Q2

Quarterly Report 2023

OMV Group

OMV

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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–June and Q2 2023 including condensed consolidated interim financial statements as of June 30, 2023

Key Performance Indicators[1]

Group

- Clean CCS Operating Result lessened to EUR 1,179 mn due to a lower contribution from all business segments
- Clean CCS net income attributable to stockholders of the parent decreased to EUR 472 mn; clean CCS Earnings Per Share were EUR 1.44
- Cash flow from operating activities excluding net working capital effects declined to EUR –375 mn, mainly due to a less favorable market environment and significant tax payments
- Organic free cash flow totaled EUR –595 mn
- Clean CCS ROACE stood at 15%
- Total Recordable Injury Rate (TRIR) was 1.33

Chemicals & Materials

- Polyethylene indicator margin Europe declined to EUR 320/t, polypropylene indicator margin Europe decreased to EUR 372/t
- Polyolefin sales volumes decreased to 1.36 mn t

Fuels & Feedstock

- OMV refining indicator margin Europe decreased to USD 7.6/bbl
- Fuels and other sales volumes Europe were higher at 4.02 mn t

Energy

- Production rose by 8 kboe/d to 353 kboe/d
- Production cost increased by 20% to USD 9.9/boe

Key events

- On July 14: OMV decides to pursue negotiations with ADNOC on a potential cooperation regarding their polyolefins businesses
- On July 5: Borealis completes the sale of its nitrogen business to AGROFERT
- On July 5: OMV secures additional gas transport capacities until 2028
- On June 30: Sale of OMV Slovenia to MOL Group closed
- On June 30: Borealis to acquire Rialti S.p.A., a leading European producer of recycled polypropylene compounds
- On June 28: OMV's plan for the Berling gas and condensate discovery approved by Norwegian authorities
- On June 21: OMV announces final investment decision taken by OMV Petrom for natural gas deep-water project Neptun Deep
- On June 20: Alfred Stern reappointed as CEO of OMV
- On June 14: OMV and Eavor join forces in geothermal technology
- On April 14: Mark Garrett to resign as OMV Supervisory Board Chairman at 2023 Annual General Meeting
- On April 3: Aker BP and OMV awarded licence for CO_2 storage

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 Q1/23, the Gas & Power Eastern Europe business was transferred from Fuels & Feedstock to the Energy business segment and is now reported together with Gas Marketing Western Europe under "Gas Marketing & Power." For comparison only, 2022 figures are presented in the new structure.

[1] Figures reflect the Q2/23 period; all comparisons described relate to the same quarter in the previous year except where otherwise mentioned.

Directors' Report (condensed, unaudited)

Group performance

Financial highlights

In EUR mn (unless otherwise stated)

Q2/23	Q1/23	Q2/22	Δ[1]		1–6/23	1–6/22	Δ
8,983	10,964	14,793	–39%	Sales revenues	19,947	30,621	–35%
1,179	**2,079**	**2,937**	**–60%**	**Clean CCS Operating Result[2]**	**3,258**	**5,558**	**–41%**
7	94	602	–99%	Clean Operating Result Chemicals & Materials[2]	101	1,187	–92%
283	581	578	–51%	Clean CCS Operating Result Fuels & Feedstock[2]	865	788	10%
895	1,479	1,784	–50%	Clean Operating Result Energy[2]	2,374	3,700	–36%
–19	–7	–8	–121%	Clean Operating Result Corporate & Other[2]	–26	–15	–73%
13	–69	–19	n.m.	Consolidation: elimination of intersegmental profits	–56	–101	45%
46	39	37	10	Clean CCS Group tax rate in %	42	41	1
636	1,260	1,860	–66%	Clean CCS net income[2]	1,896	3,245	–42%
472	**1,025**	**1,418**	**–67%**	**Clean CCS net income attributable to stockholders of the parent[2]**	**1,497**	**2,488**	**–40%**
1.44	3.13	4.34	–67%	Clean CCS EPS in EUR[2]	4.58	7.61	–40%
1,179	**2,079**	**2,937**	**–60%**	**Clean CCS Operating Result[2]**	**3,258**	**5,558**	**–41%**
105	**–533**	**543**	**–81%**	**Special items[3]**	**–428**	**652**	**n.m.**
–51	–168	196	n.m.	CCS effects: inventory holding gains/(losses)	–219	630	n.m.
1,233	**1,378**	**3,676**	**–66%**	**Operating Result Group**	**2,611**	**6,840**	**–62%**
–83	76	1,242	n.m.	Operating Result Chemicals & Materials	–7	1,803	n.m.
422	427	1,237	–66%	Operating Result Fuels & Feedstock	849	1,856	–54%
905	956	1,233	–27%	Operating Result Energy	1,860	3,306	–44%
–25	–7	–16	–54%	Operating Result Corporate & Other	–32	–24	–34%
14	–73	–19	n.m.	Consolidation: elimination of intersegmental profits	–60	–101	41%
5	–5	–14	n.m.	Net financial result	1	–1,056	n.m.
1,238	1,373	3,662	–66%	Profit before tax prior to solidarity contribution	2,611	5,783	–55%
–402	—	—	n.a.	Solidarity contribution on refined crude oil	–402	—	n.a.
837	1,373	3,662	–77%	Profit before tax	2,210	5,783	–62%
61	57	31	30	Group tax rate in %	58	42	17
326	592	2,513	–87%	Net income	918	3,368	–73%
380	390	1,947	–80%	Net income attributable to stockholders of the parent	770	2,493	–69%
1.16	1.19	5.96	–80%	Earnings Per Share (EPS) in EUR	2.35	7.63	–69%
–375	2,003	2,365	n.m.	Cash flow from operating activities excl. net working capital effects	1,628	5,715	–72%
226	2,687	461	–51%	Cash flow from operating activities	2,912	3,137	–7%
–561	1,702	1,487	n.m.	Free cash flow	1,141	3,006	–62%
–2,454	1,702	532	n.m.	Free cash flow after dividends	–752	1,876	n.m.
–595	1,839	–190	n.m.	Organic free cash flow[4]	1,244	1,873	–34%
3,091	639	4,631	–33%	Net debt	3,091	4,631	–33%
11	2	15	–4	Leverage ratio in %	11	15	–4
1,043	809	797	31%	Capital expenditure[5]	1,852	2,120	–13%
1,004	793	797	26%	Organic capital expenditure[6]	1,797	1,832	–2%
15	19	19	–4	Clean CCS ROACE in %[2]	15	19	–4
9	16	16	–7	ROACE in %	9	16	–7
22,271	22,194	22,338	–0%	Employees	22,271	22,338	–0%
1.33	1.30	1.09	22%	Total Recordable Injury Rate (TRIR)[7]	1.33	1.09	22%

Note: As of Q1/23, the Gas & Power Eastern Europe business was transferred from Fuels & Feedstock to the Energy business segment and is now reported together with Gas Marketing Western Europe under "Gas Marketing & Power." For comparison only, 2022 figures are presented in the new structure.

[1] Q2/23 compared to Q2/22

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

[3] 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.

[4] Organic free cash flow is cash flow from operating activities and cash flow from investing activities excluding disposals and material inorganic cash flow components.

[5] Capital expenditure including acquisitions

[6] Organic capital expenditure is defined as capital expenditure including capitalized E&A expenditure and excluding acquisitions and contingent considerations.

[7] Calculated as a 12-month rolling average per 1 mn hours worked

Second quarter 2023 (Q2/23) compared to second quarter 2022 (Q2/22)

Consolidated sales revenues decreased by 39% to EUR 8,983 mn, mainly due to significantly lower market prices. The **clean CCS Operating Result** declined substantially by EUR 1,757 mn to EUR 1,179 mn due to lower performance of all three business segments. In Energy, the clean Operating Result fell considerably to EUR 895 mn (Q2/22: EUR 1,784 mn). The clean Operating Result of Chemicals & Materials declined markedly to EUR 7 mn (Q2/22: EUR 602 mn), and the clean CCS Operating Result of Fuels & Feedstock decreased to EUR 283 mn (Q2/22: EUR 578 mn). The consolidation line was EUR 13 mn in Q2/23 (Q2/22: EUR –19 mn).

The **clean CCS Group tax rate** came in at 46% (Q2/22: 37%), mostly due to an increased share in the overall Group profits of the Energy companies located in countries with a high tax regime. The **clean CCS net income** decreased to EUR 636 mn (Q2/22: EUR 1,860 mn). The **clean CCS net income attributable to stockholders of the parent** was EUR 472 mn (Q2/22: EUR 1,418 mn). **Clean CCS Earnings Per Share** declined considerably to EUR 1.44 (Q2/22: EUR 4.34).

Net **special items** of EUR 105 mn were recorded in Q2/23 (Q2/22: EUR 543 mn) and were mainly driven by the sale of OMV's filling station and wholesale business in Slovenia, partially offset by an impairment of Borealis' nitrogen business. **CCS effects** of EUR –51 mn were recognized in Q2/23. The reported **Operating Result** declined considerably to EUR 1,233 mn (Q2/22: EUR 3,676 mn).

The **net financial result** increased to EUR 5 mn (Q2/22: EUR –14 mn). This development was mainly due to a higher net interest result, which was partly offset by a lower foreign exchange result. The Group tax rate increased to 61% (Q2/22: 31%) and was mainly impacted by the solidarity contribution on refined crude oil in Romania (which decreases profit before tax but is a non-deductible expense for tax purposes) and an increased share in the overall Group profits of the Energy companies located in countries with a high tax regime. **Net income** decreased significantly to EUR 326 mn (Q2/22: EUR 2,513 mn) and **net income attributable to stockholders of the parent** went down to EUR 380 mn (Q2/22: EUR 1,947 mn). **Earnings Per Share** declined considerably to EUR 1.16 (Q2/22: EUR 5.96).

The **leverage ratio** defined as (net debt including leases) / (equity + net debt including leases) amounted to 11% as of June 30, 2023 (June 30, 2022: 15%). For further information on the leverage ratio, please see the section "Financial liabilities" of the condensed consolidated interim financial statements.

Total **capital expenditure** increased to EUR 1,043 mn (Q2/22: EUR 797 mn) and was mainly driven by higher investments in all three segments, especially in Fuels & Feedstock. In Q2/23, **organic capital expenditure** went up by 26% to EUR 1,004 mn (Q2/22: EUR 797 mn), mainly due to higher investments in Fuels & Feedstock and Chemicals & Materials.

January to June 2023 (1–6/23) compared to January to June 2022 (1–6/22)

Consolidated sales revenues decreased by 35% to EUR 19,947 mn due to significantly lower market prices. The **clean CCS Operating Result** declined from EUR 5,558 mn in 1–6/22 to EUR 3,258 mn, mainly driven by lower performance of Energy and Chemicals & Materials. In Energy, the clean Operating Result decreased to EUR 2,374 mn (1–6/22: EUR 3,700 mn). The clean Operating Result of Chemicals & Materials declined significantly to EUR 101 mn (1–6/22: EUR 1,187 mn), while the clean CCS Operating Result of Fuels & Feedstock increased to EUR 865 mn (1–6/22: EUR 788 mn). The consolidation line was EUR –56 mn in 1–6/23 (1–6/22: EUR –101 mn).

The **clean CCS Group tax rate** in 1–6/23 came in at 42% (1–6/22: 41%), while **clean CCS net income** decreased substantially to EUR 1,896 mn (1–6/22: EUR 3,245 mn). The **clean CCS net income attributable to stockholders** amounted to EUR 1,497 mn (1–6/22: EUR 2,488 mn). **Clean CCS Earnings Per Share** were EUR 4.58 (1–6/22: EUR 7.61).

