

Refining & Marketing

- The OMV refining indicator margin Europe is expected to be around USD 15/bbl (previous forecast: significantly above the 2021 level; 2021: USD 3.7/bbl).
- In 2022, fuels and other sales volumes in OMV's markets in Europe are projected to be slightly lower than in 2021 (previous forecast: slightly higher than in 2021; 2021: 16.3 mn t). Commercial margins are forecast to be below those in 2021 (previous forecast: slightly below the 2021 level). Retail margins are forecast to be significantly below the 2021 level.
- In 2022, the utilization rate of the European refineries is expected to be significantly below the prior-year level (previous forecast: around the prior-year level; 2021: 88%). A turnaround is currently underway at the Burghausen refinery. The Schwechat refinery is expected to be operational in September/October.
- Organic CAPEX in Refining & Marketing is forecast at around EUR 0.8 bn in 2022 (2021: EUR 0.6 bn).

Exploration & Production

- OMV expects total production to be around 390 kboe/d in 2022 (2021: 486 kboe/d). As of March 1, 2022, Russian volumes are no longer included in the total production due to a change in consolidation method.
- Organic CAPEX for Exploration & Production is anticipated to come in at around EUR 1.4 bn in 2022 (previous forecast: around EUR 1.3 bn; 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).

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

Group performance

Financial highlights

In EUR mn (unless otherwise stated)

Q2/22	Q1/22	Q2/21	Δ[1]		6m/22	6m/21	Δ
14,793	15,828	7,266	104%	Sales revenues[2]	30,621	13,695	124%
2,937	**2,621**	**1,299**	**126%**	**Clean CCS Operating Result[3]**	**5,558**	**2,169**	**156%**
602	584	647	(7)%	Clean Operating Result Chemicals & Materials[3]	1,187	1,089	9%
745	357	166	n.m.	Clean CCS Operating Result Refining & Marketing[3]	1,102	245	n.m.
1,617	1,768	512	n.m.	Clean Operating Result Exploration & Production[3]	3,385	903	n.m.
(8)	(6)	(16)	48%	Clean Operating Result Corporate & Other[3]	(15)	(23)	36%
(19)	(82)	(10)	(86)%	Consolidation: elimination of intersegmental profits	(101)	(44)	(130)%
37	46	33	4	Clean CCS Group tax rate in %	41	31	11
1,860	1,385	853	118%	Clean CCS net income[3]	3,245	1,452	123%
1,418	**1,070**	**643**	**121%**	**Clean CCS net income attributable to stockholders of the parent[3, 4]**	**2,488**	**1,067**	**133%**
4.34	3.27	1.97	121%	Clean CCS EPS in EUR[3]	7.61	3.26	133%
2,937	**2,621**	**1,299**	**126%**	**Clean CCS Operating Result[3]**	**5,558**	**2,169**	**156%**
543	**108**	**(127)**	**n.m.**	**Special items[5]**	**652**	**(64)**	**n.m.**
196	434	66	199%	CCS effects: inventory holding gains/(losses)	630	291	117%
3,676	**3,164**	**1,238**	**197%**	**Operating Result Group**	**6,840**	**2,396**	**185%**
1,242	561	678	83%	Operating Result Chemicals & Materials	1,803	1,143	58%
1,304	741	219	n.m.	Operating Result Refining & Marketing	2,045	550	n.m.
1,166	1,952	371	n.m.	Operating Result Exploration & Production	3,118	789	n.m.
(16)	(8)	(20)	18%	Operating Result Corporate & Other	(24)	(29)	18%
(19)	(82)	(10)	(87)%	Consolidation: elimination of intersegmental profits	(101)	(56)	(80)%
(14)	(1,043)	(31)	56%	Net financial result	(1,056)	(77)	n.m.
3,662	2,121	1,207	n.m.	Profit before tax	5,783	2,319	149%
31	60	33	(2)	Group tax rate in %	42	29	13
2,513	855	809	n.m.	Net income	3,368	1,644	105%
1,947	546	622	n.m.	Net income attributable to stockholders of the parent[4]	2,493	1,276	95%
5.96	1.67	1.90	n.m.	Earnings Per Share (EPS) in EUR	7.63	3.90	95%
2,365	3,350	1,725	37%	Cash flow from operating activities excl. net working capital effects	5,715	3,436	66%
461	2,676	1,561	(70)%	Cash flow from operating activities	3,137	2,626	19%
1,487	1,519	1,450	3%	Free cash flow before dividends	3,006	1,863	61%
532	1,344	604	(12)%	Free cash flow after dividends	1,876	980	91%
(190)	2,063	948	n.m.	Organic free cash flow before dividends[6]	1,873	1,479	27%
3,113	3,581	7,148	(56)%	Net debt excluding leases	3,113	7,148	(56)%
4,631	5,209	8,339	(44)%	Net debt including leases	4,631	8,339	(44)%
12	15	34	(22)	Gearing ratio excluding leases in %	12	34	(22)
15	18	28	(13)	Leverage ratio in %	15	28	(13)
797	1,322	659	21%	Capital expenditure[7]	2,120	1,152	84%
797	1,036	632	26%	Organic capital expenditure[8]	1,832	1,119	64%
19	16	8	11	Clean CCS ROACE in %[3]	19	8	11
16	10	13	3	ROACE in %	16	13	3
22,338	22,376	23,530	(5)%	Employees	22,338	23,530	(5)%
1.06	0.98	0.94	12%	Total Recordable Injury Rate (TRIR)[9]	1.06	0.94	12%

