Annual Financial Report 2022

OMV Group

OMV

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OMV Group

DIRECTORS' REPORT

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About OMV

OMV produces and markets oil and gas as well as chemical products and solutions in a responsible way and develops innovative solutions with a special focus on circular economy. In 2022, Group sales amounted to EUR 62 bn. With a year-end market capitalization of around EUR 16 bn, OMV is one of Austria's largest listed industrial companies. The majority of its roughly 22,300 employees work at its integrated European sites.

Our purpose

In 2022, OMV implemented a new Group-wide purpose as a fundamental part of our new strategy for becoming a leading company in sustainable fuels, chemicals, and materials. Our new purpose, "Re-inventing essentials for sustainable living," guides the Company like a North Star, toward its goal of becoming a net-zero emissions company. To ensure this purpose is fully embraced, we have designed new values and behaviors that align with our new direction. The new values will be launched in 2023, to empower our employees and drive our Company toward a sustainable future.

Our business segments

In Chemicals & Materials, OMV is one of the world's leading providers of advanced and circular polyolefin solutions with total polyolefin sales of 5.7 mn t in 2022 (2021: 5.9 mn t). It is also a European market leader in base chemicals, fertilizers[1], and plastics recycling. The Company supplies services and products to customers worldwide through OMV and Borealis, and its two joint ventures: Borouge (with ADNOC, based in the UAE and Singapore) and Baystar™ (with TotalEnergies, based in the US).

In Refining & Marketing, OMV operates three refineries in Europe, Schwechat (Austria) and Burghausen (Germany), both of which feature integrated petrochemical production, and the Petrobrazi refinery (Romania). In addition, OMV holds a 15% share in ADNOC Refining and in ADNOC Global Trading in the UAE. OMV's total global processing capacity amounts to around 500 kbbl/d. Fuels and other sales volumes in Europe were 15.5 mn t in 2022 (2021: 16.3 mn t) and the retail network consists of around 1,800 filling stations in ten European countries. In the Gas & Power Eastern Europe business, OMV Petrom operates a gas-fired power plant in Romania and is engaged in gas and power sales. In 2022, natural gas sales amounted to 36.2 TWh (2021: 39.6 TWh) and net electrical output was 5.0 TWh (2021: 4.8 TWh).

In Exploration & Production, OMV explores, develops, and produces oil and gas in its four core regions of Central and Eastern Europe, the Middle East and Africa, the North Sea, and Asia-Pacific[2]. Daily production was 392 kboe/d[3] in 2022 (2021: 486 kboe/d), with a roughly equal share of natural gas and liquids production. In the Gas Marketing Western Europe business, OMV markets and trades natural gas with sales volumes amounting to 111.2 TWh in 2022 (2021: 156.8 TWh). Furthermore, OMV operates natural gas storage facilities with a capacity of 30 TWh and holds a 65% stake in the Central European Gas Hub (CEGH).

Our new corporate structure

To drive sustainable growth and innovation, starting with January 1st, 2023, OMV reorganized its corporate structure in three business segments: Chemicals & Materials, Fuels & Feedstock, and Energy.

For more information about the new corporate structure and the Strategy 2030, see the chapter Strategy.

[1] On June 2, 2022, Borealis received a binding offer from AGROFERT, a.s. for the acquisition of its nitrogen business including fertilizer, melamine and technical nitrogen products.
[2] On February 27, 2023, OMV announced the start of the sales process for its E&P business in the Asia-Pacific region.
[3] Production figures in 2022 include 17 kboe/d from Russia (2021: 96 kboe/d); OMV no longer considers Russia a core region as of March, 2022. Furthermore, Russian volumes are no longer included in total production, due to a change in the consolidation method.

Our value chain

05 Refining

OMV operates three refineries in Europe and holds a 15% share in ADNOC Refining in the UAE, where it processes sustainable and fossil-based feedstocks into a wide range of refined products.

07 Base Chemicals

Base chemicals are produced at five major sites in Europe and at the joint ventures of Borealis, Borouge and Baystar. Most of the base chemicals are processed internally into polyolefins.

09 Mechanical Recycling

Borealis runs four mechanical recycling plants in Austria and Germany, where plastic waste is processed into high quality recyclate.

06 Chemical Recycling

OMV is currently constructing a demo plant based on its proprietary ReOil® technology which will turn plastic waste, not fit for mechanical recycling, into valuable resources. In addition, Borealis has a controlling stake in Renasci, a Belgian provider of innovative recycling solutions.

03 Circular Resources

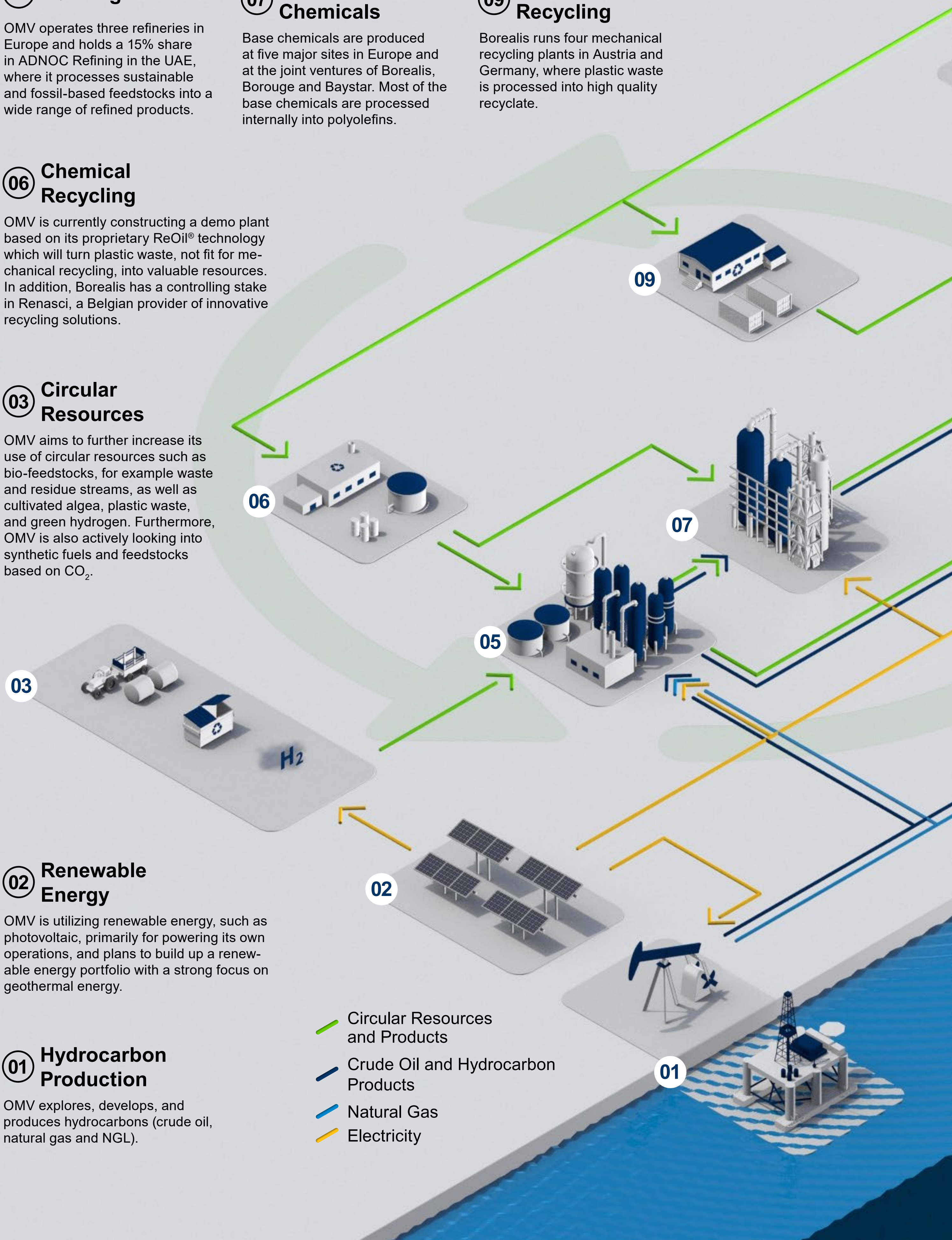
OMV aims to further increase its use of circular resources such as bio-feedstocks, for example waste and residue streams, as well as cultivated algea, plastic waste, and green hydrogen. Furthermore, OMV is also actively looking into synthetic fuels and feedstocks based on CO_2.

02 Renewable Energy

OMV is utilizing renewable energy, such as photovoltaic, primarily for powering its own operations, and plans to build up a renewable energy portfolio with a strong focus on geothermal energy.

01 Hydrocarbon Production

OMV explores, develops, and produces hydrocarbons (crude oil, natural gas and NGL).



16 Industries

Through Borealis, OMV provides innovative and value creating plastics solutions to five end-use industries:

- a Consumer Products
- b Energy
- c Healthcare
- d Infrastructure
- e Mobility

15 Fuels & Others

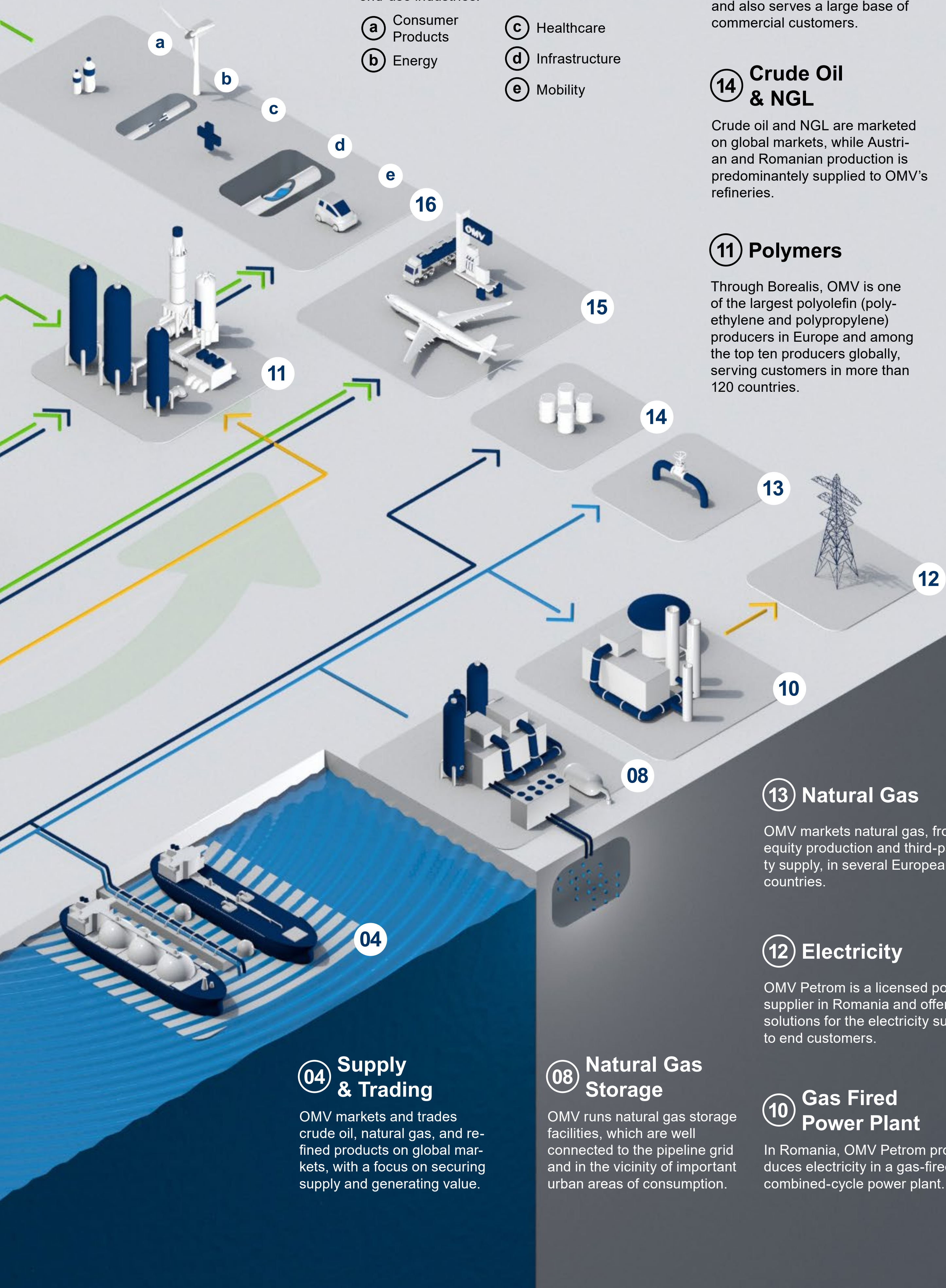
OMV sells its refined products via several retail filling station brands and also serves a large base of commercial customers.