Net **special items** of EUR –428 mn were recorded in 1–6/23 (1–6/22: EUR 652 mn), and were mainly driven by temporary hedging effects and an impairment of Borealis' nitrogen business, which was partly offset by the sale of OMV's filling station and wholesale business in Slovenia. **CCS effects** of EUR –219 mn were recognized in 1–6/23. The reported **Operating Result** showed a strong decline to EUR 2,611 mn (1–6/22: EUR 6,840 mn).

The **net financial result** increased to EUR 1 mn (1–6/22: EUR –1,056 mn). The negative net financial result in 1–6/22 was mainly related to the impairment of the Nord Stream 2 loan booked in 2022 in the amount of EUR 1,004 mn. The remaining increase in the net financial result in 1–6/23 is mostly attributable to a higher net interest result, which was partly offset by a lower foreign exchange result. The **Group tax rate** in 1–6/23 increased to 58% (1–6/22: 42%) and was mainly impacted by the solidarity contribution on refined crude oil in Romania (which decreases profit before tax but is a non-deductible expense for tax purposes) and an increased share in the overall Group profits of the Energy companies located in countries with a high tax regime. Net income decreased to EUR 918 mn (1–6/22: EUR 3,368 mn) and **net income attributable to stockholders of the parent** went down to EUR 770 mn (1–6/22: EUR 2,493 mn). **Earnings Per Share** declined to EUR 2.35 (1–6/22: EUR 7.63).

Total **capital expenditure** decreased to EUR 1,852 mn (1–6/22: EUR 2,120 mn), mainly driven by lower investments in Chemicals & Materials. The first half of 2022 was impacted by significant non-cash effective capital expenditure related to leases for the construction of the PDH plant in Kallo, Belgium, and an equity injection to finance the Borouge 4 project. **Organic capital expenditure** went down by 2% to EUR 1,797 mn (1–6/22: EUR 1,832 mn), mainly due to a decrease in investments in Chemicals & Materials, partially offset by higher organic investments in Fuels & Feedstock and Energy.

Reconciliation of clean CCS Operating Result to reported Operating Result

In EUR mn

Q2/23	Q1/23	Q2/22	Δ%[1]		1–6/23	1–6/22	Δ%
1,179	**2,079**	**2,937**	**–60**	**Clean CCS Operating Result[2]**	**3,258**	**5,558**	**–41**
105	**–533**	**543**	**–81**	**Special items**	**–428**	**652**	**n.m.**
–7	–1	–3	–132	thereof personnel restructuring	–8	–4	–90
–70	—	146	n.m.	thereof unscheduled depreciation/write-ups	–70	137	n.m.
222	—	730	–70	thereof asset disposals	222	730	–70
–40	–533	–329	88	thereof other[3]	–573	–211	–171
–51	–168	196	n.m.	CCS effects: inventory holding gains/(losses)	–219	630	n.m.
1,233	**1,378**	**3,676**	**–66**	**Operating Result Group**	**2,611**	**6,840**	**–62**

[1] Q2/23 compared to Q2/22

[2] Adjusted for special items and CCS effects

[3] The category “other” includes for example: temporary commodity hedging effects and associated transactions, donations, and provisions.

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. 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

Q2/23	Q1/23	Q2/22	Δ%[1]		1–6/23	1–6/22	Δ%
–375	2,003	2,365	n.m.	Cash flow from operating activities excluding net working capital effects	1,628	5,715	–72
226	2,687	461	–51	Cash flow from operating activities	2,912	3,137	–7
–787	–984	1,026	n.m.	Cash flow from investing activities	–1,771	–132	n.m.
–561	1,702	1,487	n.m.	Free cash flow	1,141	3,006	–62
–2,692	–106	–955	–182	Cash flow from financing activities	–2,798	–1,440	–94
–7	–8	4	n.m.	Effect of exchange rate changes on cash and cash equivalents	–15	–60	75
–3,260	1,588	536	n.m.	Net increase (+)/decrease (–) in cash and cash equivalents	–1,672	1,506	n.m.
9,712	8,124	6,034	61	Cash and cash equivalents at beginning of period	8,124	5,064	60
6,452	**9,712**	**6,570**	**–2**	**Cash and cash equivalents at end of period**	**6,452**	**6,570**	**–2**
197	252	28	n.m.	thereof cash disclosed within assets held for sale	197	28	n.m.
6,255	**9,460**	**6,542**	**–4**	**Cash and cash equivalents presented in the consolidated statement of financial position**	**6,255**	**6,542**	**–4**
–2,454	**1,702**	**532**	**n.m.**	**Free cash flow after dividends**	**–752**	**1,876**	**n.m.**
–595	**1,839**	**–190**	**n.m.**	**Organic free cash flow before dividends[2]**	**1,244**	**1,873**	**–34**

[1] Q2/23 compared to Q2/22

[2] Organic free cash flow before dividends is cash flow from operating activities and cash flow from investing activities excluding disposals and material inorganic cash flow components (e.g., acquisitions).

Second quarter 2023 (Q2/23) compared to second quarter 2022 (Q2/22)

In Q2/23, **cash flow from operating activities excluding net working capital effects** decreased significantly to EUR –375 mn (Q2/22: EUR 2,365 mn), mainly due to a less favorable market environment and significant tax payments in Norway, as well as payments related to the solidarity contribution in Romania. Net working capital effects generated a cash inflow of EUR 600 mn, compared to a cash outflow of EUR –1,904 mn in Q2/22. Positive net working capital effects in Q2/23 were mainly attributable to a lower price environment. As a result, **cash flow from operating activities** came in at EUR 226 mn in Q2/23 (Q2/22: EUR 461 mn).

Cash flow from investing activities showed an outflow of EUR –787 mn compared to an inflow of EUR 1,026 mn in Q2/22. Q2/22 included inflows from the Initial Public Offering of Borouge PLC in the amount of EUR 745 mn, a partial loan repayment from Bayport Polymers LLC of EUR 602 mn, and the divestment of the retail network in Germany of EUR 416 mn. Q2/23 included an inflow of EUR 272 mn from the divestment of OMV's filling station and wholesale business in Slovenia.

Free cash flow amounted to EUR –561 mn (Q2/22: EUR 1,487 mn).

Cash flow from financing activities recorded an outflow of EUR –2,692 mn compared to EUR –955 mn in Q2/22, mostly due to an increase in dividend payments of EUR 938 mn to EUR 1,893 mn, as well as the repayment of a bond of EUR 750 mn in Q2/23.

Free cash flow after dividends totaled EUR –2,454 mn in Q2/23 (Q2/22: EUR 532 mn).

Organic free cash flow before dividends totaled EUR –595 mn (Q2/22: EUR –190 mn).

January to June 2023 (1–6/23) compared to January to June 2022 (1–6/22)

In 1–6/23, **cash flow from operating activities excluding net working capital effects** declined to EUR 1,628 mn (1–6/22: EUR 5,715 mn), mainly due to a less favorable market environment and significant tax payments in Norway, as well as payments related to the solidarity contribution in Romania. Net working capital effects came in at EUR 1,284 mn as a result of a lower price environment and volume effects in the gas business. **Cash flow from operating activities** decreased by 7% to EUR 2,912 mn (1–6/22: EUR 3,137 mn).

Cash flow from investing activities showed an outflow of EUR –1,771 mn in 1–6/23, compared to EUR –132 mn in 1–6/22. Cash flow from investing activities in 1–6/22 included inflows from the Initial Public Offering of Borouge PLC in the amount of EUR 745 mn, a partial loan repayment from Bayport Polymers LLC of EUR 602 mn, and the divestment of the retail network in Germany of EUR 416 mn. Moreover, cash flow from investing activities in 1–6/22 included outflows for the capital contribution to Borouge 4 LLC in the amount of EUR –287 mn as well as cash disposed of in the amount of EUR –208 mn related to the loss of control of JSC GAZPROM YRGM Development. 1–6/23 included an inflow of EUR 272 mn from the divestment of OMV's filling station and wholesale business in Slovenia.

Free cash flow totaled EUR 1,141 mn (1–6/22: EUR 3,006 mn).

Cash flow from financing activities showed an outflow of EUR –2,798 mn compared to EUR –1,440 mn in 1–6/22, mostly due to an increase in dividend payments of EUR 763 mn to EUR 1,893 mn, as well as the repayment of a bond of EUR 750 mn in 1–6/23.

Free cash flow after dividends amounted to EUR –752 mn in 1–6/23 (1–6/22: EUR 1,876 mn).

Organic free cash flow before dividends amounted to EUR 1,244 mn (1–6/22: EUR 1,873 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 2022 Annual Report (pages 83–87).

The main uncertainties that can influence the OMV Group's performance are commodity price risks, FX risks, 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.

OMV continues to closely monitor the ongoing Russian war on Ukraine and any additional sanctions and countersanctions resulting from it. The Company regularly reviews the potential further impact on its business activities. Continued and/or intensified disruptions in Russian commodity flows to Europe could result in further increases in European energy prices. Sanctions on Russia and countersanctions issued by Russia could lead to disruptions in global supply chains and shortages in, e.g., energy products, raw materials, agricultural products, and metals, and consequently lead to further increases in operational costs.

In the second quarter 2023, OMV purchased on average 4.9 TWh of natural gas per month under long-term supply agreements with Gazprom in Austria. The uncertainty regarding future delivery volumes remains and could result in further substantial losses, in particular, in case actual deliveries materially deviate from nominated volumes.

In the event of further or even full gas supply disruptions from Russia, OMV can use gas in storage to supply customers and has access to other liquid gas market hubs in Europe. Supported by a relatively mild winter in Europe, households and corporations reduced gas consumption. In the first half of the year, this led to lower gas demand, declining natural gas prices, and more gas in storage in Central Europe than expected. In July 2023, OMV managed to secure around 40 TWh of additional transport capacities to Austria at the transfer points Oberkappel (pipeline from Germany) and Arnoldstein (pipeline from Italy) for both the current gas year and for the period from October 1, 2023 to September 30, 2026, and for the period from October 1, 2026 to September 30, 2028 around 20 TWh of transport capacities at these transfer points. OMV continues to closely monitor developments and regularly evaluates the potential impact on the Austrian gas market, as well as on the Group's cash flow and liquidity position.

High volatility in natural gas prices can potentially lead to peak liquidity demands to satisfy margin calls for exchange trading activities at short notice. OMV has unused committed and uncommitted credit facilities to meet such short-term requirements if needed. OMV is responding to the situation with targeted measures to safeguard the Company's economic stability, as well as the secure supply of energy.

As a direct consequence of the energy crisis in Europe, regulatory measures like regulated/capped prices for gas and power, subsidy schemes, and over-taxation or the EU solidarity contribution have been implemented in some of the countries OMV is active in. In case energy prices in Europe remain at high levels, there is a risk that further regulatory and fiscal interventions may impact OMV financials.

OMV continues to closely monitor geopolitical developments and their potential impact on its business activities. Geoeconomic fragmentation, trade restrictions, and disruptions to global supply chains could trigger further cost inflation. Together with rising interest rates, this could lead to a deterioration in economic growth and negatively impact demand for OMV's products.

The credit quality of OMV's counterparty portfolio could be further negatively influenced by the risk factors mentioned above. In light of the events in the banking sector in the first quarter of the year, OMV has implemented even tighter monitoring of its banking counterparties and of respective exposures in addition to its standard credit risk management processes.

The consequences of the ongoing conflict between Russia and Ukraine, the European energy crisis and the resulting regulatory measures, and other economic disruptions currently being observed, as well as the extent and duration of the economic impact, cannot be reliably estimated at this stage. 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 condensed consolidated interim financial statements for disclosures on significant transactions with related parties.