Note: As of Q1/22, the gas business, previously reported in Refining & Marketing, was split into Gas Marketing Western Europe reported under Exploration & Production and Gas & Power Eastern Europe reported under Refining & Marketing. For comparison only, 2021 figures are presented in the new structure.

[1] Q2/22 compared to Q2/21

[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 a 12-month rolling average per 1 mn hours worked

Second quarter 2022 (Q2/22) compared to second quarter 2021 (Q2/21)

Consolidated sales revenues increased substantially by 104% to EUR 14,793 mn due to significantly higher market prices. The **clean CCS Operating Result** rose considerably by EUR 1,638 mn to a record EUR 2,937 mn due to better performance of Exploration & Production and Refining & Marketing. The clean Operating Result of Chemicals & Materials decreased slightly to EUR 602 mn (Q2/21: EUR 647 mn), while the clean CCS Operating Result of Refining & Marketing improved significantly to EUR 745 mn (Q2/21: EUR 166 mn). In Exploration & Production, the clean Operating Result grew markedly to EUR 1,617 mn (Q2/21: EUR 512 mn). The consolidation line was EUR (19) mn in Q2/22 (Q2/21: EUR (10) mn).

The **clean CCS Group tax rate** came in at 37%, higher than in the same quarter last year (Q2/21: 33%), due to a significantly higher contribution from Exploration & Production, in particular from countries with a high tax regime, partly offset by a higher contribution from Refining & Marketing and from at-equity accounted investments. The **clean CCS net income** rose substantially to EUR 1,860 mn (Q2/21: EUR 853 mn). The **clean CCS net income attributable to stockholders of the parent** was EUR 1,418 mn (Q2/21: EUR 643 mn). **Clean CCS Earnings Per Share** grew to EUR 4.34 (Q2/21: EUR 1.97).

Net **special items** of EUR 543 mn were recorded in Q2/22 (Q2/21: EUR (127) mn) and were mainly driven by the sale of filling stations in Germany in May 2022, the Borouge IPO, and the revaluation of the fertilizer business, partly offset by temporary hedging effects. **CCS effects** of EUR 196 mn were recognized in Q2/22. The reported **Operating Result** improved to EUR 3,676 mn (Q2/21: EUR 1,238 mn).

The **net financial result** increased to EUR (14) mn (Q2/21: EUR (31) mn). This development was mainly due to the improved foreign exchange result, which was partly offset by the lower net interest result attributable mostly to higher interest expenses in relation to the discounting of receivables. The **Group tax rate** came in at 31% (Q2/21: 33%), while **net income** increased to EUR 2,513 mn (Q2/21: EUR 809 mn). **Net income attributable to stockholders of the parent** was EUR 1,947 mn (Q2/21: EUR 622 mn). **Earnings Per Share** rose considerably to EUR 5.96 (Q2/21: EUR 1.90).