14 Crude Oil & NGL

Crude oil and NGL are marketed on global markets, while Austrian and Romanian production is predominantely supplied to OMV's refineries.

11 Polymers

Through Borealis, OMV is one of the largest polyolefin (polyethylene and polypropylene) producers in Europe and among the top ten producers globally, serving customers in more than 120 countries.



13 Natural Gas

OMV markets natural gas, from equity production and third-party supply, in several European countries.

12 Electricity

OMV Petrom is a licensed power supplier in Romania and offers solutions for the electricity supply to end customers.

04 Supply & Trading

OMV markets and trades crude oil, natural gas, and refined products on global markets, with a focus on securing supply and generating value.

08 Natural Gas Storage

OMV runs natural gas storage facilities, which are well connected to the pipeline grid and in the vicinity of important urban areas of consumption.

10 Gas Fired Power Plant

In Romania, OMV Petrom produces electricity in a gas-fired combined-cycle power plant.

Market Outlook

Inflation and significant reductions in the availability of Russian commodities, especially natural gas, in Europe following the removal of almost all Russian supply to the region, were the key causes of a substantial increase in global energy prices in 2022, leading to the "first global energy crisis" as described by the IEA. This has amplified the incentive for Europe to further diversify and decarbonize its energy supply. High prices, in particular for gas and electricity, have put the focus back on security of supply.

2022 was something of a watershed year in energy markets. Consumers and central banks across the globe were faced with the challenge of rapidly rising inflation already at the end of 2021 and the early part of 2022, and this was before the picture was further complicated by the Russian invasion of Ukraine at the end of February. Significant reductions in the availability of Russian energy, especially natural gas, in Europe following the removal of almost all Russian supply to the region were the key causes of a substantial increase in global energy prices in 2022. Energy commodities ended up being one of the few asset classes to post gains during 2022, as inflation and subsequent rapid interest rate hikes by central banks saw a broad-based sell-off of riskier assets and the long bull market in equities came to an end.

The developments in energy markets during 2022 have been described as the "first global energy crisis" by the IEA's Fatih Birol. With natural gas in Europe averaging at several times its value from the last few years, the incentive for Europe in particular to further diversify and decarbonize its energy supply has been amplified. This urgency was reflected in the political landscape of 2022. The RePowerEU program and the Inflation Reduction Act in the US in particular will provide significantly expanded provision and financial support for the build-out of clean energy over the coming years.

The goal of achieving net zero emissions by the middle of the century has never been shared by more governments and corporations. As of the end of 2022, countries representing more than 90% of global GDP had made a commitment to net zero emissions. An increase of 10 percentage points compared to the end of 2021, according to the University of Oxford's Net Zero Tracker. Emissions coverage has increased by an estimated 6 percentage points to 83%, compared to 2021. While this trend is encouraging, the hurdles to achieving these goals remain significant.

In particular, the events of 2022 and the accompanying high prices, especially for gas and electricity, have put the focus back on security of supply. Europe's natural gas infrastructure is being rapidly retooled to shift from a high dependency on pipeline imports of gas from the east to a more diversified portfolio that includes much larger volumes of LNG from the global seaborne market. The urgency of ensuring basic supplies of energy to consumers and businesses took precedence over long-term decarbonization goals during 2022, and it is entirely possible that this will be the case again over the next couple of years. Associated trends, such as resurgent coal demand for power generation and subsequent higher emissions intensity, can also be expected to recur. At the end of 2022, policymakers were occupied with the question of how severe recessionary effects will be during 2023, especially in Europe, where many observers have pointed to an existential threat to the viability of the regional manufacturing base.

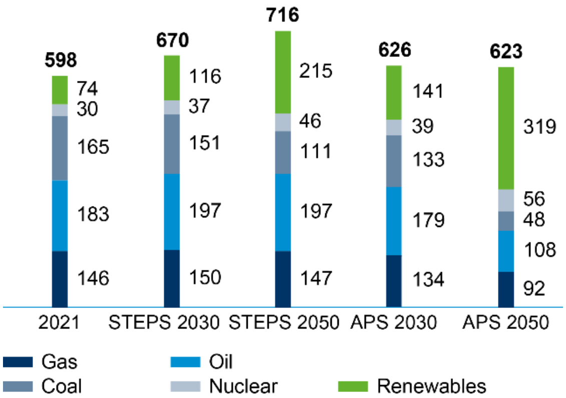
Nevertheless, over the medium and long term, OMV fully expects the structure of energy supply and demand to undergo drastic changes as efforts are made at varying speeds and with varying degrees of success to decarbonize electricity production, transport, industry, and other carbon-intensive sectors of the global economy. A viable path to a net zero global energy system by the middle of the century has to include a diverse range of technologies being employed in place of the traditional fossil and biomass energy sources. No single energy source should account for more than a quarter of total primary energy supply by 2050, according to the most recent update of the IEA's Net Zero Emissions by 2050 Scenario.

On a global level, there remains a significant implementation gap – the difference between the combined pledges on emissions reductions and the actual measures that have been taken to achieve them. Compared to 2021, additional announced pledges on emissions reductions from India and Indonesia have served to reduce the perceived gap between announced pledges and a net zero energy system. However, major uncertainty remains. This is reflected in the range of modeled shares of the different energy sources in the IEA's most recent World Energy Outlook: By the end of this decade, oil and gas will supply only 46% of total global primary energy in the net-zero scenario (down from 53% in 2021). However, this number remains essentially unchanged in the IEA's Stated Policies Scenario (STEPS) by 2030, and falls only to 47% by the middle of the century.

IEA scenarios based on stated policies and announced pledges foresee oil demand remaining robust at least through to the end of the decade (these scenarios assume compound annual growth rates of 0.8% and 0.2% respectively through to the end of the current decade for total global energy supply). In these environments, the question of underinvestment in upstream oil and gas remains a pertinent one for the energy system as a whole. Various analyses have shown that capital expenditure in E&P has so far not responded to the marked increases in oil and gas prices observed since the depths of the pandemic-related sell-off in the middle of 2020 in the same way that was characteristic of previous commodity cycles.

World total primary energy supply

In EJ



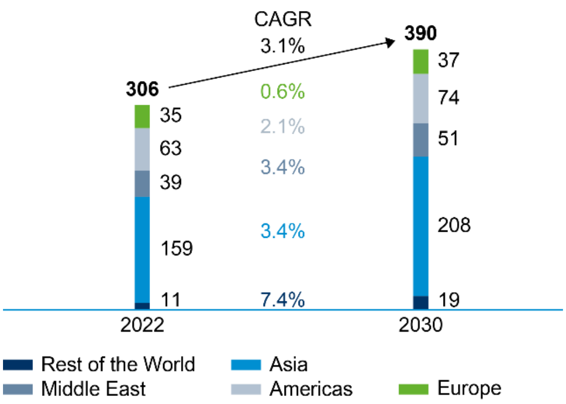
Source: IEA World Energy Outlook 2022

Despite these factors long term assumptions remain largely unchanged. For example, the expectation that advanced economies will see the most notable negative growth trends for fossil fuels over the medium and long term remain in place. The EU sees faster declines in oil demand than any other large country or region except Japan in the IEA's projections. The CAGR of EU oil consumption for 2021–2030 is –2% in the STEPS, falling to –3.8% in the Announced Pledges Scenario (APS). China, the engine of global oil demand growth over the last two decades, sees a CAGR on oil demand of less than 1% up to 2030 even in the STEPS.

In addition to an entrenched demand-decline trend in the domestic market, the European refining industry is likely to face ongoing headwinds in the form of higher utility and fuel costs vs. the other refining hubs, especially those in the US and the Middle East. While these higher costs are to some extent offset by higher market prices for refined products, they are nevertheless expected to continue to weigh on European competitiveness. Meanwhile, consensus demand assumptions continue to imply an advantage in the market for players with petrochemical integration. It is notable that, even in the IEA's Net Zero Emissions by 2050 Scenario, oil demand for non-energy use falls by only 6% by 2050 vs. 2021 levels (vs. a decline of almost 80% for oil demand overall).

Global petrochemicals[1] demand

In mn t



Source: Chemical Market Analytics by OPIS, a Dow Jones Company

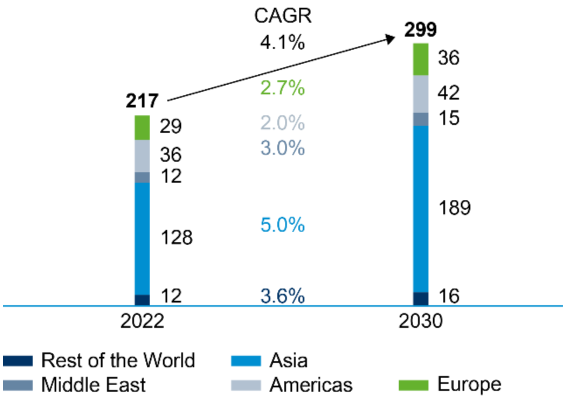
[1] Ethylene and propylene

Oil demand for chemical production is expected to increase, primarily originating from rising demand in emerging markets and closely linked to GDP development. By 2030, oil demand for chemical production will rise by about 2% per year. Approximately 80% of chemical and plastic demand growth will be concentrated in emerging markets, mainly Asia, until 2030 and beyond. This region represents most of the global population growth and the corresponding potential for improving living standards. For mature markets such as Europe, North America, and Japan, demand growth is anticipated to remain healthy in the long term, in line with economic development, but growth rates are expected to slow.

Note: In its 2022 World Energy Outlook, the IEA did not include the Sustainable Development Scenario (SDS), which has been used as a reference point in the past by OMV. In terms of cumulative emissions for the global energy system, the SDS is most closely comparable to the Announced Pledges Scenario (APS).

Global virgin polyolefin demand

In mn t

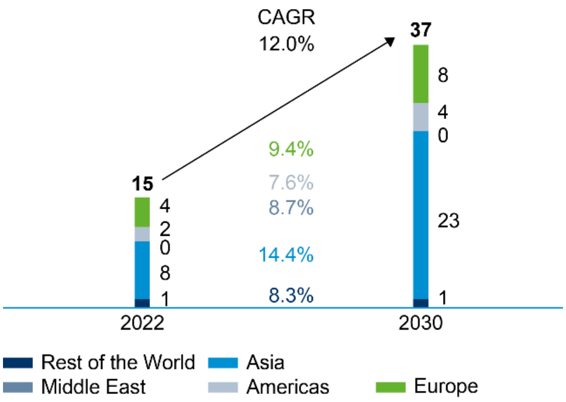


Source: Chemical Market Analytics by OPIS, a Dow Jones Company

Polyolefins are the largest market segment in producing plastic goods. Demand for virgin polyolefins will continue to grow at a rate above global GDP until 2030, driven by the Asian market. Polyolefins will remain essential for various industries, including packaging, construction, transportation, healthcare, pharmaceuticals, and electronics.