Outlook

Market environment

In 2023, OMV expects the average Brent crude oil price to be between USD 75/bbl and USD 80/bbl (previous forecast: above USD 80/bbl; 2022: USD 101/bbl). For 2023, the average realized gas price is anticipated to be around EUR 30/MWh (previous forecast: around EUR 35/MWh; 2022: EUR 54/MWh), with a THE price forecast of around EUR 40/MWh (previous forecast: between EUR 60/MWh and EUR 70/MWh; 2022: EUR 122/MWh).

Group

- In 2023, organic CAPEX is projected to come in at around EUR 3.8 bn[1] (2022: EUR 3.7 bn), including non-cash effective CAPEX related to leases of around EUR 0.2 bn.

Chemicals & Materials

- In 2023, the ethylene indicator margin Europe is expected to be around EUR 530/t (2022: EUR 560/t). The propylene indicator margin Europe is expected to be around EUR 400/t (previous forecast: around EUR 480/t; 2022: EUR 534/t).
- In 2023, the steam cracker utilization rate in Europe is expected to be around 85% (previous forecast: around 90%; 2022: 74%). A turnaround at the Porvoo cracker is planned in Q3 and is expected to last six weeks.
- In 2023, the polyethylene indicator margin Europe is forecast to be around EUR 300/t (previous forecast: around EUR 350/t; 2022: EUR 390/t). The polypropylene indicator margin Europe is expected to be around EUR 350/t (previous forecast: around EUR 400/t; 2022: EUR 486/t).
- In 2023, the polyethylene sales volumes excluding JVs are projected to be around 1.8 mn t (2022: 1.69 mn t). The polypropylene sales volumes excluding JVs are expected to be around 2 mn t (2022: 1.84 mn t).
- Organic CAPEX related to Chemicals & Materials is predicted to be around EUR 1.2 bn in 2023 (2022: EUR 1.4 bn).

Fuels & Feedstock

- In 2023, the OMV refining indicator margin Europe is expected to be between USD 8/bbl and USD 10/bbl (previous forecast: between USD 10/bbl and USD 15/bbl; 2022: USD 14.7/bbl).
- In 2023, fuels and other sales volumes in OMV's markets in Europe are projected to be slightly higher than in 2022 (2022: 15.5 mn t). Commercial margins are forecast to be above those in 2022. Retail margins are forecast to be around the 2022 level.
- In 2023, the utilization rate of the European refineries is expected to be around 90% (previous forecast: around 95%; 2022: 73%).
- Organic CAPEX in Fuels & Feedstock is forecast at around EUR 1.0 bn in 2023 (2022: EUR 0.8 bn).

Energy

- OMV expects total production to be around 360 kboe/d in 2023 (2022: 392 kboe/d) due to the exclusion of the Russian volumes and natural decline, in particular in Norway and Romania.
- Organic CAPEX for Energy is anticipated to come in at around EUR 1.6 bn in 2023 (2022: EUR 1.4 bn).
- In 2023, Exploration and Appraisal (E&A) expenditure is expected to be between EUR 200 mn and EUR 250 mn (2022: EUR 202 mn).

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

Business segments

Chemicals & Materials

In EUR mn (unless otherwise stated)

Q2/23	Q1/23	Q2/22	Δ[1]		1–6/23	1–6/22	Δ
135	222	737	–82%	Clean Operating Result before depreciation and amortization, impairments and write-ups	357	1,452	–75%
7	94	602	–99%	Clean Operating Result	101	1,187	–92%
–58	76	412	n.m.	thereof Borealis excluding JVs	18	881	–98%
29	1	159	–82%	thereof Borealis JVs[2]	30	223	–86%
–89	–19	639	n.m.	Special items	–108	616	n.m.
–83	76	1,242	n.m.	Operating Result	–7	1,803	n.m.
322	272	262	23%	Capital expenditure[3]	594	1,144	–48%
				Key Performance Indicators			
567	485	663	–14%	Ethylene indicator margin Europe in EUR/t	524	546	–4%
459	381	673	–32%	Propylene indicator margin Europe in EUR/t	419	559	–25%
320	348	442	–28%	Polyethylene indicator margin Europe in EUR/t	334	440	–24%
372	395	543	–32%	Polypropylene indicator margin Europe in EUR/t	383	595	–36%
83	92	56	26	Utilization rate steam crackers Europe in %	87	76	11
1.36	1.41	1.45	–7%	Polyolefin sales volumes in mn t	2.77	2.92	–5%
0.41	0.44	0.45	–9%	thereof polyethylene sales volumes excl. JVs in mn t	0.85	0.89	–5%
0.45	0.49	0.48	–4%	thereof polypropylene sales volumes excl. JVs in mn t	0.94	1.00	–6%
0.31	0.26	0.32	–2%	thereof polyethylene sales volumes JVs in mn t[4]	0.57	0.62	–9%
0.18	0.22	0.21	–15%	thereof polypropylene sales volumes JVs in mn t[4]	0.41	0.41	–1%

Note: Following the successful listing of 10% of the total issued share capital of Borouge PLC on June 3, 2022, Borealis now holds a 36% stake in Borouge PLC, thus lowering financial and operational contributions as of the date of listing.

[1] Q2/23 compared to Q2/22

[2] OMV's share of clean net income of the at-equity consolidated companies

[3] Capital expenditure including acquisitions

[4] Pro-rata volumes of at-equity consolidated companies

Second quarter 2023 (Q2/23) compared to second quarter 2022 (Q2/22)

- The clean Operating Result deteriorated substantially to EUR 7 mn as a result of the slowdown of the chemical sector, reflected in significant negative inventory valuation effects as well as weaker margins and sales volumes in Europe, as well as a negative contribution from the nitrogen business and a materially lower one from Borealis JVs.

- The contribution from the Borealis JVs saw a significant decline caused by a weakening market environment in Asia and a negative contribution from Baystar. In addition, the reduced participation in Borouge following the successful listing of 10% of the Company's total issued share capital on June 3, 2022 impacted financial and operational contributions.

- The contribution from the nitrogen business turned negative to EUR –35 mn, a substantial decline of around EUR –150 mn compared to the exceptional high level of Q2/22, due to lower margins and negative inventory valuation effects.

The **clean Operating Result** saw a sharp drop to EUR 7 mn (Q2/22: EUR 602 mn). This was mainly due to substantial negative inventory valuation effects, a strong decline in olefin and polyolefin indicator margins, a negative result contribution from the nitrogen business, a lower contribution from Borealis JVs, and lower sales volumes in Europe.

The result of OMV base chemicals weakened compared to Q2/22, mainly due to lower olefin indicator margins in Europe. The **ethylene indicator margin Europe** lessened by 14% to EUR 567/t (Q2/22: EUR 663/t), while the **propylene indicator margin Europe** decreased by 32% to EUR 459/t (Q2/22: EUR 673/t). Both indicator margins felt the impact of weaker demand and import pressure, while easing naphtha prices provided some support.

The **utilization rate of the European steam crackers** operated by OMV and Borealis increased in Q2/23 by 26 percentage points to 83% (Q2/22: 56%). While Q2/22 was impacted by the planned turnaround at the Stenungsund steam cracker and the reduced steam cracker utilization rate in Schwechat, Q2/23 was affected by the planned turnaround at the Schwechat petrochemical plants.

The contribution of **Borealis excluding JVs** dropped sharply to EUR –58 mn (Q2/22: EUR 412 mn). The decline was mainly a result of negative inventory valuation effects, weaker olefin and polyolefin indicator margins, a negative contribution from the nitrogen business, around EUR 150 mn lower than in Q2/22, and lower sales volumes in Europe. Inventory valuation effects, excluding the nitrogen business, were around EUR 200 mn lower than in Q2/22, and impacted the result negatively. The contribution from the base chemicals business decreased as weaker olefin indicator margins in Europe and lower inventory valuation effects could not be fully compensated for by the higher utilization rate of the Stenungsund steam cracker and a more positive light feedstock advantage. The contribution from the polyolefin business dropped significantly. This was mainly due to substantially lower inventory valuation effects, the strong decrease in polyolefin indicator margins in Europe, and lower European polyolefin sales volumes. The **European polyethylene indicator margin** declined by 28% to EUR 320/t (Q2/22: EUR 442/t), while the **European polypropylene indicator margin** decreased by 32% to EUR 372/t (Q2/22: EUR 543/t). Polyolefin indicator margins in Q2/23 continued to suffer from weaker demand following inflationary pressure on customers and the global economic slowdown. The improved availability of imported volumes amplified these effects. As a consequence, realized margins for standard products declined substantially. In contrast, realized margins for specialty products were stable and provided a resilient earnings contribution. Polyethylene sales volumes excluding JVs went down by 9% compared to Q2/22, while polypropylene sales volumes excluding JVs declined by 4%. The decrease in sales volumes was mainly a result of lower demand as a cautious European buying sentiment prevailed. Sales volumes in the consumer products, energy, and infrastructure industries declined compared to Q2/22, while volumes in the mobility industry increased. The nitrogen business had a negative result contribution of EUR –35 mn in Q2/23, substantially lower than in Q2/22, due to a weak market environment causing lower margins, and negative inventory valuation effects.

The contribution of **Borealis JVs**, accounted for as OMV’s share of clean net income of the at-equity consolidated companies, decreased substantially to EUR 29 mn in Q2/23 (Q2/22: EUR 159 mn) as a result of a lower contribution from Borouge and the negative contribution from Baystar. **Polyethylene sales volumes from the JVs** lessened by 2%, while **polypropylene sales volumes from the JVs** decreased by 15%. The Borouge result came in lower as it was impacted by a weaker market environment in Asia. Moreover, OMV’s reduced share in Borouge following the successful listing of 10% of Borouge’s total issued share capital on June 3, 2022 lowered financial contributions compared to Q2/22. The pricing environment in Asia weakened compared to Q2/22, as the anticipated recovery in Asian demand failed to materialize and new polyolefin production capacities came online. Sales volumes at Borouge declined compared to Q2/22, mainly as a result of the reduced share in Borouge. At Baystar, the ethane cracker recorded a low utilization rate in Q2/23 due to operational challenges. The weak market environment combined with increased costs due to the planned depreciation of the cracker and higher interest expenses resulted in a negative result contribution from Baystar.

Net **special items** amounted to EUR –89 mn (Q2/22: EUR 639 mn) and were mainly related to an impairment of Borealis’ nitrogen business. Net special items in Q2/22 were mainly related to the successful listing of a 10% share in Borouge, leading to a gain from the disposal, and the write-up of Borealis’ nitrogen business. The **Operating Result** of Chemicals & Materials declined to EUR –83 mn compared to EUR 1,242 mn in Q2/22.

Capital expenditure in Chemicals & Materials increased in Q2/23 to EUR 322 mn (Q2/22: EUR 262 mn). In Q2/23, besides ordinary ongoing business investments, organic capital expenditure was predominantly related to the planned turnaround at the Schwechat site, Borealis’ construction of the new PDH plant in Belgium, and the construction of the ReOil® plant in Austria.

January to June 2023 (1–6/23) compared to January to June 2022 (1–6/22)

The **clean Operating Result** deteriorated in 1–6/23 to EUR 101 mn (1–6/22: EUR 1,187 mn). This was mainly attributable to substantial negative inventory valuation effects, a negative result contribution from the nitrogen business, a strong decline in olefin and polyolefin indicator margins, and a lower contribution from Borealis JVs.

The contribution of OMV base chemicals decreased because of lower olefin indicator margins. The **ethylene indicator margin Europe** lessened by 4% to EUR 524/t (1–6/22: EUR 546/t), while the **propylene indicator margin Europe** declined by 25% to EUR 419/t (1–6/22: EUR 559/t). In 1–6/23, weak demand weighed on olefin contract prices, while propylene contract prices in particular experienced import pressure. Easing naphtha prices provided some support to the olefin indicator margins.