As of June 30, 2022, the **net debt excluding leases** decreased to EUR 3,113 mn from EUR 7,148 mn on June 30, 2021. As of June 30, 2022, the **gearing ratio excluding leases** stood at 12% (June 30, 2021: 34%). For further information on the gearing ratio, please see section “Financial liabilities” of the consolidated interim financial statements. The leverage ratio defined as (net debt including leases) / (equity + net debt including leases) amounted to 15% as of June 30, 2022 (June 30, 2021: 28%).

Total **capital expenditure** reached EUR 797 mn (Q2/21: EUR 659 mn) and was driven by organic projects in all three business segments, especially in Exploration & Production and Chemicals & Materials. In Q2/22, **organic capital expenditure** increased by 26% to EUR 797 mn (Q2/21: EUR 632 mn), mainly due to higher investments in Refining & Marketing and Chemicals & Materials.

Business segments

Chemicals & Materials

Second quarter 2022 (Q2/22) compared to second quarter 2021 (Q2/21)

- The clean Operating Result decreased by 7% to EUR 602 mn, mainly due to a normalization of polyolefin margins in Europe, which were at record highs in Q2/21. This was partially compensated for by a substantially higher contribution of the nitrogen business and an increased contribution from the Borealis JVs.
- The result of the Borealis JVs rose by 18%, mainly due to increased sales volumes and higher realized margins by Borouge.
- The utilization rate of the steam crackers in Europe experienced a strong decline following a planned turnaround at the Stenungsund steam cracker, but also following decreased utilization of the Schwechat steam cracker as a result of the planned turnaround and the incident at the crude distillation unit in the Schwechat refinery.
- On June 3, 2022, Borouge PLC was successfully listed on ADX, the Abu Dhabi Securities Exchange. Based on the final offer price of AED 2.45 per share, the Initial Public Offering (IPO) has raised gross proceeds of EUR 1.9 bn for the offering of 10% of the Companies' total issued share capital. Upon listing, ADNOC holds a 54% stake and Borealis a 36% stake in Borouge PLC.

The **clean Operating Result** declined by EUR 45 mn to EUR 602 mn (Q2/21: EUR 647 mn). While European polyolefin margins normalized compared to the record highs seen in Q2/21, the contribution from the nitrogen business and from Borealis JVs increased considerably.

The contribution of OMV base chemicals came in slightly higher, a strong increase in ethylene and propylene indicator margins was largely offset by the negative impact of lower utilization of the Schwechat steam cracker and higher alternative feedstock costs. The **ethylene indicator margin Europe** increased by 38% to EUR 663/t (Q2/21: EUR 480/t), while the **propylene indicator margin Europe** rose by 47% to EUR 673/t (Q2/21: EUR 457/t). Strong European demand and shortages in supply led to higher olefin prices, more than compensating for increases in naphtha prices. Propylene in particular continued to see a tight supply/demand balance. The stronger market environment was to a large extent offset by lower production due to the reduced steam cracker utilization rate in Schwechat and the increased cost of the feedstock mix, which also includes other intermediates besides naphtha. In light of the increased price levels, higher customer discounts were recorded, which in turn benefited the polyolefin business to a large extent, as the majority of the olefin sales are within the Group. In addition, lower benzene margins weighed on the result.

The **utilization rate of the European steam crackers** operated by OMV and Borealis went down considerably, by 37 percentage points, to 56% in Q2/22 (Q2/21: 93%). This was mainly due to the planned turnaround at the Stenungsund steam cracker, which lasted the entire second quarter. In addition, the planned turnaround that took place at the Schwechat refinery and the incident at the crude distillation unit on June 3 also led to a reduced steam cracker utilization rate.