Global recycled polyolefin demand

In mn t



Source: Chemical Market Analytics by OPIS, a Dow Jones Company

The key success factor for medium- to long-term sustainable business models is growth in renewable feedstocks, bioplastics, and the development of circular solutions. Recycled polyolefin demand is expected to grow at a rate significantly above global GDP until 2030, with Asia having the largest share.

Over the next decade, key focus areas for the plastics industry will be continued improvement in waste collection, the redesign of plastics and their applications for increased recyclability, and improvements in recycling technologies. Global recycling rates are projected to increase almost threefold by 2030.

OMV uses two frameworks for future market assumptions. For 2022, these are positioned as follows:

1. A base case that assumes OECD economies follow a decarbonization path more aggressive than the IEA's Announced Pledges Scenario, but falling short of the net zero oil demand path, while non-OECD economies progress in line with announced pledges.
2. A stress case that sees a faster transition away from fossil fuels than that in the Sustainable Development Scenarioused in the 2021 IEA report, though not as aggressive as the Net Zero Emissions by 2050 Scenario. This stress case represents a trajectory for oil demand declines that would correspond to the upper limit of the temperature increases foreseen in the UN climate goals from Paris, with net zero achieved in the global energy system between 2050 and 2070.

For details on climate change-related risks and their management, see the chapter Risk Management and Note 2 of the Consolidated Financial Statements, as well as the OMV Sustainability Report.

Strategy

OMV's goal is to transform from an integrated oil, gas, and chemicals company into a leader in innovative sustainable fuels, chemicals, and materials, leveraging opportunities in the circular economy. The Group aims to become a net-zero emissions company by 2050 for all three scopes of greenhouse gas emissions. By taking this path, OMV expects to deliver an operating cash flow excluding net working capital effects of around EUR 6 bn by 2025 and at least EUR 7 bn by 2030, a ROACE of at least 12%, and to grow the distributions to its shareholders. Re-inventing essentials for sustainable living is OMV's purpose.

To drive sustainable growth and innovation, starting with January 1st, 2023, OMV reorganized its corporate structure in three business segments: Chemicals & Materials, Fuels & Feedstock, and Energy. Chemicals & Materials continues to cover the entire chemicals value chain, including responsibility for capturing value from the circular economy. Fuels & Feedstock combines the previously distinct Executive Board areas of Refining and of Marketing & Trading. The Energy segment includes the traditional Exploration & Production (E&P) business as well as the entire gas business and the new Low-Carbon business focused on geothermal energy and carbon capture and storage (CCS). 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.

Strategic cornerstones

OMV's goal is to transform from an integrated oil, gas, and chemicals company into a leader in innovative sustainable fuels, chemicals, and materials, leveraging opportunities in the circular economy. An integral part of the Group's strategy is its ambition to become a net-zero emissions company by 2050 for Scope 1, 2, and 3 emissions. In view of the ongoing transformation in the energy industry and a global goal of net-zero emissions, OMV is building on its strengths and seizing opportunities to position itself competitively.

2030 strategic priorities

- Become a net-zero emissions company by 2050; reduce Scope 1 and 2 emissions by 30% and Scope 3 emissions by 20% by 2030
- Develop into a global leader in specialty polyolefin solutions
- Establish a global leadership position in circular economy solutions
- Become a leading European producer of sustainable fuels and chemical feedstocks
- Reduce fossil production and shift to gas
- Enhance OMV's shareholder value: deliver growth with strong financials and reward its shareholders through progressive regular dividend and special dividends

OMV is committed to becoming a net-zero emissions company by 2050 (Scopes 1, 2, and 3) and has set interim targets for 2030 and 2040, with well-defined actions to meet the targets by 2030. By 2030, OMV aims to reduce its Scope 1 and 2 emissions by 30% and its Scope 3 emissions by 20%. The Group also aims to reduce its intensity in energy supply by 20% by 2030. This will be achieved by decreasing fossil fuel sales, increasing zero-carbon energy sales, increasing polyolefin recycling and sustainable feedstocks and products, as well as using neutralization measures such as CCS.

This path will enable OMV to deliver operating cash flow excluding net working capital effects of around EUR 6 bn by 2025 and at least EUR 7 bn by 2030, a ROACE of at least 12% in the mid and long term, and continuation of its attractive shareholder distributions. These are supported by sound capital allocation priorities and a strong balance sheet, with a mid/long-term leverage ratio of below 30%.

Building on its current strengths and a vision of leadership in technology and innovation, OMV will be well positioned to thrive sustainably in a world with low greenhouse gas (GHG) emissions. This strategy enhances OMV's shareholder value, as its transformation path allows for a sustainable growth business model, showing the Group's commitment to cutting GHG emissions and delivering strong financials and attractive shareholder distributions.

The Chemicals & Materials business will be the core growth engine of the Group. OMV aims to become a global leader in specialty polyolefin solutions, with a significantly stronger position in the Middle East, Asia, and North America. The Group will strengthen its

Note: The financial targets for 2025 are based on the following market nominal price assumptions: Brent oil price of USD 65/bbl, THE (Trading Hub Europe) gas price of EUR 22/MWh, refining indicator margin Europe of USD 4.3/bbl, ethylene/propylene indicator margin Europe of EUR 430/t, polyethylene/polypropylene indicator margin Europe of EUR 420/t. The financial targets for 2030 are based on the following market nominal price assumptions: Brent oil price of USD 70/bbl, THE (Trading Hub Europe) gas price of EUR 24/MWh, refining indicator margin Europe of USD 4.3/bbl, ethylene/propylene indicator margin Europe of EUR 500/t, polyethylene/polypropylene indicator margin Europe of EUR 480/t.

existing polyolefins business, while also building a strong and diversified chemicals and materials portfolio, by expanding into adjacent businesses and new product groups. To achieve this, OMV will target investments and initiatives that improve its returns and carbon footprint. Moreover, OMV will expand its geographical reach, pursuing high-growth markets, such as Asia and North America. This will be achieved through in-market investments and partnerships based on differentiated technologies and application portfolios. Furthermore, the Company will diversify its presence beyond polyolefins by entering into specialty chemicals and materials to build leadership positions.

An important pillar of OMV's strategy is the ambition to become a leader in renewable and circular chemicals and materials. The Group will capture the potential of emerging renewable and circular markets by leveraging its integrated technology platform and end-to-end position to develop innovative products and new business models. The circular economy is crucial for a long-term sustainable chemicals business. Thus, a transition toward an economically viable commercial scale is needed. In this context, the Group's target is to deliver around 2 mn t of sustainable Chemicals & Materials products by 2030. 80% of these volumes are planned to be produced in Europe, which represents around 40% of OMV's polyolefin production capacity in Europe.

OMV also aims to become a leading innovative producer of sustainable fuels and chemical feedstocks. To achieve this, the Company will optimize the interface between oil and chemicals, with a focus on the integrated Schwechat and Burghausen sites, by redesigning plants to maximize high-value fossil resources, and with a growing share of sustainable fuels and feedstocks for chemicals production. This will significantly reduce diesel product output by 2030, while increasing the chemical yield to around 24%. The production of renewable fuels and sustainable feedstocks will increase to approximately 1.5 mn t, while crude oil distillation throughput will decrease by 2.6 mn t. Furthermore, OMV aims to become the first choice of our customers for energy, mobility, and convenience, focusing on the sale of sustainable aviation fuels, building an EV charging network and growing its non-fuel retail business.

In the Energy business, OMV is focusing on maximizing value and harvesting cash. OMV Energy will gradually reduce its fossil production to ~350 kboe/d by 2030, with a share of around 60% of natural gas. In the same period, OMV will make significant investments in low-carbon solutions, namely in around 10 TWh of renewable energy (e.g., geothermal) and around 5 mn t p.a. of CCS capacity by 2030 to reduce its GHG footprint. The Energy business will act as a cash engine for the Group and will support the transformation.

Chemicals & Materials (C&M)

2030 strategic priorities

- Develop into a global leader in specialty polyolefin solutions
- Grow in attractive markets with a particular focus on North America and Asia
- Grow sustainable chemical production capacity to up to 2 mn t
- Establish a leading position in renewable and circular economy solutions
- Diversify portfolio by entering adjacent products and new product groups

Demand for chemical products will continue to grow ahead of global GDP, even in a low GHG emission world. Virgin polyolefin demand is expected to grow slightly above global GDP with a CAGR (2022–2030) of 4.1%. Most of this demand growth stems from high-growth markets in Asia and is associated with a variety of different end-user markets and applications, providing a natural hedge against the volatility of individual industries. Recycled polyolefins are projected to grow with a CAGR (2022–2030) of 12%, significantly above GDP, thanks to strong end-market commitments especially in the consumer goods sector, increasing regulatory pressure, and the need for end-of-life solutions for plastic waste.

Polyolefins play a critical role as eco-efficient enablers for a sustainable future, e.g., making lighter-weight automotive solutions and packaging that reduces food waste and increases shelf life possible. The current linear value chain in polyolefins faces significant challenges: mismanaged and unmanaged waste, environmental pollution, unnecessary emissions, and accumulation of microplastics. Transforming the value chain from a linear into a circular model will be one of the priorities for a sustainable chemicals business going forward. However, this requires a profound transformation to enable scale at attractive profitability. Current feedstock accessible directly from recycling is limited. For this reason, tapping into upstream and downstream feedstocks, primarily through partnerships, is critical to ensuring sufficient access to plastic waste. Partnerships with brand owners and retailers ensure attractive long-term offtake agreements with green product premiums. In addition, the future operating model needs to be set up to rapidly respond to changing customer and regulatory demands, with a primary focus on the advanced European landscape but also on the ability to quickly roll out successful blueprints globally.

OMV aims to strengthen its polyolefins business by building on existing strengths and capabilities and fully exploiting competitive advantages to grow into adjacent markets, targeting investments and initiatives that improve returns and decrease the Group's carbon footprint.

C&M has a strong pipeline of organic growth projects in Europe, the Middle East, and North America.

Key growth initiatives include:

- Expansion of the Burghausen naphtha-based steam cracker (2022)
- Expansion of propylene production capacities in Belgium. Building a 750,000 t propane dehydrogenation (PDH) plant in Kallo, which is expected to start up in 2024.
- Expansion of North American footprint through Baystar JV, building a 1 mn t ethane-based cracker and expanding the polyethylene plants capacity to 1 mn t annually. The steam cracker started up in 2022, and the polyolefin plant is expected to start up in the first half of 2023.
- Expansion of Borouge JV through Borouge 4 building an ethane-based steam cracker of 1.5 mn t and polyolefin plants with a capacity of 1.4 mn t. The steam cracker and polyolefin plants are expected to start up at the end of 2025.

The C&M business is seeking to strengthen its polyolefin and specialty product portfolio, securing attractive margins. The business aims to grow in Asia and to strengthen its North American footprint via organic and inorganic investments. In addition, to further broaden its portfolio, C&M aims to tap into adjacent pockets of value creation and develop a more broadly diversified chemicals leadership position, primarily through M&As.

Key growth initiatives via organic or inorganic investments include building a polypropylene position in North America, growing in differentiated specialty products, and growing in Asia in specialty polyolefins and circular solutions.

In addition to overall market attractiveness, strategic fit, and value creation, key investment criteria for potential diversification opportunities are sustainability and geographical footprint. A continued focus on innovation will be essential to maintaining technology leadership.

OMV aims to become a leader in renewable and circular chemicals and materials. To achieve this goal, the Group plans to capture emerging renewable and circular market potential by leveraging its integrated technology platform and end-to-end position to establish new products and novel business models.