The **utilization rate of the European steam crackers** operated by OMV and Borealis increased by 11 percentage points to 87% (1–6/22: 76%). While 1–6/22 was impacted by the planned turnaround at the Stenungsund steam cracker and the reduced steam cracker utilization rate in Schwechat, 1–6/23 was affected by the planned turnaround at the Schwechat petrochemical plants.

The contribution of **Borealis excluding JVs** was significantly lower in 1–6/23 at EUR 18 mn (1–6/22: EUR 881 mn). Negative inventory valuation effects, weaker olefin and polyolefin indicator margins, a negative contribution from the nitrogen business, around EUR 280 mn lower than in 1–6/22, and lower polyolefin sales volumes in Europe led to the sharp decline. Inventory valuation effects, excluding the nitrogen business, were around EUR 320 mn lower than in 1–6/22, and impacted the result negatively. The Borealis base chemicals business experienced a decline due to weaker olefin indicator margins and negative inventory valuation effects, the increased utilization of the Stenungsund steam cracker and a more positive light feedstock advantage counteracted this to a certain extent. The polyolefin business saw a significant decline following substantial negative inventory valuation effects, the decline in polyolefin indicator margins, and lower polyolefin sales volumes in Europe. The **polyethylene indicator margin Europe** decreased by 24% to EUR 334/t (1–6/22: EUR 440/t) while the **polypropylene indicator margin Europe** came down by 36% to EUR 383/t (1–6/22: EUR 595/t). In 1–6/23, polyolefin indicator margins decreased on the back of the global economic slowdown and inflationary pressure on customers. In addition, increased availability of imported volumes into Europe put pressure on margins. As a consequence, realized margins for standard products declined substantially. In contrast, realized margins for specialty products increased slightly, supporting results. **Polyethylene sales volumes in Europe** went down by 5% and **polypropylene sales volumes in Europe** decreased by 6% compared to 1–6/22. The decrease in sales volumes mainly stemmed from the consumer products, infrastructure, and health care industries, while the mobility industry experienced a slight increase. The nitrogen business had a negative result contribution in 1–6/23 of EUR –30 mn, substantially lower than 1–6/22, due to a weak market environment, leading to lower margins and sales, and negative inventory valuation effects.

The contribution of **Borealis JVs**, accounted for as OMV's share of clean net income of the at-equity consolidated companies, declined to EUR 30 mn (1–6/22: EUR 223 mn) following a lower contribution from Borouge and the negative contribution from Baystar. **Polyethylene sales volumes from the JVs** declined by 9% compared to 1–6/22, while **polypropylene sales volumes from the JVs** softened by 1%. The Borouge result was impacted by a weaker market environment in Asia. Moreover, OMV's reduced share in Borouge following the successful listing of 10% of Borouge's total issued share capital on June 3, 2022 lowered financial contributions compared to 1–6/22. The pricing environment in Asia weakened compared to 1–6/22, as new polyolefin production capacities came online and the anticipated recovery in Asian demand failed to materialize. Sales volumes at Borouge in 1–6/23 came in lower, mainly as a result of the reduced share in Borouge. Also, the planned turnaround at Borouge 2, which was successfully completed in mid-March, led to reduced sales volumes, which were only partially compensated for by the full ramp-up of the PP5 polypropylene unit that came online in Q1/22. At Baystar, the ethane cracker recorded a low utilization rate due to the shutdown triggered by the hard freeze in December 2022 and operational challenges that continued throughout 1–6/23. The weak market environment combined with increased costs due to the planned depreciation of the cracker and higher interest expenses resulted in a negative result contribution of Baystar.

Net **special items** amounted to EUR –108 mn (1–6/22: EUR 616 mn) and were mainly related to an impairment of Borealis' nitrogen business. Net special items in 1–6/22 were mainly related to the successful listing of a 10% share in Borouge, leading to a gain from the disposal, and the write-up of Borealis' nitrogen business. The **Operating Result** of Chemicals & Materials declined to EUR –7 mn compared to EUR 1,803 mn in 1–6/22.

Capital expenditure in Chemicals & Materials decreased to EUR 594 mn (1–6/22: EUR 1,144 mn). Capital expenditure in 1–6/22 included an equity injection to Borouge 4 of around EUR 0.3 bn and non-cash effective CAPEX related to leases in the amount of around EUR 0.5 bn, which were related to Borealis' construction of the new propane dehydrogenation (PDH) plant in Belgium. In 1–6/23, besides ordinary running business investments, organic capital expenditure was predominantly related to the planned turnaround at the Schwechat site, Borealis' construction of the new PDH plant in Belgium, and the construction of the ReOil® plant in Austria.

Fuels & Feedstock

In EUR mn (unless otherwise stated)

Q2/23	Q1/23	Q2/22	Δ[1]		1–6/23	1–6/22	Δ
384	683	684	–44%	Clean CCS Operating Result before depreciation and amortization, impairments and write-ups[2]	1,066	984	8%
283	581	578	–51%	Clean CCS Operating Result[2]	865	788	10%
96	108	112	–14%	thereof ADNOC Refining & Trading[3]	204	132	55%
191	9	463	–59%	Special items	200	438	–54%
–51	–164	196	n.m.	CCS effects: inventory holding gains (+)/losses (–)[2]	–215	630	n.m.
422	427	1,237	–66%	Operating Result	849	1,856	–54%
316	186	172	84%	Capital expenditure[4]	502	301	67%
				Key Performance Indicators			
7.59	14.81	20.46	–63%	OMV refining indicator margin Europe based on Brent in USD/bbl[5, 6]	11.31	13.45	–16%
73	93	58	15	Utilization rate refineries Europe in %	83	76	7
4.02	3.71	3.82	5%	Fuels and other sales volumes Europe in mn t	7.72	7.47	3%
1.48	1.30	1.56	–5%	thereof retail sales volumes in mn t	2.78	3.08	–10%

Note: As of Q1/23, the Gas & Power Eastern Europe business was transferred from Fuels & Feedstock to the Energy business segment and is now reported together with Gas Marketing Western Europe under “Gas Marketing & Power.” For comparison only, 2022 figures are presented in the new structure.

[1] Q2/23 compared to Q2/22

[2] Adjusted for special items and CCS effects; further information can be found below the table “Special items and CCS effects”

[3] OMV’s share of clean CCS net income of the at-equity consolidated companies

[4] Capital expenditure including acquisitions

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

[6] 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.

Second quarter 2023 (Q2/23) compared to second quarter 2022 (Q2/22)

- The clean CCS Operating Result decreased to EUR 283 mn, driven by significantly lower refining indicator margins in Europe and the Middle East. Lower utility costs and better retail and commercial margins only partially offset the negative impact of the Petrobrazi refinery turnaround and increases in fixed costs due to inflation.

- ADNOC Refining & ADNOC Global Trading showed a slightly lower but still strong contribution to the result, mainly due to lower refining margins compared to the exceptionally high levels seen in the same quarter of 2022, partly offset by a partial reduction of a decommissioning provision.

The **clean CCS Operating Result** decreased to EUR 283 mn (Q2/22: EUR 578 mn), mainly due to significantly lower refining indicator margins in Europe and the Middle East. Results were affected by the negative production impact of the Petrobrazi refinery turnaround, higher fixed costs following cost inflation, and a slightly lower contribution from ADNOC Refining & ADNOC Global Trading. This was partly offset by the higher contribution from the retail and commercial business, which was mainly due to increased margins.

The **OMV refining indicator margin Europe** decreased significantly to USD 7.6/bbl (Q2/22: USD 20.5/bbl) from the exceptionally high level of the prior-year quarter mainly due to lower cracks for middle distillates and gasoline. In Q2/23, the **utilization rate of the European refineries** improved to 73% (Q2/22: 58%) despite the turnaround in the Petrobrazi refinery. The utilization rate in Q2/22 was impacted by the Schwechat turnaround and incident. At 4.0 mn t, **fuels and other sales volumes Europe** increased by 5% due to higher commercial sales, despite the divestment of the German retail business in May 2022. The retail business showed significantly improved performance due to higher fuel unit margins whereas margins in Q2/22 were negatively impacted by price caps. A higher non-fuel business contribution was partly offset by the divestment of the German retail business. The commercial business also showed a notable improvement due to stronger margins from higher achieved term prices and increased sales volumes following stronger demand and an upswing in the aviation sector.

The contribution of **ADNOC Refining & ADNOC Global Trading,** accounted for as OMV’s share of clean CCS net income of the at-equity consolidated companies, decreased slightly but was still strong at EUR 96 mn (Q2/22: EUR 112 mn), caused mainly by lower refining margins compared to the exceptionally high levels seen in the same quarter of the prior year. This was partly offset by a partial reduction of a decommissioning provision.

Net **special items** amounted to EUR 191 mn (Q2/22: EUR 463 mn) and were primarily related to the sale of OMV’s filling station and wholesale business in Slovenia in June 2023, partly compensated for by losses from commodity derivatives. The special items of the respective prior-year quarter were impacted by the sale of the German retail business. In Q2/23, **CCS effects** of EUR –51 mn were recorded as a result of declining crude oil prices throughout the quarter. The **Operating Result** of Fuels & Feedstock decreased significantly to EUR 422 mn (Q2/22: EUR 1,237 mn).

Capital expenditure in Fuels & Feedstock was EUR 316 mn (Q2/22: EUR 172 mn). In Q2/23, organic capital expenditure was predominantly related to the European refineries. The increase in capital expenditure in Q2/23 is mainly due to turnaround activities and cost inflation.

January to June 2023 (1–6/23) compared to January to June 2022 (1–6/22)

The **clean CCS Operating Result** increased to EUR 865 mn (1–6/22: EUR 788 mn). The significantly higher contribution from the retail and commercial business and a better ADNOC Refining & ADNOC Global Trading result more than compensated for the impact of decreasing refining indicator margins, negative production effects, and higher costs caused by turnaround and maintenance activities, as well as overall cost inflation.

The **OMV refining indicator margin Europe** decreased to USD 11.3/bbl (1–6/22: USD 13.4/bbl) following lower cracks for middle distillates and gasoline. In 1–6/23, the **utilization rate of the European refineries** increased by 7% to 83% (1–6/22: 76%), as the first half of last year was impacted by the turnaround and incident at the Schwechat refinery. Due to the turnaround at the Petrobrazi refinery, the utilization rate in Q2/23 was lower. At 7.7 mn t, **fuels and other sales volumes in Europe** increased slightly by 3% following higher commercial sales, partly offset by lower retail sales volumes caused mainly by the missing contribution from the divested German retail business. The contribution from the retail business to the result increased significantly mainly driven by higher fuel unit margins, as the first half of last year was negatively affected by price regulations, and better performance of the non-fuel business. This was only partly offset by the higher fixed costs and lower retail sales volumes. The commercial business also showed a notable improvement due to stronger margins from higher achieved term prices and increased sales volumes following stronger demand and an upswing in the aviation sector.

In 1–6/23, the contribution **of ADNOC Refining & ADNOC Global Trading** to the clean CCS Operating Result grew to EUR 204 mn (1–6/22: EUR 132 mn), mainly as a result of robust operational performance at ADNOC Refining and a partial reduction of a decommissioning provision.

Net **special items** amounted to EUR 200 mn (1–6/22: EUR 438 mn) and were primarily related to the sale of OMV’s filling station and wholesale business in Slovenia in June 2023. In 1–6/22, special items were mainly related to the sale of the German filling stations. **CCS effects** of EUR –215 mn were recorded in 1–6/23 as a consequence of declining crude oil prices. The **Operating Result** of Fuels & Feedstock decreased to EUR 849 mn (1–6/22: EUR 1,856 mn).