The contribution of **Borealis excluding JVs** decreased slightly by EUR 18 mn to EUR 412 mn (Q2/21: EUR 430 mn). Normalized polyolefin margins, compared to the record highs seen in Q2/21, and a reduced base chemicals business were to a large extent offset by the exceptional performance of the nitrogen business and higher inventory effects. In the base chemicals business, strong increases in olefin indicator margins were more than offset by the impact of the planned turnaround at the Stenungsund steam cracker, negative inventory valuation effects, and larger customer discounts. The contribution of the polyolefin business saw a decline in light of substantially lower polyolefin indicator margins, which were to some extent compensated for by higher inventory effects and larger feedstock discounts. Polyolefin indicator margins declined from the record high levels in Q2/21, when the market experienced an extraordinary tight supply/demand balance, driven by a heavy maintenance season and worldwide logistical constraints. The **European polyethylene indicator margin** declined by 45% to EUR 442/t (Q2/21: EUR 803/t), while the **European polypropylene indicator margin** decreased to a lesser extent by 39% to EUR 543/t (Q2/21: EUR 898/t). Polyolefin indicator margins in Q2/22 experienced the impact of rising feedstock prices, softer demand, and the increased availability of imported volumes from the Middle East and the US. Realized margins for both standard and specialty products were positively impacted by larger feedstock discounts and stronger prices above market indicators for certain product categories. Polyethylene sales volumes came in similar to Q2/21, while polypropylene sales volumes declined by 11%. The decrease in sales volumes was mainly stemming from the consumer products and infrastructure industries, while volumes in the energy industry saw slight increases. The result contribution from the nitrogen business rose sharply compared to Q2/21. Fertilizer prices continued to see unprecedented highs given the tight supply situation and managed to more than offset the increased natural gas prices and negative inventory effects.

The contribution of **Borealis JVs** increased by EUR 24 mn to EUR 159 mn in Q2/22 (Q2/21: EUR 136 mn), mainly following an increased contribution from Borouge. Polyethylene sales volumes from the JVs increased by 14%, while polypropylene sales volumes from the JVs grew to a greater extent, by 38%. In Q2/21, sales volumes at Borouge were negatively impacted by the implementation of an advanced ERP system and by logistical constraints. In Q2/22, Borouge benefited from the ramp-up of the new

polypropylene unit (PP5) and from increased sales from inventory. Compared to Q2/21, Borouge managed to increase the realized premia to benchmark prices on both polyethylene and polypropylene, reflecting the differentiated product mix and the ability to capture regional price opportunities. In the course of Q2/22, Borouge experienced an outage of a Low-Density Polyethylene (LDPE) unit, which is currently expected to last until at least the end of 2022. The ethylene volumes that could not be processed in the LDPE unit were either converted to propylene in the Olefin Conversion Unit (OCU) or sold externally, largely mitigating the financial impact of the LDPE outage. Compared to Q2/21, Baystar experienced a softer market environment as increased ethane prices weighed on margins, while sales volumes remained at similar levels.

Net **special items** amounted to EUR 639 mn (Q2/21: EUR 31 mn) and were mainly due to the successful listing of a 10% share in Borouge, which led to a gain from the disposal of around EUR 0.3 bn. In addition, the binding offer received by AGROFERT for Borealis' nitrogen business triggered a write-up of around EUR 0.3 bn. The **Operating Result** of Chemicals & Materials nearly doubled and came in at EUR 1,242 mn in Q2/22 compared to EUR 678 mn in Q2/21.

Capital expenditure in Chemicals & Materials increased in Q2/22 to EUR 262 mn (Q2/21: EUR 236 mn). In Q2/22, besides ordinary running business investments, organic capital expenditure was predominantly related to investments for the construction of the new propane dehydrogenation plant in Belgium by Borealis and related to the construction of the ReOil® demo plant in Austria.

Refining & Marketing

Second quarter 2022 (Q2/22) compared to second quarter 2021 (Q2/21)

- The clean CCS Operating Result rose strongly to EUR 745 mn, driven by exceptionally high refining indicator margins, a strong result in Gas & Power Eastern Europe, and the significantly improved performance of ADNOC Refining & Trading, only partly offset by the turnaround and incident at the Schwechat refinery and a lower retail result.
- The Gas & Power Eastern Europe business had a considerably higher contribution, mainly stemming from higher gas and power margins.
- ADNOC Refining showed a substantially higher result due to higher refining margins, and further efficiency improvements, while ADNOC Global Trading benefited from the volatile market environment.
- The retail business contributed less due to lower retail margins, higher utilities costs, and the sale of 285 filling stations in Germany in May 2022.