The aim is to deliver approximately 2 mn t p.a. of sustainable products by 2030, with a focus on Europe: 40% of OMV's polyolefin production capacity in Europe is planned to be sustainable. This will be accomplished by accelerating ongoing (advanced) mechanical and chemical recycling initiatives in Europe, as well as by using bio-feedstocks. The sustainable products will be the result of the increasing use of bio-monomers for polyolefins and the broader chemicals portfolio, and leveraging the close integration with OMV's Fuels & Feedstock business. Building on its European sustainability leadership, C&M will utilize its global footprint to expand circular economy solutions globally with existing joint ventures, new growth plat-forms, and additional partnerships across Asian and North American assets.

OMV's C&M business will be the major growth engine of the Group. With a portfolio of various growth initiatives, it will balance sustainability, risk, and returns and strengthen resilience against market dynamics. The C&M strategy has significant growth and value creation potential.

Total organic investments in Chemicals & Materials will average EUR 0.9 bn p.a. in 2022–2030, EUR 0.3 bn p.a. of which will be allocated to sustainable and CO_2 emissions reduction projects.

Fuels & Feedstock (F&F)

Strategic priorities

- Increase chemical yield to 24% in Western refineries
- Grow the production of renewable mobility fuels and sustainable chemical feedstocks to approximately 1.5 mn t, while reducing crude oil distillation throughput by 2.6 mn t
- Market at least 700,000 t of sustainable aviation fuels
- Invest in an EV charging network and significantly increase margin contribution from the non-fuel retail business
- Significantly reduce absolute Scope 1, 2, and 3 emissions

Going forward, F&F will reshape its product portfolio, building on renewable mobility fuels and sustainable chemical feedstocks. The Company is focusing on safe, innovative, and ecologically and economically sustainable operations. As a result, F&F will enable the transformation to low-carbon operations and sales while maintaining strong profitability.

European fossil refining market potential will decrease significantly up to 2030, as both volumes and refining margins are expected to be under pressure driven by the pace of the energy transition in Europe. In the same time horizon, strong growth will materialize for renewable mobility fuels, as well as sustainable chemical feedstocks. F&F will proactively decrease crude oil distillation throughput in the Schwechat and Burghausen refineries, from 12.9 mn t in 2019 to approximately 10.3 mn t in 2030, in line with changing demand patterns. This adaptation will significantly reduce heating oil and diesel product output by 2030, while increasing the chemical yield to around 24% for the Western refineries. To leverage the opportunities of the ongoing energy transition, the F&F division is developing a sustainable production portfolio for renewable fuels and sustainable chemical feedstocks, such as the co-processing of biogenic feedstocks in Schwechat, reaching approximately 1.5 mn t in total by 2030. In this context, the sourcing of bio-feedstocks will be a critical success factor. 80% of 2030 OMV's feedstock requirements already has a clear sourcing plan.

OMV will optimize the interface between oil and chemicals, with a focus on the integrated Schwechat and Burghausen sites, by reconfiguring plants and sites to maximize high-value fossil resources, and with a growing share of sustainable feedstocks for chemicals production. OMV will continue to operate its three European refineries in Austria, Germany, and Romania as an integrated system, optimizing asset utilization and maximizing margins. Furthermore, the Company is implementing energy and operational efficiency measures within the existing refinery assets to maintain a leading cost position in Europe.

OMV's goal with its international, non-operated refining positions in the UAE (ADNOC Refining) and Pakistan (PARCO) is to improve their commercial performance. The focus in the short to mid-term will be on operational excellence and performance culture at each asset. In the mid to long term, OMV will evaluate commercial options for the production of sustainable mobility fuels and chemical feedstocks.

The F&F activities in Europe secure OMV's customer and market access. In line with changing demand patterns, as well as regulatory obligations, OMV will gradually transform its product portfolio to include more sustainable fuels and services by 2030, thereby increasing the resilience of its product mix. OMV will build a growing business for sustainable aviation fuels (SAF) in Central Europe by establishing new market positions in the vicinity of planned production sites. F&F will market at least 700,000 t of SAF by 2030. OMV will aim to grow SAF sales volumes significantly beyond the planned regulatory framework and will target the growing voluntary compliance market. Simultaneously, F&F will sustain its position of bitumen and marine fuel oil to safeguard refinery utilization, while continuing to evolve these products to lower GHG emissions.

In Retail Mobility & Convenience, OMV intends to further develop existing market potential by significantly growing the non-fuel business sector. New gastronomy and service concepts, as well as cooperation in the food logistics sector, are expected to significantly increase the volume and margin of the non-fuel business by 2030. In parallel, the Company will further increase its premium fuel share to more than 30% as a differentiator and significant margin generator by 2030. OMV Retail Mobility & Convenience will expand into e-mobility, building a leading position in out-of-home Electric Vehicle (EV) charging locations such as highway and transit refilling stations, as well as convenience hubs. With a total investment in this segment of more than EUR 400 mn by 2030, OMV will grow the profitability of the retail business as well as monetizing the value of its assets.

Total organic investments in the F&F business will average EUR 1 bn p.a. in 2022–2030, EUR 0.5 bn p.a. of which will be allocated to sustainable and carbon emissions reduction projects.

With this new strategy, OMV will accelerate the attainment of its goal of lowering GHG emissions by reducing fossil fuels, stepping up the production and marketing of renewable fuels and sustainable chemical feedstocks, and implementing energy efficiency measures.

Energy

2030 strategic priorities

- Portfolio managed as a robust cash generator to support the Group's transformation
- Production is expected to decline to ~370 kboe/d by 2025 and ~350 kboe/d by 2030, excluding any potential divestments
- Low-carbon business solutions will be developed, with around 10 TWh in renewable energy (e.g., geothermal) and around 5 mn t p.a. CCS, to significantly reduce absolute and relative GHG emissions
- Upon evaluation of its portfolio, OMV announced the start of the sales process of its E&P assets in the Asia-Pacific region

In the context of the ongoing energy transition and to support the OMV Group's transformation, Energy will be managed as a robust cash generator and will focus on further upgrading its competitive asset portfolio, concentrating on the three core regions: Central and Eastern Europe, the North Sea, and Middle East and Africa. The shift of the hydrocarbon portfolio to gas will continue, with further divestments of non-core positions to improve efficiency, while the low-carbon business will be ramped up to achieve a material contribution by the end of the decade. On February 27, 2023, OMV announced that it started the sales process for the divestment of its E&P assets in the Asia-Pacific region: a 50% stake in SapuraOMV Upstream Sdn. Bhd. and 100% of the shares in OMV New Zealand Limited.

Starting with 2023, the Energy business incorporates the entire value chain of gas, as 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.

Boosting value delivery and cash generation are the main goals and criteria for managing and developing the portfolio of oil and gas assets, with a strong emphasis on gas. The delivery over the mid-term of key projects in the portfolio, such as the Neptun Development in Romania, and the Umm Lulu SARB Phase 2 plateau extension in the UAE, will support strong cash generation by and beyond 2025. OMV expects production levels of ~370 kboe/d by 2025 and ~350 kboe/d by 2030, with a share of around 60% of natural gas, excluding any potential divestments. In order to sustain the above-mentioned production levels, ramp up the low-carbon business, and deliver strong cash generation, OMV Energy anticipates a total annual average CAPEX in 2022–2030 of around EUR 1.6 bn, EUR 0.6 bn of which are earmarked for low-carbon activities. OMV's exploration and appraisal activities are being streamlined further, and the total annual average budget is expected to be around EUR 0.2 bn over the decade. Toward the end of the decade, oil and gas CAPEX and E&A expenditure will be reduced, thereby allowing for more capital to be allocated to ramping up the low-carbon business and the broader OMV transformation.

OMV Energy plans to reinforce the competitiveness of its portfolio and resilience through a strong focus on operational excellence, fostered by digitalization and agile ways of working, as well as portfolio optimization.

To supply its gas customers, OMV will continue to complement its own natural gas production in Norway, Austria, and Romania with third-party supply sources on which the Group is working to diversify. The equity gas contribution to the gas sales business will decrease significantly toward the end of the decade in the Northwestern European region due to natural fields decline, and, as needed, will largely be replaced with green gases, such as biogas and hydrogen, primarily obtained from the markets, to reduce the carbon intensity of its product portfolio. New equity gas volumes from the Romanian Neptun project will keep volumes high in Southeastern Europe. OMV will also aim to direct an increasing share of its natural gas sales to customers from non-energy sectors, to further reduce its Scope 3 portfolio emissions.

The Group will explore a range of opportunities and portfolio choices that enhance cash flow generated by the current Energy business and support a potential accelerated transition to sustainable fuels, chemicals, and materials. These opportunities may include capturing the full value potential of the asset base, e.g., low-carbon business potential, maintaining reservoir production excellence, and optimizing costs as well as assessing and developing joint venture opportunities for selected assets without excluding inorganic options.

To reduce its operational carbon footprint, OMV Energy will pursue the phase-out of routine gas flaring and venting, reduce fugitive methane emissions, and introduce portfolio optimization measures. In addition, renewable energy projects will also be pursued for the purpose of powering OMV's own operations, such as the photovoltaic plant developed with VERBUND in Schönkirchen (Austria). To achieve an overall reduction of both absolute and relative GHG emissions from its product portfolio, OMV Energy will leverage its existing asset base and core skills to deliver financially strong low-carbon business projects. Available opportunities will be captured to build up geothermal energy capacity that generates up to 9 TWh p.a. by 2030. In addition to geothermal, around 1 TWh from renewable power will be developed in OMV core regions with favorable sun and wind conditions to serve primarily captive demand, thereby reducing Scope 2 emissions by OMV's own operations. The Energy business will further tap its existing reservoirs and (sub-)surface capabilities to implement opportunities that lead to a CCS capacity of approximately 5 mn t p.a. of CO_2 net to OMV by 2030. In addition, further opportunities where OMV Energy can leverage its strengths and capabilities are being explored, e.g., hydrogen and energy storage, and will potentially be pursued in consideration of OMV strategic priorities.

Decarbonization strategy

2030 strategic priorities

- Reduce OMV Group Scope 1 and 2 emissions by 30%
- Reduce OMV Group Scope 3 emissions by 20%
- Reduce OMV Group's carbon intensity of energy supply by 20%

All reduction targets are measured against a 2019 baseline.

OMV is committed to achieving net-zero emissions (Scopes 1, 2, and 3) by 2050, with interim targets for 2030 and 2040. OMV targets are set at an absolute and intensity level with the ultimate goal of achieving net-zero emissions in Scopes 1, 2, and 3 by 2050. For Scopes 1 and 2, OMV aims for an absolute reduction of 30% by 2030 and of 60% by 2040. For the defined categories in Scope 3, OMV aims for an absolute reduction of 20% by 2030 and of 50% by 2040. In terms of reducing the carbon intensity of energy supply, OMV intends to achieve a decrease of 20% by 2030 and 50% by 2040.

OMV has also voluntarily committed to apply the Oil and Gas Methane Partnership 2.0 (OGMP 2.0) framework. As a result, OMV committed to:

- E&P methane emissions accounting shall be in line as a minimum with the OGMP 2.0 framework
- Operated E&P asset must have a source-level measurement of methane emissions (OGMP 2.0 level 4) in three years at the latest
- Reduce methane intensity to 0.2% by 2025 and to 0.1% by 2030.

OMV awaits the publication of the science-based targets (SBT) methodology for the oil & gas sector to evaluate its targets against the SBT requirements and get them approved by the Science Based Target initiative (SBTi).