Capital expenditure in Fuels & Feedstock amounted to EUR 502 mn (1–6/22: EUR 301 mn). Organic capital expenditure in 1–6/23 was predominantly related to the European refineries. The increase in capital expenditure in 1–6/23 is mainly due to turnaround activities and cost inflation.

Energy

In EUR mn (unless otherwise stated)

Q2/23	Q1/23	Q2/22	Δ%[1]		1–6/23	1–6/22	Δ%
1,257	1,881	2,165	–42	Clean Operating Result before depreciation and amortization, impairments and write-ups	3,138	4,446	–29
895	1,479	1,784	–50	Clean Operating Result	2,374	3,700	–36
132	358	49	169	thereof Gas Marketing & Power[2]	491	253	94
10	–524	–551	n.m.	Special items	–514	–393	–31
905	956	1,233	–27	Operating Result	1,860	3,306	–44
394	347	351	12	Capital expenditure[3]	741	657	13
53	91	57	–6	Exploration expenditure	144	74	94
27	43	78	–66	Exploration expenses	70	88	–20
9.89	9.25	8.26	20	Production cost in USD/boe	9.56	7.76	23
				Key Performance Indicators			
353	376	345	2	Total hydrocarbon production in kboe/d	365	400	–9
190	197	175	8	thereof crude oil and NGL production in kboe/d	193	185	5
163	179	170	–4	thereof natural gas production in kboe/d[4]	171	216	–21
17.3	17.7	15.9	8	Crude oil and NGL production in mn bbl	35.0	33.4	5
86.0	93.6	89.2	–4	Natural gas production in bcf[4]	179.6	227.5	–21
324	360	314	3	Total hydrocarbon sales volumes in kboe/d	342	382	–11
177	199	164	8	thereof crude oil and NGL sales volumes in kboe/d	188	187	0
147	161	151	–3	thereof natural gas sales volumes in kboe/d[4]	154	195	–21
78.05	81.17	113.93	–31	Average Brent price in USD/bbl	79.66	107.94	–26
74.78	77.99	106.86	–30	Average realized crude oil price in USD/bbl[5, 6]	76.48	97.62	–22
9.52	11.53	18.38	–48	Average realized natural gas price in USD/1,000 cf[4, 5]	10.56	15.08	–30
28.52	35.13	56.54	–50	Average realized natural gas price in EUR/MWh[4, 5, 7]	31.96	45.10	–29
1.089	1.073	1.065	2	Average EUR–USD exchange rate	1.081	1.093	–1

Note: As of Q1/23, the Gas & Power Eastern Europe business was transferred from Fuels & Feedstock to the Energy business segment and is now reported together with Gas Marketing Western Europe under “Gas Marketing & Power.” For comparison only, 2022 figures are presented in the new structure.

[1] Q2/23 compared to Q2/22

[2] Includes Gas & Power Eastern Europe and Gas Marketing Western Europe

[3] Capital expenditure including acquisitions

[4] Does not consider Gas Marketing & Power

[5] Average realized prices include hedging effects.

[6] As of Q2/22, the transfer price at OMV Petrom between the Energy segment and the F&F segment is based on Brent instead of Urals. Previous figures have not been restated.

[7] 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.

Second quarter 2023 (Q2/23) compared to second quarter 2022 (Q2/22)

- The clean Operating Result decreased to EUR 895 mn, mainly due to lower oil and gas prices.
- The Gas Marketing & Power result rose to EUR 132 mn, mainly due to improved contributions from the trading and the LNG businesses, partly offset by lower gas margins in the East.
- E&P production was up by 8 kboe/d to 353 kboe/d, mainly due to new wells in New Zealand and lower production due to force majeure in Libya in Q2/22.

In Q2/23, the **clean Operating Result** fell from the Q2/22 figure of EUR 1,784 mn to EUR 895 mn, primarily due to substantially lower commodity prices. Net market effects lowered earnings by EUR 866 mn, caused mainly by the drop in price for both crude oil and natural gas. Gas Marketing & Power recorded a result increase to EUR 132 mn, driven by the improved contributions of the trading and LNG businesses. The Q2/22 result was negatively impacted by hedging losses due to the volatility of natural gas supply from Russia. In Romania, the Gas & Power business contribution was reduced as lower gas margins were only partly offset by a better power result driven by the reversal of a provision.

In Q2/23, net **special items** amounted to EUR 10 mn (Q2/22: EUR –551 mn), mainly consisting of positive inventory valuation effects. In Q2/22, net special items were related to valuation effects of commodity derivatives in the Gas Marketing & Power business, and to a lesser extent to impairments on a number of assets. The **Operating Result** fell to EUR 905 mn (Q2/22: EUR 1,233 mn).

Production cost excluding royalties increased to USD 9.9/boe (Q2/22: USD 8.3/boe), mainly due to a positive one-off effect related to a tax audit at OMV Petrom in Q2/22 and as a consequence of general price inflation.

The **total hydrocarbon production** volume increased by 8 kboe/d to 353 kboe/d. The main reasons for this improvement were the commissioning of new production wells in New Zealand and the fact that output in Libya was affected by force majeure during

Q2/22. Natural decline and maintenance turnarounds in Romania and Norway were the main offsets. **Total hydrocarbon sales volumes** rose to 324 kboe/d (Q2/22: 314 kboe/d) on the back of the mentioned higher production in New Zealand and Libya and were limited by the natural decline in Romania and the maintenance turnarounds in Norway.

The Brent oil price benchmark was highest at the beginning of the quarter, moving above USD 80/bbl for most of April. This was mainly driven by the announcement of the OPEC+ group early in the month to cut production starting in May. Increasing doubts about the recovery of Chinese demand led to a decrease in the oil price toward the end of April, and Brent hit a low just above USD 70/bbl in early May. Concerns about demand continued to dominate the remainder of the quarter, with Brent oscillating around USD 75/bbl until the end of June. Compared to the first quarter 2023, the **average Brent price** declined by 4% to USD 78.1/bbl. In a yearly comparison, the Group's **average realized crude oil price** decreased by 30%, similar to the Brent price movement. On the natural gas side, European spot prices fell by more than 20% during the quarter. Weak demand and strong LNG inflows drove prices down over the first two months of the quarter. In June, European hub prices rebounded on the back of maintenance outages in Norway. European storage utilization is unusually high. On average, European natural gas hub prices in Q2/23 were over 30% lower than in Q1/23 and over 60% lower than in Q2/22. The decrease in OMV's **average realized natural gas price** in EUR/MWh was significantly less pronounced than that of the European benchmark prices, owing to OMV's international portfolio.

Capital expenditure including capitalized E&A rose from EUR 351 mn to EUR 394 mn in Q2/23, with organic capital expenditure being primarily directed at projects in Romania, Norway, and the United Arab Emirates. **Exploration expenditure** decreased slightly to EUR 53 mn in Q2/23 and was mainly related to activities in Austria and at SapuraOMV.

January to June 2023 (1–6/23) compared to January to June 2022 (1–6/22)

The **clean Operating Result** declined to EUR 2,374 mn in 1–6/23 (1–6/22: EUR 3,700 mn), primarily due to negative market effects of EUR 1,256 mn as a consequence of substantially lower oil and gas prices. Moreover, negative operational effects caused by the missing contribution from Russia following the change in the consolidation method affected the results. The result of Gas Marketing & Power rose strongly to EUR 491 mn. Sales volumes decreased to a slightly larger extent than production due to lower natural gas sales volumes in Norway and Romania. The Gas Marketing & Power result almost doubled thanks to the strong storage business in Q1/23 and a strong LNG contribution, offset only to a minor degree by losses caused by Russian supply volatility that only lasted into January. In Romania, the Gas & Power result was lower because of lower gas margins, partially offset by a better storage result and a higher power result driven by the reversal of a provision.

Net **special items** amounted to EUR –514 mn in 1–6/23 (1–6/22: EUR –393 mn), with the majority arising from valuation effects of commodity derivates in the natural gas business, partially compensated for by positive inventory valuation effects. The **Operating Result** reached EUR 1,860 mn (1–6/22: EUR 3,306 mn).

Production cost excluding royalties increased to USD 9.6/boe in 1–6/23 (1–6/22: USD 7.8/boe), mainly driven by the change in the consolidation method of Russian operations as of March 1, 2022, a positive one-off effect related to a tax audit at OMV Petrom in Q2/22, and general price inflation.

The **total hydrocarbon production volume** decreased by 36 kboe/d to 365 kboe/d, caused predominantly by the change in the consolidation method of Russian operations as of March 1, 2022. Natural decline and production shutdowns in Norway and Romania also had a negative impact on production. Production increased in New Zealand after the commissioning of new production wells, while production was affected in Libya by force majeure in 1–6/22 and in the United Arab Emirates after a revision of OPEC+ restrictions.

Total hydrocarbon sales volumes dropped by a larger extent than production volumes to 342 kboe/d (1–6/22: 382 kboe/d). The deviation between production and sales volumes is explained by lower natural gas sales volumes in Norway.

In 1–6/23, the **average Brent price** reached USD 79.7/bbl, a decrease of 26% compared to the prior-year period. The Group's **average realized crude price** declined by 22%, but was supported by a change in the transfer price calculation for Romanian crude oil production. The **average realized gas price** in EUR/MWh came down by 29% to EUR 31.96/MWh.

Capital expenditure including capitalized E&A rose to EUR 741 mn in 1–6/23 (1–6/22: EUR 657 mn), coming back from the previous year's austerity-induced level. Organic capital expenditure was primarily directed at projects in Romania, the United Arab Emirates, and Norway. **Exploration expenditure** was EUR 144 mn in 1–6/23, almost double the level of 1–6/22. It was mainly related to activities in Malaysia, Romania, and Austria.

Consolidated Interim Financial Statements (condensed, unaudited)

Income statement (unaudited)

In EUR mn (unless otherwise stated)

Q2/23	Q1/23	Q2/22		1–6/23	1–6/22
8,983	10,964	14,793	Sales revenues	19,947	30,621
356	157	902	Other operating income	514	993
124	88	354	Net income from equity-accounted investments	212	567
9,463	**11,210**	**16,049**	**Total revenues and other income**	**20,673**	**32,181**
–5,552	–7,010	–9,812	Purchases (net of inventory variation)	–12,562	–18,843
–971	–1,045	–875	Production and operating expenses	–2,016	–1,940
–218	–290	–409	Production and similar taxes	–508	–885
–659	–610	–425	Depreciation, amortization, impairments and write-ups	–1,269	–1,028
–719	–721	–645	Selling, distribution, and administrative expenses	–1,440	–1,308
–27	–43	–78	Exploration expenses	–70	–88
–85	–111	–128	Other operating expenses	–197	–1,249
1,233	**1,378**	**3,676**	**Operating Result**	**2,611**	**6,840**
5	0	6	Dividend income	6	6
125	124	46	Interest income	249	91
–92	–102	–111	Interest expenses	–195	–206
–33	–27	46	Other financial income and expenses[1]	–59	–947
5	**–5**	**–14**	**Net financial result**	**1**	**–1,056**
1,238	**1,373**	**3,662**	**Profit before tax prior to solidarity contribution**	**2,611**	**5,783**
–402	—	—	Solidarity contribution on refined crude oil	–402	—
837	**1,373**	**3,662**	**Profit before tax**	**2,210**	**5,783**
–511	–781	–1,150	Taxes on income	–1,292	–2,415
326	**592**	**2,513**	**Net income for the period**	**918**	**3,368**
380	390	1,947	thereof attributable to stockholders of the parent	770	2,493
18	18	18	thereof attributable to hybrid capital owners	36	35
–72	185	548	thereof attributable to non-controlling interests	113	840
1.16	**1.19**	**5.96**	**Basic Earnings Per Share in EUR**	**2.35**	**7.63**
1.16	1.19	5.95	Diluted Earnings Per Share in EUR	2.35	7.62