The **clean CCS Operating Result** increased substantially to EUR 745 mn (Q2/21: EUR 166 mn). Very strong refining indicator margins, a better result in Gas & Power Eastern Europe, and a significantly higher contribution from ADNOC Refining & Trading more than compensated for the negative production effects caused by the events at the Schwechat refinery, higher costs driven by turnaround activities, lower retail result and a lower contribution from margin hedges.

As of the second quarter, as Urals is no longer a relevant reference, OMV Petrom changed the crude oil transfer price from Urals to Brent. As a consequence, the Group refining indicator margin calculation is now entirely based on Brent. The change triggered a segment profit shift between R&M and E&P, with a neutral impact at Group level. Historical financials of the divisions have not been adjusted, but the refining indicator margins for previous periods have been recalculated and comments on the quarterly and yearly development refer to them. For transparency reasons, both old and new refining indicator margins are provided.

The **OMV refining indicator margin Europe** strengthened remarkably to USD 20.5/bbl (Q2/21: USD 2.2/bbl). Much higher cracks for diesel, gasoline, and jet fuel were only slightly offset by rising fuel and losses due to the further Brent price increase and lower heavy fuel oil cracks. In Q2/22, the **utilization rate of the European refineries** decreased by 27 percentage points to 58% (Q2/21: 85%), mainly following reduced utilization at the Schwechat refinery due to the planned turnaround and the incident on June 3, 2022, when during a legally required water pressure test in the finalization phase of the refinery turnaround, damage occurred to the main crude oil distillation unit. Partially offsetting was a higher utilization rate at the Burghausen refinery following a recovery in demand for refined products. At 3.8 mn t, **fuels and other sales volumes Europe** decreased by 5% due to lower volumes following the Schwechat incident and higher product prices, which was offset to a certain extent by increased jet fuel sales. The commercial business showed a slightly lower contribution mainly driven by price caps on gasoline and diesel in Hungary and Slovenia, leading to lower commercial margins. This was partially offset by higher jet fuel demand. The retail business contributed significantly less to the result following much lower fuel margins due to price regulations in some markets, as well as due to ongoing pressure from high product quotations and higher utilities and fixed costs. The sale of the German filling stations also resulted in the business making a lower contribution to the result compared to the same quarter last year. Partly compensating was the improved non-fuel business performance driven by rebounded customer frequency.

The contribution of **ADNOC Refining & Trading** to the clean CCS Operating Result increased significantly to EUR 112 mn (Q2/21: EUR (5) mn), mainly as a result of higher refining margins, and further efficiency improvements in ADNOC Refining. In addition, ADNOC Global Trading provided a strong support to the result compared to the same period of last year, as it profited from market volatility.

The contribution of the **Gas & Power Eastern Europe business** to the result rose substantially to EUR 167 mn (Q2/21: EUR 14 mn), mainly due to higher gas margins, as well as a better power result driven by higher power selling prices and higher production, only partly offset by a newly introduced power overtaxation regulation in Romania.

Net **special items** amounted to EUR 363 mn (Q2/21: EUR (13) mn) and were primarily related to the sale of 285 filling stations in Germany in May 2022, partly offset by commodity derivatives. In Q2/22, **CCS effects** of EUR 196 mn were recorded as a consequence of much higher crude oil prices. The **Operating Result** of Refining & Marketing increased significantly to EUR 1,304 mn (Q2/21: EUR 219 mn).

Capital expenditure in Refining & Marketing was EUR 182 mn (Q2/21: EUR 118 mn). In Q2/22, organic capital expenditure was predominantly related to investments in the European refineries, turnaround activities, and retail stations.