These emission reductions can only be achieved with considerable effort and capital allocated: the Group has earmarked organic investments of more than EUR 13 bn for this purpose in 2022–2030, which represent around 40% of total organic CAPEX. All business units will build on their existing strengths and know-how on this transformation journey. Three key initiatives will be undertaken to achieve the targeted reductions by 2030:

- Decrease in fossil fuel sales: significant decrease in fossil fuels and a less steep decline in natural gas sales
- Increase in zero-carbon energy sales: significant increase in sustainable and biobased fuels, green gas sales, and build-up of photovoltaic electricity capacity primarily for captive use as well as geothermal energy
- Increase in Chemicals & Materials recycling and sustainable feedstocks, and delivery of approximately 2 mn t p.a. of circular products: recyclate production substituting fossil chemicals and materials production and production from biogenic feedstock

Besides these efforts, neutralization measures will be necessary. OMV anticipates that it will use around 5 mn t of CCS capacity across all business units. All energy purchases will be 100% renewable. The inorganic growth of the Chemicals & Materials business will be executed in line with OMV decarbonization targets with either decarbonization path-ways in place or to be implemented following a possible acquisition.

Finance

2030 strategic priorities

- Generate operating cash flow excluding net working capital effects of EUR ~6 bn by 2025 and EUR ≥7 bn by 2030
- Target a ROACE of ≥12% in the mid and long term
- Ensure sound capital allocation priorities: organic CAPEX, dividend, inorganic growth, deleveraging and special dividends[1]
- Maintain strong balance sheet, with a mid/long-term leverage ratio below 30%
- Distribute around 20% to 30% of operating cash flow (including net working capital effects) per year to its shareholders through its regular dividend, as a priority, and additionally, if sufficient funds are available, through special dividends, when leverage ratio is below 30%
- Commit to attractive shareholder distributions

[1] Depending on OMV's leverage ratio, the order between inorganic growth and deleveraging can reverse.

The Group's financial strategy aims to increase the Company's value and shareholder return, while ensuring a robust balance sheet, along with a financially resilient portfolio that thrives in a low-carbon world and has attractive growth potential well into the future. The value-driven finance strategy operates according to a clear framework for enabling long-term profitable and resilient growth, and aims to achieve a ROACE of at least 12%, positive free cash flow after dividends, a strong balance sheet, with a mid/long-term leverage ratio of below 30%, a clean CCS Operating Result of at least EUR 5 bn by 2025 and EUR 6 bn by 2030, increasing clean CCS net income attributable to shareholders, operating cash flow excluding net working capital of around EUR 6 bn by 2025 and at least EUR 7 bn by 2030, as well as attractive shareholder distributions. When building its financial plan, OMV defined a sound capital allocation policy: first, investing in its organic portfolio; second, paying attractive dividends; third, pursuing inorganic spending for an accelerated transformation; fourth, deleveraging; and fifth, special dividends. In its capital allocation, the Group focuses on selecting the most competitive and resilient projects. The defined investment criteria include hurdle rates and payback periods by business reflecting respective risk and return profiles, as well as testing projects for their resilience and break-even versus relevant market KPIs.

To achieve its strategic goal, OMV plans a yearly organic CAPEX of around EUR 3.5 bn for the period 2022–2030. Overall, the Group is allocating more than EUR 13 bn in this period to achieve its ambitious decarbonization targets, which represents around 40% of total organic CAPEX. In addition, OMV will consider inorganic growth in areas of strategic importance. However, this will depend on the Group's indebtedness headroom. Moreover, the Group's portfolio of assets can provide options through divestments to accelerate strategy execution when attractive acquisition targets in targeted growth areas become available.

The Group's strategy, supported by disciplined capital allocation, will enable OMV to generate increasing and resilient cash flows and higher earnings. These solid financials ensure a strong balance sheet for the Group. In its financial framework, OMV has made a significant commitment to ensuring a robust balance sheet and an investment-grade credit rating. The Company aims to achieve a leverage ratio of below 30% for the mid- and long-term. Depending on portfolio measures, the leverage ratio can exceed 30%; however, this will then be followed by a deleveraging program to ensure the balance sheet is strengthened.

OMV seeks to align its long-term funding policy with the Company's sustainability strategy. Therefore, OMV is assessing the opportunity of sustainability-linked funding, which links the cost of a financing instrument to the achievement of specific strategic sustainability targets, such as GHG emission reduction goals or sustainable polyolefin production targets.

During the strategy period, OMV is committed to delivering attractive shareholder distributions. The Group has amended its shareholder distribution policy in December 2022 and added special dividends as a new, additional instrument to the existing progressive dividend policy. The progressive regular dividend policy is maintained and unaffected by this amendment. When OMV's leverage ratio is below 30%, OMV aims to distribute approximately 20% to 30% of the OMV Group's operating cash flow (including net working capital effects) per year to its shareholders through its regular dividend, as a priority, and additionally, if sufficient funds are available, through the new instrument of a special dividend. In case of a leverage ratio of 30% or higher, OMV's progressive regular dividend will be maintained, but no special dividend shall be paid. The dividend payments in any given year are subject to specific dividend proposals by the Executive Board and the Supervisory Board.

Sustainability

We are committed to building a sustainable world worth living in – for everyone. Sustainability and circularity lie at the center of our Group strategy. We aim to become a net zero business by 2050, accelerate the energy transition, and proactively expedite the transition from a linear to a circular economy. We build positive relationships with our employees, communities, suppliers, and other stakeholders, including by addressing the social and economic effects of the transition to an environmentally sustainable economy. Our Sustainability Framework is built around the three pillars Environmental, Social, and Governance (ESG).

Our Strategy 2030 is underpinned by this Sustainability Framework, with all business decisions being guided by our ambition to become a net-zero business. Within this Sustainability Framework, we have established five strategic focus areas: Climate Change, Natural Resources Management, Health, Safety, and Security, People, and Ethical Business Practices. For each of these focus areas, we have formulated concrete commitments, targets, and actions to be achieved by 2030, which represent OMV's contribution to the UN 2030 Agenda for Sustainable Development.

OMV's sustainability commitments and targets

Climate Change

- **Commitments:**
  - OMV will continuously improve the carbon efficiency of its operations and product portfolio. OMV is fully committed to supporting and accelerating the energy transition and aims to become a net-zero business by 2050 or sooner.

- **Targets 2025:**
  - Reduce carbon intensity of operations (Scope 1) by ≥30% vs. 2010
  - Reduce carbon intensity of product portfolio (Scope 3) by >6% vs. 2010
  - Achieve at least 1 mn t CO_2e reductions from operated assets in 2020–2025
  - Achieve an E&P methane intensity of 0.2% or lower

- **Targets 2030:**
  - Reduce Scope 1 and 2 emissions by ≥30% vs. 2019
  - Reduce Scope 3[1] emissions by ≥20% vs. 2019
  - Reduce carbon intensity of energy supply by ≥20% vs. 2019
  - Achieve an E&P methane intensity of 0.1% or lower
  - Zero routine flaring and venting of associated gas as soon as possible, but no later than 2030

- **Targets 2040:**
  - Reduce Scope 1 and 2 emissions by ≥60% vs. 2019
  - Reduce Scope 3[1] emissions by ≥50% vs. 2019
  - Reduce carbon intensity of energy supply by ≥50% vs. 2019

Natural Resources Management

- **Commitments:**
  - OMV is fully committed to taking action on responsible natural resources management and will proactively expedite the transition from a linear to a circular economy.
  - OMV aims to minimize environmental impacts by preventing water and soil pollution, reducing emissions, efficiently using natural resources, and avoiding biodiversity disruption.

- **Targets 2025:**
  - Increase volume of sustainable (includes recycled and biobased) polyolefins or other chemicals production capacity to 600,000 t p.a.
  - Increase reuse and recycling of waste from operations
  - Reduce freshwater withdrawal

- **Targets 2030:**
  - Establish approx. 2 mn t p.a. sustainable (includes recycled and biobased) polyolefins or other chemicals production capacity
  - Reduce natural resources use by cutting oil and gas production levels to around 350 kboe/d and reducing crude distillation throughput by 2.6 mn t
  - Increase reuse and recycling of waste from operations
  - Reduce freshwater withdrawal

[1] The following Scope 3 categories are included: category 11 – Use of sold products for OMV's energy segment, category 1 – Purchased goods (feedstocks), and category 12 – End of life of sold products for OMV's non-energy segment.

Health, Safety, and Security

- **Commitments:**
  - Health, safety, and security have the highest priority in all activities. OMV is fully committed to proactive risk management in realizing its HSSE vision of "ZERO harm – NO losses."

- **Targets 2025:**
  - Achieve a Total Recordable Injury Rate (TRIR) of around 1.0 per 1 mn hours worked
  - Achieve zero work-related fatalities
  - Maintain leading position in Process Safety Event Rate

- **Targets 2030:**
  - Stabilize the Total Recordable Injury Rate (TRIR) at below 1.0 per 1 mn hours worked
  - Achieve zero work-related fatalities
  - Maintain leading position in Process Safety Event Rate

People

- **Commitments:**
  - OMV is committed to building and retaining a talented expert team for international and integrated growth. We embrace our difference(s) and use our diversity of thought and experience as a catalyst for growth and creativity.
  - OMV is committed to ensuring fair treatment and equal opportunities for all employees and has zero tolerance for discrimination and harassment of any kind.
  - As a signatory to the United Nations Global Compact, OMV is fully committed to the UN Guiding Principles on Business and Human Rights, and aims to contribute to the UN's 2030 Agenda for Sustainable Development by pursuing a social investment strategy that addresses local needs and the Sustainable Development Goals (SDGs).
  - OMV is committed to contributing to a Just Transition for our employees and communities, and addressing the social and economic effects of the transition to an environmentally sustainable economy.

- **Targets 2025:**
  - Increase share of women at management level to 25%
  - Keep high share of executives with international experience at 75%
  - Train all OMV Group employees in human rights
  - Assess Community Grievance Mechanism (CGM) of all sites against UN Effectiveness Criteria

- **Targets 2030:**
  - Increase share of women at management level to 30%
  - Min. 20% female Executive Board members (stretch target 30%)
  - Increase share of international management to 65%
  - Keep share of executives with international experience at 75%
  - Increase average number of annual learning hours to a min. of 30 hours per employee
  - Increase support for employees with special needs at our main locations
  - Conduct human rights assessments and develop action plans for OMV Group operations with a high level of human rights risks every five years
  - Direct at least 1% of Group investment per year toward social goals (based on previous year's reported net income attributable to stockholders of the parent)

Ethical Business Practices

- **Commitments:**
  - OMV strives to uphold equally high ethical standards at all locations. We aim to earn our stakeholders' confidence by implementing a high standard of corporate governance and by maintaining high standards of transparency and predictability.
  - OMV is committed to implementing sustainable procurement, which means caring about the environmental, social, and economic impacts of the services and goods the Company intends to purchase.

- **Targets 2025:**
  - Be an active member of Together for Sustainability (TfS, further details below) and carry out sustainability evaluations of all suppliers covering >80% of Procurement spend
  - Engage with suppliers covering 80% of Procurement spend and assess their carbon footprint as a foundation to define and run joint low-carbon initiatives
  - Promote awareness of ethical values and principles: conduct in-person or online business ethics training for all employees

- **Targets 2030:**
  - Extend sustainability evaluations to all suppliers covering 90% of Procurement spend
  - Ensure all suppliers covering >80% of Procurement spend have carbon reduction targets in place

Climate Change

OMV recognizes climate change as one of the most important global challenges and fully supports the goals set forth by the Paris Agreement. OMV integrates risks and opportunities related to climate change impacts into the development of the Company's business strategy and the planning of operational activities. In this regard, OMV continuously improves the carbon efficiency of its operations and product portfolio and is fully committed to supporting and accelerating the energy transition. We aim to become a net-zero business by 2050 or sooner.

OMV implements measures aimed at optimizing its operational processes, increasing energy efficiency, reducing flaring and venting, reducing methane emissions through leakage detection and repair, and improving asset integrity. We will continue phasing out routine flaring and venting as soon as possible, but no later than 2030, as part of OMV's commitment to the World Bank's "Zero routine flaring by 2030" initiative. For example, in late 2022, a new gas treatment station for Low Temperature Separation (LTS) at a Romanian E&P asset was brought on stream. As a result, gas that would normally be flared is captured and made available for sale. Consequently, through the aforementioned approach for example, GHG emissions are estimated to be reduced by 24,000 t CO_2e from 2023 onward due to the elimination of routine flaring.