[1] Includes in 1–6/22 impairment of EUR 1,004 mn related to the financing agreements for Nord Stream 2

Statement of comprehensive income (condensed, unaudited)

In EUR mn

Q2/23	Q1/23	Q2/22		1–6/23	1–6/22
326	**592**	**2,513**	**Net income for the period**	**918**	**3,368**
–91	–300	555	Currency translation differences	–391	998
–68	–175	304	Gains(+)/losses(–) on hedges	–243	324
–7	7	–45	Share of other comprehensive income of equity-accounted investments	–0	–45
–166	**–468**	**814**	**Total of items that may be reclassified (“recycled”) subsequently to the income statement**	**–635**	**1,278**
2	–0	201	Remeasurement gains(+)/losses(–) on defined benefit plans	2	380
15	–48	0	Gains(+)/losses(–) on hedges that are subsequently transferred to the carrying amount of the hedged item	–33	14
1	2	0	Share of other comprehensive income of equity-accounted investments	3	–1
18	**–46**	**201**	**Total of items that will not be reclassified (“recycled”) subsequently to the income statement**	**–28**	**393**
16	40	–68	Income taxes relating to items that may be reclassified (“recycled”) subsequently to the income statement	56	–65
–4	11	–9	Income taxes relating to items that will not be reclassified (“recycled”) subsequently to the income statement	7	–31
12	**51**	**–77**	**Total income taxes relating to components of other comprehensive income**	**63**	**–96**
–137	**–463**	**938**	**Other comprehensive income for the period, net of tax**	**–600**	**1,574**
189	**129**	**3,451**	**Total comprehensive income for the period**	**318**	**4,942**
267	–4	2,751	thereof attributable to stockholders of the parent	263	3,873
18	18	18	thereof attributable to hybrid capital owners	36	35
–96	116	682	thereof attributable to non-controlling interests	20	1,034

Statement of financial position (unaudited)

In EUR mn

	June 30, 2023	Dec. 31, 2022
Assets		
Intangible assets	2,158	2,510
Property, plant, and equipment	20,460	19,317
Equity-accounted investments	6,880	7,294
Other financial assets	1,761	1,999
Other assets	107	115
Deferred taxes	1,161	1,150
Non-current assets	**32,529**	**32,384**
Inventories	4,052	4,834
Trade receivables	2,727	4,222
Other financial assets	2,133	3,929
Income tax receivables	55	97
Other assets	867	1,198
Cash and cash equivalents	6,255	8,090
Current assets	**16,089**	**22,369**
Assets held for sale	1,367	1,676
Total assets	**49,985**	**56,429**
Equity and liabilities		
Share capital	327	327
Hybrid capital	2,483	2,483
Reserves	14,986	16,339
Equity of stockholders of the parent	**17,796**	**19,149**
Non-controlling interests	7,202	7,478
Equity	**24,998**	**26,628**
Provisions for pensions and similar obligations	934	997
Bonds	5,533	6,030
Lease liabilities	1,361	1,322
Other interest-bearing debts	1,245	1,359
Provisions for decommissioning and restoration obligations	4,200	3,714
Other provisions	316	377
Other financial liabilities	258	489
Other liabilities	95	124
Deferred taxes	1,194	1,194
Non-current liabilities	**15,136**	**15,607**
Trade payables	3,775	5,259
Bonds	1,049	1,290
Lease liabilities	160	155
Other interest-bearing debts	186	128
Income tax liabilities	831	2,449
Provisions for decommissioning and restoration obligations	60	82
Other provisions	357	505
Other financial liabilities	1,436	2,172
Other liabilities	1,550	1,527
Current liabilities	**9,405**	**13,567**
Liabilities associated with assets held for sale	446	626
Total equity and liabilities	**49,985**	**56,429**

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, 2023	**327**	**1,517**	**2,483**	**15,076**	**–252**	**–2**	**19,149**	**7,478**	**26,628**
Net income for the period	—	—	—	805	—	—	805	113	**918**
Other comprehensive income for the period	—	—	—	1	–508	—	–507	–93	**–600**
Total comprehensive income for the period	**—**	**—**	**—**	**807**	**–508**	**—**	**298**	**20**	**318**
Dividend distribution and hybrid coupon	—	—	—	–1,666	—	—	–1,666	–331	**–1,997**
Share-based payments	—	–0	—	—	—	1	1	—	**1**
Increase(+)/decrease(–) in non-controlling interests	—	—	—	—	—	—	—	29	**29**
Reclassification of cash flow hedges to balance sheet	—	—	—	—	14	—	14	6	**20**
June 30, 2023	**327**	**1,517**	**2,483**	**14,216**	**–746**	**–2**	**17,796**	**7,202**	**24,998**

[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, 2022	**327**	**1,514**	**2,483**	**12,008**	**–824**	**–3**	**15,505**	**6,491**	**21,996**
Net income for the period	—	—	—	2,528	—	—	2,528	840	**3,368**
Other comprehensive income for the period	—	—	—	329	1,051	—	1,380	194	**1,574**
Total comprehensive income for the period	**—**	**—**	**—**	**2,858**	**1,051**	**—**	**3,908**	**1,034**	**4,942**
Dividend distribution and hybrid coupon	—	—	—	–767	—	—	–767	–367	**–1,134**
Share-based payments	—	0	—	—	—	1	1	—	**1**
Reclassification of cash flow hedges to balance sheet	—	—	—	—	–9	—	–9	5	**–4**
June 30, 2022	**327**	**1,514**	**2,483**	**14,099**	**218**	**–2**	**18,639**	**7,162**	**25,801**

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

Summarized statement of cash flows (condensed, unaudited)

In EUR mn

Q2/23	Q1/23	Q2/22		1–6/23	1–6/22
326	**592**	**2,513**	**Net income for the period**	**918**	**3,368**
671	641	486	Depreciation, amortization, and impairments including write-ups	1,312	1,091
91	–18	–1	Deferred taxes	73	25
2	2	–352	Losses (+)/gains (–) on the disposal of non-current assets	4	–352
–108	75	–2	Net change in provisions	–33	81
–1,356	711	–277	Other adjustments	–646	1,502
–375	**2,003**	**2,365**	**Cash flow from operating activities excluding net working capital effects**	**1,628**	**5,715**
–17	979	–1,270	Increase (–)/decrease (+) in inventories	962	–2,012
1,210	838	–464	Increase (–)/decrease (+) in receivables	2,048	–1,411
–593	–1,133	–169	Decrease (–)/increase (+) in liabilities	–1,726	845
226	**2,687**	**461**	**Cash flow from operating activities**	**2,912**	**3,137**
			Investments		
–821	–858	–652	Intangible assets and property, plant, and equipment	–1,679	–1,298
–238	–198	–94	Investments, loans, and other financial assets	–436	–430
—	–8	—	Acquisitions of subsidiaries and businesses net of cash acquired	–8	—
			Disposals		
4	44	1,351	Proceeds in relation to non-current assets and financial assets	48	1,385
269	36	420	Proceeds from the sale of subsidiaries and businesses, net of cash disposed	304	423
—	—	—	Cash disposed due to the loss of control	—	–211
–787	**–984**	**1,026**	**Cash flow from investing activities**	**–1,771**	**–132**
–802	–51	–64	Decrease (–)/increase (+) in long-term borrowings	–853	–135
3	–55	65	Decrease (–)/increase (+) in short-term borrowings	–52	–175
–1,893	–0	–955	Dividends paid	–1,893	–1,130
–2,692	**–106**	**–955**	**Cash flow from financing activities**	**–2,798**	**–1,440**
–7	–8	4	Effect of exchange rate changes on cash and cash equivalents	–15	–60
–3,260	**1,588**	**536**	**Net increase (+)/decrease (–) in cash and cash equivalents**	**–1,672**	**1,506**
9,712	8,124	6,034	Cash and cash equivalents at beginning of period	8,124	5,064
6,452	**9,712**	**6,570**	**Cash and cash equivalents at end of period**	**6,452**	**6,570**
197	252	28	thereof cash disclosed within assets held for sale	197	28
6,255	**9,460**	**6,542**	**Cash and cash equivalents presented in the consolidated statement of financial position**	**6,255**	**6,542**
–561	**1,702**	**1,487**	**Free cash flow**	**1,141**	**3,006**
–2,454	**1,702**	**532**	**Free cash flow after dividends**	**–752**	**1,876**

Selected notes to the consolidated interim financial statements

Legal principles

The consolidated interim financial statements for the six months ended June 30, 2023, have been prepared in accordance with IAS 34 “Interim Financial Reporting.”

They do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements as of December 31, 2022.

The consolidated interim financial statements for Q2/23 are unaudited and an external review by an auditor was not performed.

They have been prepared in million EUR (EUR mn, EUR 1,000,000). Accordingly, there may be rounding differences.

Accounting policies

The accounting policies in effect on December 31, 2022, remain largely unchanged. The amendments effective since January 1, 2023, did not have a material effect on the consolidated interim financial statements.

Changes in segment reporting

As of January 1, 2023, the Group introduced a new corporate structure, designed to fully enable the delivery of Strategy 2030. Following the reorganization and starting from Q1/23, the Group reports on the following business segments: Chemicals & Materials, Fuels & Feedstock (formerly Refining & Marketing), and Energy (formerly Exploration & Production).

As part of the introduction of the new corporate structure, Gas & Power Eastern Europe, which includes Supply, Marketing, and Trading of gas in Romania and Turkey and one gas-fired power plant in Romania, was transferred from Fuels & Feedstock to the Energy business segment. The 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 organizational structure.

Fuels & Feedstock (F&F) business segment refines and markets crude oil and other feedstock. It operates the Schwechat (Austria), Burghausen (Germany), and Petrobrazi (Romania) refineries. In these refineries, crude oil is processed into petroleum products, which are sold to commercial and private customers.

Energy business segment engages in the business of oil and gas exploration, development, and production, and focuses on the core regions Central and Eastern Europe, North Sea, Middle East and Africa, and Asia-Pacific. The activities of this business segment also cover gas supply, marketing, trading, and logistics in Western and Eastern Europe and the Group’s power business activities, with one gas-fired power plant in Romania.