Exploration & Production

Second quarter 2022 (Q2/22) compared to second quarter 2021 (Q2/21)

- The clean Operating Result grew sharply to EUR 1,617 mn thanks to substantially higher oil and gas prices, offsetting lower operational performance.
- Production was down by 145 kboe/d to 345 kboe/d, mainly due to the change in the consolidation method of Russian operations, planned maintenance, and unplanned outages at various locations.
- Production cost increased to USD 8.3/boe due to the change in consolidation method of Russian operations as of March 1, 2022.

In Q2/22, the **clean Operating Result** rose sharply from EUR 512 mn in Q2/21 to EUR 1,617 mn. A favorable market environment was confronted with lower operational performance. Net market effects boosted returns by EUR 1,555 mn owing to the persistently strong commodity price growth for both crude oil and natural gas, as well as a positive FX influence. Operational performance lowered the result by EUR 461 mn. Production decreased mainly due to the change in the consolidation method of Russian operations, but also in Libya, Malaysia, New Zealand, Norway, and Romania, while production increased in the United Arab Emirates. Gas Marketing Western Europe contributed negatively to the result, mainly due to supply curtailments, impairments of receivables and valuation adjustments.

In Q2/22, net **special items** amounted to EUR (451) mn (Q2/21: EUR (142) mn), with the majority arising from valuation effects of commodity derivatives in Gas Marketing Western Europe and to a lesser extent from impairments on a number of assets. The **Operating Result** strengthened to EUR 1,166 mn (Q2/21: EUR 371 mn).

Production cost excluding royalties increased to USD 8.3/boe (Q2/21: USD 6.8/boe), driven by the change in consolidation method of Russian operations as of March 1, 2022.

The **total hydrocarbon production** volume decreased by 145 kboe/d to 345 kboe/d. The main reasons for this decline were the change in the consolidation method of Russian operations as of March 1, 2022, and the force majeure that was declared in Libya following politically motivated closures. Other decreases were caused by planned maintenance works in Malaysia and New Zealand, an unplanned outage in Norway, and natural decline in Romania. Production increased in the United Arab Emirates after a revision of OPEC restrictions. **Total hydrocarbon sales volumes** decreased to 314 kboe/d (Q2/21: 459 kboe/d). In addition to the factors affecting the production development, sales volumes suffered mainly from fewer liftings in Libya.

The development of the oil price was highly volatile during the second quarter, with concerns over demand, most notably in China, standing against Russian supply risks. The price during the quarter ranged from just under USD 100/bbl after a release of strategic reserves early April to over USD 120/bbl at the end of May and early June, when China eased its COVID-19 restrictions and the EU agreed on a ban on seaborne Russian oil imports. Other conflicting factors such as Libyan supply reductions and a strengthening US dollar further added to the price volatility. Over the entire quarter, the **average Brent price** rose by more than 11%, averaging at USD 113.9/bbl. In a yearly comparison, the Group's **average realized crude oil price** increased by 78%, partly driven by a change in the transfer price calculation for Romanian crude oil production. On the natural gas side, prices eased during the first two months of the second quarter as a consequence of mild weather and ample LNG availability for Europe. The latter was made possible as Chinese COVID-19 lockdowns and warm weather in Northeast Asia lowered local demand. These developments offset the effects stemming from lower Russian deliveries that started with a supply cut for Poland and Bulgaria. June saw prices rallying again, mainly driven by further reductions of Russian natural gas supplies to Europe. Consequently, the second quarter ended higher than it started for many of the European hub gas price benchmarks. With Russian volumes being excluded from Group production due to the change in the consolidation method and the natural gas price hedging program having ended, OMV's **average realized natural gas price** in EUR/MWh increased significantly compared to the same quarter of the previous year.

Capital expenditure including capitalized E&A rose from EUR 300 mn to EUR 341 mn in Q2/22, due to a higher level of activity compared to the same quarter last year. In Q2/22, organic capital expenditure was primarily directed at projects in Romania, New Zealand, and Norway. **Exploration expenditure** increased by 20% to EUR 57 mn in Q2/22 and was mainly related to activities in Malaysia, New Zealand, Norway, and Romania.

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.