We are also increasingly turning to renewable sources of electricity to power our operations. In Austria, following the realization of Phase II of the OMV and VERBUND photovoltaic park at Schönkirchen, 12.9 GWh of renewable electricity was produced. It is estimated that throughout the year 15.84 GWh of renewable energy will be produced. In Romania, OMV Petrom completed the installation of PV panels at its first solar park. The park includes nearly 1,000 PV panels installed over an area of 5,500 m^2. The green energy produced will be used to supply electricity for ongoing operations in the E&P segment. Also by the end of Q4/22, PV panels were installed at 380 OMV and OMV Petrom-branded filling stations. The electricity produced from these installations annually is estimated at 7,000 MWh. In parallel, several Power Purchase Agreements (PPAs) with renewable energy providers were signed by OMV Group in 2022. For instance, in October 2022, Borealis and Axpo Nordic, a subsidiary of Switzerland's largest renewable energy provider, signed a wind PPA, which includes the annual supply of more than 130 GWh of wind power to the Borealis production location in Stenungsund (Sweden) over the next ten years. The electricity will be generated by a new onshore wind farm located in central Sweden, with delivery expected to start in January 2024.

A cornerstone of our climate strategy is increasing the share of zero-carbon products in our product portfolio, as well as decreasing fossil fuel production and sales. Oil and gas production will be decreased to around 350 kboe/d by 2030. Growth will instead come from zero-carbon products, such as geothermal energy, hydrogen, and Sustainable Aviation Fuels. In our E&P segment, we will build up around 10 TWh of renewable energy production (including geothermal, PV, and wind). In 2022, OMV made headway in the development of two geothermal projects: one in Austria, the other in Germany. In Austria, OMV conducted a production and injection test to analyze the geothermal potential in the Vienna Basin. Regional and local geological studies have been progressing, and potential locations for geothermal power plants have also been selected. In Lower Saxony (Germany) OMV and partner ZeroGeo Energy GmbH have an equal interest of 50% each in a geothermal exploration project called Thermo. The initial project aim is to collect geological data, in particular gravity and magnetic measurements, over an area of approximately 5,000 km^2. The data collected will be used to assess the geothermal energy potential and will be part of a comprehensive evaluation of future geothermal activities in the area. Based on preliminary studies, subsurface experts indicate that the geothermal conditions in the Vienna Basin are suitable for use as a direct heat carrier. In northern Germany, the geothermal energy could be used to generate electricity.

We aim to step up the production of renewable fuels and sustainable chemical feedstocks to approximately 1.5 mn t per year, including marketing at least 700,000 t of Sustainable Aviation Fuels (SAFs) per year. In 2022, three Memorandums of Understanding for the intended offtake of SAF were signed with Lufthansa Group, Ryanair, and WizzAir. The total amount of intended SAF offtake between 2023 and 2030 is more than 800,000 t for the Lufthansa Group, up to 160,000 t for Ryanair, and up to 185,000 t for WizzAir.

Our climate targets can only be achieved with considerable effort and capital allocation. The OMV Group has earmarked investments of more than EUR 13 bn by 2030 for this purpose, representing around 40% of organic CAPEX over that period. All business units will build on existing strengths and expertise to contribute to this transformation.

Business principles and social responsibility performance

Business ethics and compliance

OMV is a signatory to the UN Global Compact and has a Code of Business Ethics in place that applies to all employees. Although we are headquartered in Austria – a country with high business ethics standards – we operate in several countries in the Middle East, North Africa, Asia-Pacific, the Americas, and Europe that are defined as high risk by the Transparency International Corruption Perceptions Index. We strive to avoid the risks of bribery and corruption that are specific to our sector. We also highly value our reputation. Therefore, our highest priority is ensuring uniform compliance with our business ethics standards wherever we operate. Compliance with ethical standards is a non-negotiable value that supersedes any business interest. Absolute commitment to this objective is embedded at all levels of OMV from top management to every employee. Our business partners are also expected to share the same understanding of and commitment to ethical standards. Every Company activity, from planning business strategy to daily operations, is assessed for compliance with ethical standards, such as the Code of Conduct and Code of Business Ethics.

A dedicated cross-regional compliance organization ensures that OMV standards are consistently met across the Group. In 2022, 7,537 OMV Group employees were trained in business ethics. The Integrity Platform provides an anonymous whistleblower mechanism for OMV employees and external stakeholders, such as suppliers. They can use this platform to report issues relating to corruption, bribery, conflicts of interest, antitrust law, capital market law, public procurement, environmental protection, product and food safety and consumer protection, corporate tax regulations, and data protection.

Supplier Compliance

Implementing sustainable procurement means caring about the environmental, social, and economic impacts of the goods and services the Company intends to purchase. OMV has a Code of Conduct in place that ensures that suppliers support OMV's principles. It is of paramount importance to our organization to be fully compliant with all applicable legal requirements, as well as with our internal safety, environmental protection, and human rights standards while managing our supply chain. OMV has a process in place to ensure that existing and potential business partners sanctioned by the EU or international organizations, such as the United Nations, are not accepted as procurement partners.

To mitigate supply chain risks including forced labor, slavery, human trafficking, and corruption, OMV imposes the legal requirements and internal rules and standards applicable to OMV on its suppliers. Our suppliers and supply chain partners are obligated to sign and fully comply with the content of the Code of Conduct. In addition, our suppliers must accept the General Conditions of Purchase, which further detail our business standards (e.g., labor rights), as an integral part of our contractual agreements. OMV reserves the right to terminate relationships with suppliers if non-compliance is discovered or not addressed in a timely manner.

Supplier prequalification is a part of precontractual activities, during which OMV collects information from a potential supplier for the purpose of evaluating compliance with our HSSE and other sustainability requirements. The goal of the prequalification process is to screen potential suppliers before bringing them on board or during the tender stage to ensure that only those suppliers who meet our HSSE and sustainability standards can be considered for future collaboration. Following prequalification, the procurement colleagues and business representatives select the best suppliers based on a predefined set of commercial and technical criteria during a tender process. In 2022, we continued to embed sustainability elements into sourcing activities (e.g., technologically innovative elements, carbon emissions, energy efficiency KPIs, CDP and EcoVadis score) during several pilot projects.

OMV conducts supplier audits as part of the prequalification process and/or during contract execution. The aim of the audits is to measure the performance of our suppliers and define actions that will enable them to optimize their performance and meet OMV requirements. During the audits, we pay special attention to the financial stability of our suppliers, their strategy and organization, supply chain, sustainability (e.g., human rights, carbon footprint management, environmental management, certifications, and social responsibility), and their cybersecurity performance. We also carry out yearly subject-specific audits on topics such as process safety, quality, and efficiency. During the supplier audits, we place great emphasis on understanding not only the management approach to the topics within the scope of the audits (e.g., HSSE aspects), but also how the topics are understood and applied by the employees on site (e.g., through discussions with workers and managers).

Since 2021, OMV has been a member of Together for Sustainability (TfS). As a joint initiative and global network of 40 companies, TfS sets the de facto global standard for the environmental, social, and governance performance of chemical supply chains. The TfS program is based on the principles of the UN Global Compact and Responsible Care®. Being a TfS member helps OMV to further embed sustainability into its day-to-day business operations and further cascade sustainability requirements within our supply chain.

We aim to continuously manage and decrease the carbon volume of our purchased goods and services. Only by working together with our suppliers will we be able to define joint low-carbon initiatives to continuously decrease the carbon emissions in the supply chain and meet our Paris Agreement commitments. As part of its CDP Supply Chain membership, in 2022 OMV invited 231 suppliers to respond to the CDP climate change questionnaire. Suppliers were selected based on spend, estimated carbon emissions volume, and the carbon intensity of the goods and services purchased from them. In addition to reporting their emissions, we asked the suppliers whether they have carbon reduction targets in place, and invited them to share with us any initiatives or projects to reduce carbon emissions in which they would like us to participate. 75% of responding suppliers have a climate target in place (vs. 63% in 2021).

Human Rights

Human rights are universal values that guide our conduct in every aspect of our activities. Our responsibilities in the area of human rights include, but are not limited to, equality and non-discrimination, decent wages, working hours, employee representation, security, primary health care, labor rights in the supply chain, education, poverty reduction, land rights, and free, prior, and informed consent. OMV respects and supports human rights as described in the Universal Declaration of Human Rights and in internationally recognized treaties, including those of the International Labour Organization (ILO). We have been a signatory to the UN Global Compact since 2003 and are fully committed to the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. We fully support the aims of the UK Modern Slavery Act 2015 and are committed to operating our business and supply chain free of forced labor, slavery, and human trafficking. OMV considers human rights to be an important aspect of our risk management approach, which is integrated into our decision-making processes. OMV recognizes its responsibility to respect, fulfill, and support human rights in all business activities and to ensure that OMV does not become complicit in any human rights abuses as defined under current international law.

We conduct human rights risk assessments at country level to identify and assess ongoing and emerging human rights impacts and the resulting potential risks relevant to OMV business activities in the country in order to prevent and mitigate human rights risks and impacts. A total of 4,254 employees received training on human rights topics through the e-learning tool and in-person training sessions (2021: 980). As professional training is essential to ensure compliance with our human rights commitment, we have set ourselves the goal of training all employees in human rights topics by 2025. In addition, internal awareness campaigns on human rights were implemented. In 2022, 35 incidents of human rights grievances were reported (2021: 7).

In late July 2022, OMV's subsidiary Borealis was confronted with reports of alleged human trafficking practices conducted by the main contractor (IREM) and their sub-contractor on a propane dehydrogenation (PDH) plant construction site in Kallo, Belgium. The practices were reported to involve exploitation, inadequate compensation, lack of social security, and poor housing conditions. Borealis immediately suspended and later terminated all contracts with IREM due to its non-compliance with their fundamental principles, and retendered the contracts. After careful consideration, Borealis granted the majority of the works to the contractor Ponticelli and implemented thorough social controls at the Kallo construction site to respect and value the workers there. Work on the construction site gradually increased from October 2022.

The OMV Group always seeks to improve, and is strongly committed to further strengthening its processes and mitigation measures to prevent any maltreatment and disrespect of workers' human rights in the supply chain. At corporate level, we analyzed the HSSE and Procurement directives for contractor management and prepared a detailed checklist for human rights compliance to be used at site level. The revised human rights e-learning refers specifically to human rights in business relations, and the new OMV Group Human Rights Policy Statement details our human rights commitment related to labor rights and business partners in line with business best practice and international standards. Additionally, individual monitoring initiatives were implemented at local level throughout the Group to ensure our suppliers' compliance with human rights.

Community Relations and Development

OMV maintains an active partnership with local communities in all countries in which the Company does business and is committed to adding value to these societies. As part of OMV's stakeholder dialogue, we have implemented Community Grievance Mechanisms (CGM) at all operating sites. In 2022, OMV registered 776 external grievances (2021: 884) from the Community Grievance Mechanisms. All of the grievances were handled in accordance with OMV's localized community grievance management procedures, which stipulate a stringent approach to systematically receiving, documenting, addressing, and resolving grievances in all of the countries where we operate.

OMV has set the goal of aligning the CGM system at all sites with the effectiveness criteria of the United Nations Guiding Principles. We are striving to achieve this target by conducting assessments that include reviews of management processes and consultations with internal and external stakeholders. The assessments result in recommendations and tailored action plans to improve grievance management at site level. The action plans are implemented by local management and monitored by headquarters. The sites already assessed represent 96% of all registered grievances at OMV in 2022.