Segment reporting information of earlier periods has been adjusted consequently to comply with IFRS 8.29. The tables below depict the segment reporting information as reported in 2022 and restated after the reorganization:

Intersegmental sales

In EUR mn

	Q1/22	Q2/22	Q3/22	Q4/22	2022
Reported					
Chemicals & Materials	375	301	168	336	1,181
Fuels & Feedstock	915	714	469	720	2,818
Energy	1,652	1,662	1,837	1,509	6,661
Corporate & Other	97	104	102	105	407
Total	**3,039**	**2,781**	**2,577**	**2,670**	**11,067**
Restated					
Chemicals & Materials	375	301	168	336	1,181
Fuels & Feedstock	839	693	347	646	2,525
Energy	1,150	1,244	1,491	1,216	5,101
Corporate & Other	97	104	102	105	407
Total	**2,461**	**2,343**	**2,109**	**2,302**	**9,214**

Sales to third parties

In EUR mn

	Q1/22	Q2/22	Q3/22	Q4/22	2022
Reported					
Chemicals & Materials	3,470	3,319	2,894	2,587	12,269
Fuels & Feedstock	5,220	6,524	7,142	6,930	25,816
Energy	7,135	4,946	7,130	4,986	24,197
Corporate & Other	4	4	4	5	17
Total	**15,828**	**14,793**	**17,170**	**14,507**	**62,298**
Restated					
Chemicals & Materials	3,470	3,319	2,894	2,587	12,269
Fuels & Feedstock	4,043	5,432	5,279	5,103	19,857
Energy	8,312	6,038	8,993	6,813	30,155
Corporate & Other	4	4	4	5	17
Total	**15,828**	**14,793**	**17,170**	**14,507**	**62,298**

Total sales (not consolidated)

In EUR mn

	Q1/22	Q2/22	Q3/22	Q4/22	2022
Reported					
Chemicals & Materials	3,845	3,620	3,062	2,922	13,450
Fuels & Feedstock	6,135	7,238	7,611	7,650	28,634
Energy	8,787	6,607	8,968	6,495	30,857
Corporate & Other	101	108	106	109	424
Total	**18,868**	**17,574**	**19,747**	**17,177**	**73,365**
Restated					
Chemicals & Materials	3,845	3,620	3,062	2,922	13,450
Fuels & Feedstock	4,882	6,125	5,626	5,749	22,382
Energy	9,461	7,282	10,484	8,028	35,256
Corporate & Other	101	108	106	109	424
Total	**18,289**	**17,135**	**19,279**	**16,809**	**71,512**

Operating Result

In EUR mn

	Q1/22	Q2/22	Q3/22	Q4/22	2022
Reported					
Chemicals & Materials	561	1,242	165	71	2,039
Fuels & Feedstock	741	1,304	623	724	3,392
Energy	1,952	1,166	2,737	1,081	6,936
Corporate & Other	–8	–16	–17	–45	–86
Segment total	**3,246**	**3,695**	**3,508**	**1,832**	**12,281**
Consolidation: elimination of intersegmental profits	–82	–19	26	40	–35
OMV Group Operating Result	**3,164**	**3,676**	**3,535**	**1,872**	**12,246**
Restated					
Chemicals & Materials	561	1,242	165	71	2,039
Fuels & Feedstock	619	1,237	99	483	2,438
Energy	2,074	1,233	3,262	1,322	7,890
Corporate & Other	–8	–16	–17	–45	–86
Segment total	**3,246**	**3,695**	**3,508**	**1,832**	**12,281**
Consolidation: elimination of intersegmental profits	–82	–19	26	40	–35
OMV Group Operating Result	**3,164**	**3,676**	**3,535**	**1,872**	**12,246**

Assets

In EUR mn

	Mar. 31, 2022	June 30, 2022	Sep. 30, 2022	Dec. 31, 2022
Reported				
Chemicals & Materials	5,758	5,826	5,870	5,964
Fuels & Feedstock	3,888	3,958	4,060	4,223
Energy	11,483	11,639	11,724	11,407
Corporate & Other	235	237	232	234
Total	**21,364**	**21,660**	**21,886**	**21,826**
Restated				
Chemicals & Materials	5,758	5,826	5,870	5,964
Fuels & Feedstock	3,610	3,677	3,786	3,954
Energy	11,761	11,920	11,998	11,675
Corporate & Other	235	237	232	234
Total	**21,364**	**21,660**	**21,886**	**21,826**

Clean CCS Operating Result

In EUR mn

	Q1/22	Q2/22	Q3/22	Q4/22	2022
Reported					
Chemicals & Materials	584	602	214	57	1,457
Fuels & Feedstock	357	745	600	714	2,415
Energy	1,768	1,617	2,686	1,324	7,396
Corporate & Other	–6	–8	–10	–26	–50
Consolidation: elimination of intersegmental profits	–82	–19	26	32	–43
Total	**2,621**	**2,937**	**3,516**	**2,101**	**11,175**
Restated					
Chemicals & Materials	584	602	214	57	1,457
Fuels & Feedstock	209	578	339	684	1,810
Energy	1,916	1,784	2,947	1,354	8,001
Corporate & Other	–6	–8	–10	–26	–50
Consolidation: elimination of intersegmental profits	–82	–19	26	32	–43
Total	**2,621**	**2,937**	**3,516**	**2,101**	**11,175**

Changes in the consolidated Group

Compared with the consolidated financial statements as of December 31, 2022, the consolidated Group changed as follows:

Changes in consolidated Group

Name of company	Registered office	Type of change[1]	Effective date
Chemicals & Materials			
Rosier France S.A.S.	Arras	Deconsolidation	January 2, 2023
Rosier Nederland B.V.	Sas van Gent	Deconsolidation	January 2, 2023
Rosier S.A.	Moustier	Deconsolidation	January 2, 2023
BlueAlp Holding B.V.[2]	Groot-Ammers	First consolidation (S)	January 11, 2023
Renasci Oostende Holding N.V.	Ostend	First consolidation (S)	January 11, 2023
Renasci Oostende Recycling N.V.	Ostend	First consolidation (S)	January 11, 2023
Renasci Oostende SCP N.V.	Ostend	First consolidation (S)	January 11, 2023
Renasci N.V.	Ghent	Increase in shares[3]	January 11, 2023
Petrogas International B.V.[2]	Eindhoven	First consolidation (S)	January 11, 2023
Energy			
Preussag Energie International GmbH	Burghausen	Deconsolidation (I)	June 30, 2023
Fuels & Feedstock			
OMV Renewable Fuels & Feedstock B.V.	Beveren	First consolidation	April 20, 2023
Avanti Deutschland GmbH	Berchtesgaden	Deconsolidation	May 31, 2023
OMV Switzerland Holding AG	Zug	Deconsolidation (I)	June 30, 2023
OMV SLOVENIJA trgovina z nafto in naftnimi derivati, d.o.o.[4]	Koper	Deconsolidation	June 30, 2023

[1] "First consolidation" refers to newly formed companies, while "First consolidation (S)" refers to companies included in the consolidation scope due to change in ownerships of the parent company. Companies marked with "Deconsolidation (I)" have been deconsolidated due to immateriality.

[2] Company consolidated at-equity

[3] Interest in Renasci N.V. increased from 27.42% to 50.01%, which led to the change of the consolidation method from at-equity to full consolidation. This also led to the addition of multiple entities to the consolidated Group, these entities are marked with "First consolidation (S)" in the table.

[4] See Chapter "Other operating income" in Notes to the income statement for additional details.

Other significant transactions

Chemicals & Materials

On January 11, 2023, Borealis further increased its stake in Renasci N.V. (Renasci) from 27.42% to 50.01%, signaling ongoing confidence in the potential of Renasci's patented SCP concept to drive the circular transformation. The stake increase was reached through a capital increase of EUR 5 mn and the acquisition of 35,719 shares for EUR 11 mn. Following the step acquisition, Borealis has the majority of shares, which all have the same rights. Borealis obtained power and control of Renasci due to the fact that the relevant activities are directed by voting rights and due to the fact that the veto rights are protective rights according to IFRS 10. Hence, Borealis has obtained control of Renasci in line with IFRS 10, which led to the discontinuation of the use of the equity method according to IAS 28 and the application of the rules for business combination according to IFRS 3. The acquisition resulted in a net cash outflow of EUR 8 mn, consisting of EUR 16 mn consideration paid less EUR 7 mn cash acquired, which is presented in the line "Acquisitions of subsidiaries and businesses net of cash acquired" in the statement of cash flows.

Energy

OMV Petrom took the final investment decision for the Neptun Deep project and, together with its partner Romgaz, approved the development plan and submitted it to the regulator for endorsement. Consequently, the related oil and gas assets in the amount of EUR 484 mn were reclassified from intangible assets to property, plant, and equipment.

Seasonality and cyclicality

Due to the seasonal nature of the supply and demand of natural gas, higher sales volumes are usually seen during the heating season from October to March in the Energy segment. Additional seasonality effects impact the Fuels & Feedstock segment, mainly because of retail with an expected fuel and non-fuel business peak in the third quarter. This information is provided to allow for a better understanding of the results, however, OMV Group does not have a highly seasonal business.

Notes to the income statement

Sales revenues

Sales revenues

In EUR mn

	1–6/23	1–6/22
Revenues from contracts with customers	19,233	27,506
Revenues from other sources	714	3,115
Total sales revenues	**19,947**	**30,621**

Revenues from other sources 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 Energy business segment, the hedging result, and rental and lease revenues.

Revenues from contracts with customers

In EUR mn

					1–6/23
	Chemicals & Materials	Fuels & Feedstock	Energy	Corporate & Other	Total
Crude oil, NGL, condensates	—	265	501	—	**766**
Natural gas and LNG	—	2	6,139	—	**6,141**
Fuel, heating oil and other refining products	—	6,836	—	—	**6,836**
Chemical products	4,691	16	—	—	**4,707**
Other goods and services	57	444	272	10	**783**
Total	**4,748**	**7,563**	**6,912**	**10**	**19,233**

Revenues from contracts with customers

In EUR mn

					1–6/22
	Chemicals & Materials	Fuels & Feedstock	Energy	Corporate & Other	Total
Crude oil, NGL, condensates	—	410	715	—	**1,125**
Natural gas and LNG	—	2	10,600	—	**10,602**
Fuel, heating oil and other refining products	—	7,808	—	—	**7,808**
Chemical products	6,706	28	—	—	**6,733**
Other goods and services	87	484	658	7	**1,237**
Total	**6,793**	**8,732**	**11,973**	**7**	**27,506**

Other operating income

Fuels & Feedstock

On June 30, 2023, OMV closed the transaction to sell its shares in OMV Slovenija trgovina z nafto in naftnimi derivati, d.o.o. to the MOL Group. The initial purchase price before customary closing adjustments amounted to EUR 311 mn (for the 92.25% OMV stake). The transaction led in 1–6/23 to a gain recognized in other operating income of EUR 221 mn and a cash inflow of EUR 272 mn, shown in the line "Proceeds from the sale of subsidiaries and businesses, net of cash disposed" in the cash flow from investing activities.

Impairments

Chemicals & Materials

In Q2/23 an impairment of EUR 70 mn, for the sale of the nitrogen business unit in Borealis Group (75% held by OMV) including fertilizer, technical nitrogen and melamine products was recognized, based on the Sales Purchase Agreement with AGROFERT, a.s., to reflect the fair value less cost of disposal. The amount is included in the line "Depreciation, amortization, impairments and write-ups."

Solidarity contribution on refined crude oil

As a direct consequence of the energy crisis in Europe, the Council Regulation (EU) 2022/1854 introduced a solidarity contribution, which was transposed into the local legislation of the Member States and is applicable for 2022 and/or 2023.

On May 12, 2023, the Law no. 119/2023 for the approval of the Government Emergency Ordinance 186/2022 for the implementation of the EU regulation regarding the solidarity contribution was published in the Official Gazette in Romania. **For** companies that produce and refine crude oil, the law introduces the obligation to pay a contribution of RON 350 for each tonne of crude oil processed during 2022 and 2023. In 1–6/23, a solidarity contribution in the amount of EUR 402 mn was recognized for the quantities of crude oil processed during 2022 (EUR 301 mn) and 1–6/23 (EUR 101 mn), and was presented in the Consolidated Interim Income Statement as a separate line, above Taxes on income line.

Taxes on income

Taxes on income

In EUR mn (unless otherwise stated)

Q2/23	Q1/23	Q2/22		1–6/23	1–6/22
–419	–799	–1,151	Current taxes	–1,219	–2,390
–91	18	1	Deferred taxes	–73	–25
–511	**–781**	**–1,150**	**Taxes on income**	**–1,292**	**–2,415**
61	57	31	Effective tax rate in %	58	42

Notes to the statement of financial position

Commitments

As of June 30, 2023, OMV had contractual obligations for the acquisition of intangible assets and property, plant, and equipment of EUR 1,676 mn (December 31, 2022: EUR 1,736 mn), mainly relating to exploration and production activities in Energy and activities in Chemicals & Materials.