For more information about OMV's Environmental, Social, and Governance (ESG) ratings and the indices in which OMV is included, see the chapter OMV on the Capital Markets.

For management approaches and performance details for all material topics, see the stand-alone OMV Sustainability Report. This report also serves as the separate consolidated non-financial report of OMV Aktiengesellschaft in accordance with section 267a of the Austrian Commercial Code (UGB).

Health, Safety, Security, and Environment

Health, safety, security, and protecting the environment are key values at OMV. The integrity of OMV's operating facilities, loss prevention, proactive risk management, and climate change mitigation are essential for attaining OMV's HSSE vision of "ZERO harm – NO losses."

HSSE Strategy

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

- Health: improving the ability to work through integrated health management
- Safety: establishing sustainable safety for people and facilities
- Security: protecting people, assets, and reputation from emerging malicious intentional threats
- Environment: minimizing the environmental footprint throughout the life cycle of activities

Health, safety, and security

In 2022, the combined Lost-Time Injury Rate (LTIR) for OMV employees and contractors was 0.78 (2021: 0.57), and our combined Total Recordable Injury Rate (TRIR) was 1.23 (2021: 0.96). We are deeply concerned about the work-related fatality of a contractor who fell off a roof while carrying out repairs in France. Managing the COVID-19 pandemic remained a high priority in 2022 alongside routine HSSE management. Our main focus was to learn from incidents across the Company: videos, alerts, and communication campaigns were again used to reach out to all employees.

The business segment Chemicals & Materials reached a TRIR of 2.85 (2021: 2.25). There was a strong focus on implementing occupational safety improvement initiatives, holding dedicated HSSE training sessions, as well as the further strengthening of the safety culture and risk awareness. Special attention was paid to contractor HSSE management and learning from past incidents, to prevent recurrences and embed appropriate improvement measures.

The HSSE performance of Refining & Marketing in 2022 resulted in a TRIR of 0.82 (2021: 0.54). Great effort was put into broad safety and security awareness and prevention campaigns in order to establish a strong and positive safety culture. This was especially the case during the planned maintenance turnarounds that took place in the Schwechat and Burghausen refineries. During the past year, special emphasis was placed on findings from incidents, leadership engagement, contractor management, and training on various emergency and crisis management scenarios. The consistent implementation of the process safety road maps and improvement initiatives was another area of focus.

Exploration & Production had a TRIR of 1.09 (2021: 0.92). The numbers show that a constant effort is required to minimize the occurrence of incidents. In addition, we encountered 18 High Potential Incidents (HiPos) that could have resulted in serious or fatal injuries under slightly different circumstances. All these incidents were subjected to thorough incident investigations and measures were taken to prevent recurrence. Contractor management continues to be a focus area in our HSSE efforts. Our activities concerning process safety management, and various other initiatives aimed at ensuring the safety and integrity of our facilities, continued in 2022.

OMV Group safety performance

In mn hours worked

	2022	2021
Company		
Lost-Time Injury Rate	1.11	0.70
Total Recordable Injury Rate	1.32	1.18
Contractors		
Lost-Time Injury Rate	0.62	0.51
Total Recordable Injury Rate	1.19	0.85
Total (Company and contractors)		
Lost-Time Injury Rate	0.78	0.57
Total Recordable Injury Rate	1.23	0.96

The well-being and health of employees are fundamental to the success of any company, as they serve as a foundation for ensuring employee productivity. The year 2022 was still strongly influenced by the worldwide COVID-19 pandemic. Our medical teams and service providers were challenged with supporting the emergency management teams in updating and implementing pandemic preparedness plans, guidelines and health information, and providing support to employees suffering from COVID-19 at home and in hospital. In addition, OMV continued its long tradition of offering health and prevention programs, such as cardiovascular disease prevention programs, thyroid screenings and other voluntary health checks, vaccinations (especially against flu and in some countries COVID-19), and virtual health hours, such as ideas for a healthy work-life balance or first aid measures that go far beyond legal requirements.

In 2022, the COVID-19 pandemic again posed major challenges for safety management. At the operational level, we took preventive and business continuity-related measures, such as strictly segregated teams in key areas, hygiene measures, and ongoing awareness-raising. Despite restricted travel and thanks to digital communication and collaboration tools, we were able to carry out the following important safety-related activities:

- We have updated our Life-Saving Rules and harmonized them across the OMV Group. This simple set of rules helps prevent fatal and severe accidents, and applies to all employees and contractors. Training and communication materials have been produced in 18 languages for an intensive refresher campaign in 2023.
- All incidents at level 3 and higher and HiPos were investigated, and lessons learned were communicated throughout the organization. Improvement initiatives were developed and closely monitored using our HSSE reporting tool.
- As part of our safety culture program, we held several workshops on "making HSSE personal" at different levels of the Company. The semi-annual meetings with the program owner were conducted online.
- Contractor HSSE management is key to the OMV Group's safety performance. We introduced a new e-learning program, held webinars, and delivered over 900 trainings to more than 660 beneficiaries and procurement staff on the internal regulations framework. We also held strategic supplier meetings with prime contractors to share information, experiences, and expectations.
- Global HSSE training for employees and managers was completely revised and updated. An e-learning course consisting of 13 modules was developed for basic HSSE training.
- We developed a harmonized set of KPIs and a process safety dashboard. Furthermore, a Group Process Safety Committee has been established, including Members of the Executive Board, which meets periodically to discuss process safety performance, achievements, and challenges.
- We supported and followed up on the implementation of process safety road maps across OMV's ventures, assets, and refineries. In our Integrated Risk Register, we continued to analyze and prioritize process safety risks to ensure that investments effectively lead to a significant reduction in risks.
- The OMV Group Process Safety Network, a large online collaboration platform, met quarterly to exchange information and experiences in virtual meetings (> 200 participants). Senior management also participated.
- We completed the review of 15 group-wide HSSE regulations and achieved systematic alignment between the OMV Group and Borealis.
- An important milestone has been achieved with the successful go-live of the OMV Group HSSE reporting tool. This is a key step in our ongoing harmonization and enables us to report in one single system across the OMV Group and Borealis by replacing all existing tools.

An unstable geopolitical environment combined with complex new and enduring regional conflicts remained a constant security focus throughout 2022. The Corporate Security department continued to monitor these geopolitical situations, accelerating OMV's understanding of strategic events to identify any emerging threats that might interfere with business planning. This included cases of armed conflict, civil unrest, and criminality at local, national, regional, and international levels.

We updated our proven security management system in 2022, enabling us to anticipate or respond to a broad spectrum of geopolitical, regional, or isolated security incidents. The security risk assessment platform continued to provide real-time oversight of asset risk exposure levels as influenced by geopolitical or security events. Despite various geopolitical and pandemic-related challenges, the Corporate Security department continued to deliver global operational support, governance, and oversight, and will maintain a comparable and effective security strategy to allow OMV to operate despite converging asymmetric threats.

In 2021, OMV's Executive Board took the decision that OMV would join the Voluntary Principles on Security and Human Rights (VPSHR), if feasible. This set of tools provides guidance on risk assessment, public safety and security, human rights abuses, and the interaction between companies and private and public security. OMV is committed to upholding human rights in all of its activities. During 2022, OMV Corporate Security conducted a VPSHR gap analysis using a third-party consultancy company to ensure independence. As a result of this analysis, we are now in the process of adopting their recommendations with a view to joining the VPSHR in 2023.

Environmental management

Due to the nature of its operations, OMV has an impact on the environment. The Group strives to minimize this impact at all times, particularly with respect to spills, energy efficiency, greenhouse gas (GHG) emissions, and water and waste management. OMV strives to optimize processes to use natural resources as efficiently as possible and reduce emissions and discharges.

In 2022, there were 2 major hydrocarbon spills (level 3 of five; 2021: 3 spills). The total volume of hydrocarbon spilled was higher compared to the previous year. OMV continues to work on its oil spill response preparedness and capabilities.

Key environmental measures and achievements in 2022:

- Water management plans have been established at our main operational sites to reduce water-related risks and ensure efficient and sustainable water use.
- At the Schwechat refinery, we succeeded in significantly reducing water consumption and emissions to air. More than 5% of the average annual water consumption has been saved, most of it through a new control concept for cooling water in a heat exchanger group in the ethylene plant.
- At our FCC unit, the installation of an additional electrostatic precipitator module reduced dust emissions by up to 70%.
- At the Petrobrazi refinery, the tank modernization program continued in 2022 with the modernization of one volatile product tank and the commissioning of a new tank, according to best available technology, which will contribute to the reduction of volatile organic compound (VOC) emissions.
- In 2022, OMV Petrom completed the surface abandonment of 746 wells and 40 facilities in the E&P division. A total of 157,000 t of contaminated soil was treated in our bioremediation plants, and 13,180 t of metal scrap was recycled by authorized companies.
- An enhanced monitoring tool for spill prevention has been implemented at OMV Petrom. The industry-recognized digital well integrity tool was established to assess risks to the integrity of individual wells, prioritize inspections, and take appropriate mitigation actions. By the end of 2022, we had successfully completed the digitization of 4,000 wells, which represents more than 50% of the total.
- Borealis is further commited to restore and maintain a healthy and productive ocean based on the UN Sustainable Ocean Principles and the UN Global Compact membership. Furthermore, Borealis continued its STOP project, a pioneering program to support cities in developing and emerging countries in establishing cost-efficient, effective, and circular waste collection systems. For more information, visit the STOP project website at www.stopoceanplastics.com.
- To honor the commitment to achieving zero pellet losses in operations and the supply chain, Borealis has incorporated all elements of Operation Clean Sweep® (OCS), an international pellet loss reduction program. In addition, Borealis has proactively contributed to the development of a third-party audit and certification scheme for OCS led by the industry interest group Plastics Europe. Borealis' target is to achieve full third-party OCS certification at all of its sites in Europe by 2024.
- We have continued to work on improving our impact on nature. To achieve this, we apply the mitigation hierarchy in our projects with the following steps: Avoidance, Minimization, Restoration, Offset and Compensation. We want to make a positive impact on nature by implementing biodiversity initiatives, such as our green areas project in arid parts of Tunisia. We continued our tree planting initiatives in 2022 at our Waha and Nawara sites, which include an irrigation system. The goal is to create recreational areas to improve the well-being of employees and visitors.
- Planting continues at the Pohokura natural gas production station in New Zealand. As part of a three-year planting plan to regenerate native species, 500 specimens were planted in 2022.

Employees

We know that it is the combined 22,300 employees of OMV who turn the Group's strategy into results and success. We are proud of what we have achieved together. Trust and pride in the organization fuel our employees' energy and determination to tackle challenges and to focus on innovative solutions to make us even stronger.

OMV's People & Culture Strategy

In 2022, we developed a Group-wide People & Culture Strategy, which fully supports the transformation of OMV. The core of the new People & Culture Strategy is our purpose, i.e., "Re-inventing essentials for sustainable living". We have developed four strategic drivers, plus one additional pillar, Transformational Leadership:

- Employee Experience
- Growing Talent
- Organizational Evolution
- New Ways of Working

Highlights of 2022

Following the announcement of the OMV Group's Strategy 2030, all Human Resources (HR) functions Group-wide were renamed People & Culture (P&C). The aim of this department is to fully support the OMV Group's Strategy 2030 by prioritizing key aspects that enable us to unlock our organization's full potential. The new name points to the department's aim and purpose, and emphasizes that people and culture are central to achieving the targets defined in our strategy. As such, the statement "People make it happen" not only creates the right working environment in which our employees can thrive, but also ensures that they can further develop their skill sets to meet the demands of our dynamic business.