Equity

On May 31, 2023, the Annual General Meeting approved the payment of a total dividend of EUR 5.05 per share for 2022, of which EUR 2.80 per share represents the regular dividend and EUR 2.25 per share the special dividend, resulting in a total dividend payment of EUR 1,652 mn to OMV Aktiengesellschaft stockholders.

Dividend distributions to minority shareholders amounted to EUR 331 mn in 1–6/23.

An interest payment to hybrid capital owners amounting to EUR 14 mn was also made in 1–6/23.

The total number of own shares held by the company as of June 30, 2023, amounted to 142,007 (December 31, 2022: 201,674).

Financial liabilities

Leverage ratio[1]

In EUR mn (unless otherwise stated)

	June 30, 2023	Dec. 31, 2022	Δ
Bonds	6,582	7,320	–10%
Lease liabilities[2]	1,531	1,524	0%
Other interest-bearing debts[2]	1,430	1,487	–4%
Debt	**9,543**	**10,331**	**–8%**
Cash and cash equivalents[2]	6,452	8,124	–21%
Net Debt	**3,091**	**2,207**	**40%**
Equity	**24,998**	**26,628**	**–6%**
Leverage ratio[1] in %	**11%**	**8%**	**3**

[1] The leverage ratio is defined as (net debt including leases) / (equity + net debt including leases)

[2] Including items that were reclassified to assets or liabilities 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 2022.

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

In EUR mn

	June 30, 2023				Dec. 31, 2022			
	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**
Trade receivables	—	113	—	**113**	—	136	—	**136**
Investments in other companies[2]	—	—	74	**74**	—	—	42	**42**
Investment funds	27	—	—	**27**	26	—	—	**26**
Derivatives designated and effective as hedging instruments	—	122	—	**122**	—	380	—	**380**
Other derivatives	4	1,008	—	**1,013**	14	2,853	—	**2,867**
Net amount of assets and liabilities associated with assets held for sale	—	33	886	**918**	—	58	824	**882**
Total	**31**	**1,276**	**960**	**2,266**	**40**	**3,427**	**866**	**4,334**

[1] Excluding assets held for sale

[2] Includes investments in JSC GAZPROM YRGM Development (YRGM) and OJSC Severneftegazprom (SNGP), which are accounted for at fair value through profit or loss according to IFRS 9 since March 1, 2022.

Fair value hierarchy of financial liabilities and other liabilities at fair value[1]

In EUR mn

	June 30, 2023				Dec. 31, 2022			
	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**
Liabilities on derivatives designated and effective as hedging instruments	—	46	—	**46**	—	44	—	**44**
Liabilities on other derivatives	0	542	—	**543**	0	1,571	—	**1,571**
Other liabilities at fair value[2]	—	26	—	**26**	—	132	—	**132**
Total	**0**	**614**	**—**	**614**	**0**	**1,747**	**—**	**1,747**

[1] Excluding assets and liabilities that were reclassified to held for sale

[2] Includes hedged items designated in fair value hedge relationship related to product swaps with the national stockholding company in Germany.

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

In EUR mn

			Fair value level		
	Carrying amount	**Fair value**	**Level 1**	**Level 2**	**Level 3**
		June 30, 2023			
Bonds	212	212	51	161	—
Financial assets	**212**	**212**	**51**	**161**	**—**
Bonds	6,582	6,054	6,054	—	—
Other interest-bearing debt	1,430	1,277	—	1,277	—
Financial liabilities	**8,012**	**7,331**	**6,054**	**1,277**	**—**
		Dec. 31, 2022			
Bonds	52	52	—	52	—
Financial assets	**52**	**52**	**—**	**52**	**—**
Bonds	7,320	6,747	6,747	—	—
Other interest-bearing debt	1,487	1,320	—	1,320	—
Financial liabilities	**8,807**	**8,067**	**6,747**	**1,320**	**—**

[1] Excluding assets and liabilities that were reclassified to held for sale

Segment reporting

Intersegmental sales

In EUR mn

Q2/23	Q1/23	Q2/22	Δ%[1]		1–6/23	1–6/22
304	418	301	1	Chemicals & Materials	721	677
553	772	693	–20	Fuels & Feedstock	1,325	1,532
784	974	1,244	–37	Energy	1,758	2,394
111	106	104	7	Corporate & Other	217	201
1,751	**2,270**	**2,343**	**–25**	**Total**	**4,021**	**4,803**

Sales to third parties

In EUR mn

Q2/23	Q1/23	Q2/22	Δ%[1]		1–6/23	1–6/22
2,199	2,562	3,319	–34	Chemicals & Materials	4,761	6,789
3,986	4,259	5,432	–27	Fuels & Feedstock	8,244	9,475
2,794	4,139	6,038	–54	Energy	6,932	14,350
5	5	4	18	Corporate & Other	10	8
8,983	**10,964**	**14,793**	**–39**	**Total**	**19,947**	**30,621**

Total sales (not consolidated)

In EUR mn

Q2/23	Q1/23	Q2/22	Δ%[1]		1–6/23	1–6/22
2,503	2,979	3,620	–31	Chemicals & Materials	5,482	7,465
4,538	5,031	6,125	–26	Fuels & Feedstock	9,569	11,007
3,577	5,113	7,282	–51	Energy	8,690	16,744
116	112	108	7	Corporate & Other	227	209
10,734	**13,234**	**17,135**	**–37**	**Total**	**23,968**	**35,425**

Segment and Group profit

In EUR mn

Q2/23	Q1/23	Q2/22	Δ%[1]		1–6/23	1–6/22
–83	76	1,242	n.m.	Operating Result Chemicals & Materials	–7	1,803
422	427	1,237	–66	Operating Result Fuels & Feedstock	849	1,856
905	956	1,233	–27	Operating Result Energy	1,860	3,306
–25	–7	–16	–54	Operating Result Corporate & Other	–32	–24
1,220	**1,451**	**3,695**	**–67**	**Operating Result segment total**	**2,670**	**6,941**
14	–73	–19	n.m.	Consolidation: elimination of intersegmental profits	–60	–101
1,233	**1,378**	**3,676**	**–66**	**OMV Group Operating Result**	**2,611**	**6,840**

[1] Q2/23 compared to Q2/22

Assets[1]

In EUR mn

	June 30, 2023	Dec. 31, 2022
Chemicals & Materials	6,246	5,964
Fuels & Feedstock	4,260	3,954
Energy	11,886	11,675
Corporate & Other	227	234
Total	**22,619**	**21,826**

[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 1–6/23, there were arm's length supplies of goods and services between the Group and equity-accounted companies. Transactions with OJSC Severneftegazprom, which was accounted for at-equity until February 28, 2022, were not based on market prices but on cost plus defined margin.

Material transactions with equity-accounted investments

In EUR mn

	1–6/23		1–6/22	
	Sales and other income	Purchases and services received	Sales and other income	Purchases and services received
Borouge investments[1]	293	197	308	232
GENOL Gesellschaft m.b.H.	57	7	68	3
Erdöl-Lagergesellschaft m.b.H.	82	27	17	297
Deutsche Transalpine Oelleitung GmbH	0	10	0	23
Kilpilahden Voimalaitos Oy	2	55	4	45
OJSC Severneftegazprom[2]	—	—	—	24

[1] Includes Borouge PLC, Abu Dhabi Polymers Company Limited (Borouge), and Borouge Pte. Ltd.

[2] OJSC Severneftegazprom was deconsolidated as of March 1, 2022, and reclassified to other investments at fair value through profit or loss (FVTPL).

Additional non-monetary transactions took place with Erdöl-Lagergesellschaft m.b.H., which are not disclosed in the above table under the position "sales and other income" as these transactions are outside the scope of IFRS 15 and are consequently not shown as revenues in the consolidated income statement. In Q1/23, a non-financial liability towards Erdöl-Lagergesellschaft m.b.H. in the amount of EUR 27 mn was settled via returning goods.

Balances with equity-accounted investments

In EUR mn

	June 30, 2023	Dec. 31, 2022
Loan receivables	892	697
Trade receivables	131	237
Other financial receivables	40	37
Contract assets	8	8
Advance payments	19	21
Trade liabilities	114	124
Other financial liabilities	33	29
Contract liabilities	87	100
Other non financial liabilities	—	27

Material dividends distributed from equity-accounted investments

In EUR mn

	1–6/23	1–6/22
Abu Dhabi Oil Refining Company	206	—
Abu Dhabi Petroleum Investments LLC	—	5
ADNOC Global Trading LTD	68	5
Borouge investments[1]	230	474
Pearl Petroleum Company Limited	—	17

[1] Includes Borouge PLC, Abu Dhabi Polymers Company Limited (Borouge), and Borouge Pte. Ltd.

On June 30, 2023, undrawn financial commitments to Borouge 4 LLC in the amount of EUR 832 mn stemmed from a shareholder loan agreement (SHL) entered into on February 3, 2023, with Borealis AG as a lender and Borouge 4 LLC as the borrower to part finance the Borouge 4 CAPEX requirements of Borouge 4 LLC. EUR 151 mn out of the total EUR 983 mn commitment has been drawn to date. The SHL is structured as a facility with a five-year tenor. Borealis retains the right to accelerate the prepayment of the outstanding amounts at the point of reintegration. Furthermore, Borealis AG granted a guarantee for the funding of Borouge 4 LLC under the Italian Export Credit Agency agreement. The total guarantee amounts to EUR 1,174 mn plus interest. On June 30, 2023, the financing agreement had been drawn in the amount of EUR 186 mn by Borouge 4 LLC.

Due to additional loan drawings, no undrawn financing commitment to Bayport Polymers LLC (Baystar) was reported as of June 30, 2023 (December 31, 2022: EUR 46 mn).

Further information on related parties, including on government-related entities, can be found in the OMV Consolidated Financial Statements 2022 (Note 35 "Related parties"). There were no changes up to the publication of the condensed consolidated interim financial statements for 1–6/23.

Subsequent events

On July 5, 2023, the sale of the nitrogen business unit in Borealis Group (75% held by OMV) including fertilizer, technical nitrogen and melamine products to AGROFERT, a.s. has been completed, which values the business on an enterprise value basis of EUR 810 mn.

On July 14, 2023, the Executive Board of OMV has decided to pursue negotiations with ADNOC on a potential cooperation with respect to their polyolefins businesses. Such cooperation would include a potential combination of the Borealis and Borouge businesses as equal partners under a jointly controlled, listed platform for potential growth acquisitions to create a global polyolefin company with a material presence in key markets. Any potential transaction would be in line with OMV's stated acquisition criteria and capital allocation framework. Further announcement will be made as and when appropriate.

On July 26, 2023, the Executive Board of OMV Petrom proposed the distribution of a special dividend in gross value of RON 0.0450 per share leading to a total value of special dividends to be distributed to non-controlling interests of RON 1,370 mn (approx. EUR 276 mn), subject to approval by the Supervisory Board and the General Meeting of Shareholders of OMV Petrom.

Declaration of the Management

We confirm to the best of our knowledge that the condensed consolidated interim 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 important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated interim financial statements, the principal risks and uncertainties for the remaining six months of the financial year, and the major related-party transactions to be disclosed.

Vienna, July 28, 2023

The Executive Board

Alfred Stern m.p.
Chairman of the Executive Board
and Chief Executive Officer

Reinhard Florey m.p.
Chief Financial Officer

Martijn van Koten m.p.
Executive Vice President Fuels & Feedstock

Daniela Vlad m.p.
Executive Vice President Chemicals & Materials

Berislav Gaso m.p.
Executive Vice President Energy

Further Information

Next events

- OMV Group Trading Update Q3 2023: October 9, 2023
- OMV Group Report January–September and Q3 2023: October 31, 2023

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

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