In March 2022, our Group-wide purpose, "Re-inventing essentials for sustainable living", was launched. To bring this purpose to life, a change agent and volunteering network has been set up. We also introduced Purpose Learning Weeks, focusing on the three purpose enablers, namely Advancing Circular, Working Together, and Stimulating Transformation. With the Purpose Learning Weeks, we want to create deeper insight into each of our purpose enablers. The first Purpose Learning Week on Advancing Circular took place in June 2022 and addressed various topics relating to the circular economy.

During the COVID-19 pandemic, which continued to affect our employees in 2022, many implemented employment-related measures were continued to protect the health, well-being, and economic situation of our employees. In 2022, we worked specifically on our work-from-home concepts to give employees more flexibility. Working from home is now offered to a broader group of staff and the number of work-from-home days per month has significantly increased.

In 2020, we introduced an employee engagement strategy whereby we check in with our employees on how they are doing and how they are dealing with the pandemic situation. In September 2022, a Group-wide Pulse Check was performed throughout the OMV Group. The Pulse Check is one of our most important tools for measuring the engagement of our employees. It is an essential part of our new People & Culture Strategy relating to Employee Experience. We achieved a very high response rate of 70% on a Group level, and conclusions and subsequent actions will be agreed.

In 2022, there was a focus on mandatory, legally binding, and business-critical independent learning (e.g., e-learning, online learning through our partnership with LinkedIn Learning, and virtual courses/webinars). Due to the disruptions caused by COVID-19, we again concentrated on virtual training delivery, as in 2021. All measures to support employees in the virtual and hybrid environment were therefore continued. This included the delivery of virtual health webinars, virtual training of facilitators, and an updated personal skills SharePoint, among other things.

Leadership training focused on first-time leaders, women in leadership, and how to manage remote and hybrid teams. For identified talents at executive level, a dedicated talent program focusing on enhancing executive leadership skills was implemented. New ways of working also continued to be a focus point, for example through the integration of agile ways of working and the newly introduced Project Management Certification Program. In terms of graduate development, we expanded our portfolio offering to include a tailored graduate program in Refining as well as continuing with our long-standing Integrated Graduate Development (IGD) Program in E&P.

Number of training participants[1,2,3]

	2022	2021
Austria	5,599	5,632
Romania/Rest of Europe	14,659	13,762
Middle East/Africa	664	709
Rest of the world	700	784
Total	**21,622**	**20,887**

Money spent on training per region[1,2]

In EUR

	2022	2021
Austria	3,435,294	2,672,471
Romania/Rest of Europe	5,670,768	5,094,527
Middle East/Africa	614,903	342,242
Rest of the world	369,132	243,485
Total	**10,090,097**	**8,352,725**

[1] Excluding conferences and training for external employees
[2] Excluding DUNATÁR, SapuraOMV, OMV Russia, DYM Solutions, MTM, and Rosier
[3] Number of employees who received at least one training

We have also started to work on a shared set of values across OMV, OMV Petrom, and Borealis, which we will use to guide us through this transition and in the future. These new values have been co-created together with our employees to help shape the future of the OMV Group and how we all work together. The new values will then be launched in 2023 alongside a campaign. Moreover, we are also developing leadership competencies closely linked to the newly defined values, to help in identifying and developing future and present leaders.

To achieve the OMV Group's Strategy 2030, we will roll out dedicated global initiatives on Purpose and Values and a new transformational leadership program in 2023. We will also set up a Sustainability Academy that offers an ever-growing selection of varied, pre-selected learning material to support our employees in expanding their knowledge and enhancing their mindset when it comes to OMV's journey to net zero. Additionally, we plan to offer specific training initiatives to support the upskilling of technical employees, for example training on low-carbon energy, geothermal energy, decision quality, and data science.

Diversity

An employee survey on diversity, equal opportunities, and inclusion was launched at the end of 2021. Through this, the OMV Group was able to further strengthen the culture of listening to unheard voices in our Company, and collect feedback from employees on diversity, equal opportunities, and an inclusive environment in the Company. The survey's findings played an important part in developing OMV's new Group-wide Diversity, Equity, and Inclusion strategy 2030, which was launched in 2022.

Our focus on diversity is also being actively nurtured throughout the organization today, supported by a range of training sessions, activities, and awareness campaigns. We also continued our series of online events with external guest speakers on relevant diversity topics. International Women's Day is a day to focus on equality and women's rights worldwide. In 2022, the motto #BreakTheBias directed the focus toward prejudices that still stand in the way of women's equality. OMV fully supports this approach and therefore organized events in March 2022, including a presentation of Diversity, Equity & Inclusion (DEI) quick poll insights and a discussion on the topic. The DEI Awareness Month took place in October 2022, with various events focusing on the topics of interest as determined by the DEI survey conducted in 2021 (gender, generations, parenting, disabilities, and unconscious bias).

OMV is committed to ensuring fair treatment and equal opportunities for all employees and has zero tolerance for discrimination and harassment of any kind. In line with our commitment to equality and non-discrimination, we began working on a formal non-discrimination policy in 2022. This will be introduced in 2023.

We have designed and implemented targeted training programs, such as SHEnergy, a blended learning program for women at OMV, to support women's leadership skills. The program focuses on active inclusion skills and also emphasizes the power of mentoring and networking in developing female leaders.

As a result of these measures, the percentage of women in the Group is about 27% (2021: 27%). A total of 21.6% (2021: 20.9%) of employees in advanced and executive positions are female.

Employee key figures

At the end of 2022, the OMV Group employed 22,308 people. Compared with 2021, the number of employees slightly decreased by 0.6%.

Employees

		2022	2021
Employees by region			
Austria		5,884	5,762
Rest of Europe		14,890	15,074
Middle East & Africa		583	634
Rest of the world		951	964
Total number of employees		**22,308**	**22,434**
Diversity			
Female	in %	27	27
Male	in %	73	73
Female Executives[1]	in %	20	15
Number of nationalities		**101**	**101**

[1] Executives include OMV Senior Vice Presidents, OMV Petrom and Borealis Group Board members

OMV Group Business Year

In 2022, OMV has achieved a strong clean CCS Operating Result of EUR 11.2 bn. Furthermore, cash flow from operating activities excluding net working capital effects remained significant amounting to EUR 9.8 bn, and the organic free cash flow before dividends totaled EUR 4.9 bn. As a consequence, the leverage ratio decreased from 21% at the end of 2021 to 8% at the end of 2022. This financial strength is an excellent basis for OMV's further strategic development into a leader in sustainable fuels, chemicals and materials while committing to deliver attractive shareholder returns.

Business environment

Global economic growth during 2022 is estimated to have been the weakest for two decades, save only for the immediate aftermath of the global financial crisis (2009) and the depths of the COVID-19-related slowdown (2020). A broad set of headwinds confronted the global economy in 2022, with annual growth expected at some 3.2%, according to the IMF. This represents a significant drop from the 6% registered in 2021. According to UNCTAD, global trade, meanwhile, is expected to have reached an outright record in 2022[1], with growth more concentrated in services. However, the second half of 2022 saw something of a slowdown, with global goods trade turning negative in the third quarter, before services trade followed in the fourth quarter.

Effects of the COVID-19 pandemic continued to impact markets in early 2022, even before the Russian invasion of Ukraine tipped supply and demand further out of balance from the second half of Q1 onward. Outsized spending on goods relative to services – combined with ongoing bottlenecks in supply chains – drove rapid, marked increases in inflation in almost all large economies. Headline CPI topped 8% on average over Q2 in the US, peaking in June at 9.1%. Headline inflation in the Eurozone averaged in double digits at the beginning of the fourth quarter of 2022, with a peak of 10.6% in October. Combating price increases for consumers and businesses became the main focus of central banks in 2022, while governments were tasked with mitigating the effects of price rises. This was especially true in Europe, where year-on-year price growth in energy was the single largest contributing factor to headline inflation. This became arguably the dominant political and economic issue for the region in 2022.

The economic headwinds piled up in various metrics as 2022 progressed. Purchasing Managers' Indices sank from mostly expansionary at the end of 2021 to mostly being in contraction territory by the middle of 2022, with only a couple of exceptions. Eurozone net exports flipped negative by Q3 (Eurostat), while essentially all other economic indicators spent the second half of the year trending lower, i.e., toward recession territory. By the end of the year, financial conditions, consumer confidence, and services PMIs had made their way below the 20th percentile in data going back more than 20 years. The only metric to buck this trend has been the labor market, which, as of late 2022, remains historically tight, with unemployment numbers continuing to trend close to record lows.

This conundrum was still in place for central banks at the end of 2022 on both sides of the Atlantic. The macro environment focus has shifted definitively to the effects of more expensive financing and the potential for this to contribute to recessionary effects in advanced economies. The latest available GDP figures for the Eurozone indicate a significant decline in the third quarter of 2022. By the end of the year, the European Central Bank had raised its key deposit rate by 250 basis points, a rapid increase necessitated by surging inflation. Higher interest rates are having and will continue to have a lagged effect on consumer and business spending.

The fallout from the geopolitical upheaval following the Russian invasion of Ukraine has been wide-ranging. However, supply and trade disruptions were arguably more pronounced in energy than anywhere else. And within energy, no region saw more pronounced price effects than Europe. Following the invasion, the decision by many western corporations to "self-sanction" ahead of government mandates to limit or cease the trade and import of Russian energy was a key driver of the oil price rally that peaked at the end of the second quarter of 2022.

However, it was the natural gas market that was the epicenter of the energy-related difficulties experienced by Europe in 2022. The removal of the vast majority of Russian gas pipeline flows from the middle of the year posed an unprecedented challenge for the European Union, which, in 2021, sourced almost 40% of its natural gas imports from Russia and which was 20% dependent on natural gas for power generation. The removal of the region's single largest supply source from the market, combined with the government mandates

[1] Source: United Nations Conference on Trade and Development (UNCTAD) Global Trade Update December 2022

for minimum storage levels ahead of the onset of the heating season and reduced liquidity, saw an unprecedented peak in natural gas prices in August 2022 of more than EUR 300/MWh. This price level represented a tough test for both the region's energy markets and its industrial base, with production in a range of energy-intensive industries forced lower or offline completely due to poor economics.

By the end of 2022, the pressure coming from high gas and power prices had moderated significantly. However, Europe's energy markets remain fundamentally tight. This fragility means the impact of disruptions to current supply sources is potentially very significant. LNG has taken on huge importance in meeting European demand for natural gas. Continued high imports of LNG into Europe to offset the loss of Russian pipeline flows requires Europe to outcompete Asia as the most attractive export destination for spot cargoes on the international market. This in turn requires Europe to have the most expensive natural gas market globally. 2022 saw wheels set in motion to change the European energy landscape faster than anybody would have anticipated at the beginning of the year but, for the time being, high energy prices should be expected to continue.

Natural gas demand in Europe is expected to have fallen by some 10% during 2022 vs. 2021 based on a combination of factors, by far the largest of which is price-related demand reduction. Over the first half of 2022, it was residential and commercial demand for gas in Europe that was exhibiting the fastest demand declines. This was increasingly overtaken in the second half of the year as industrial gas demand fell rapidly as wholesale prices hit extremely high levels. Industrial gas demand is expected to have fallen some 20% year on year in Europe in 2022, far exceeding the estimated 3% decline in gas demand in the region's power generation.

Natural gas was the standout performer in 2022 in price terms, but energy commodities as a whole led the market in a year when the majority of other asset classes declined. Major US and European stock indices were down significantly compared to the previous year, while bonds failed to provide any hedge against equity declines and posted their worst performance in decades in 2022. After European gas and electricity, other commodities whose price benefitted directly or indirectly from the fallout of the Ukraine conflict included coal and refined products, especially middle distillates such as diesel and heating oil. Despite high prices for refined products in 2022, Europe has seen new demand for middle distillates and some other products emerge from industrial processes that have switched away from natural gas due to the extremely high prices in that market. The IEA estimates that this demand, comprising mostly gasoil, will average more than 500 kbbl/d over the fourth quarter of 2022 and the first quarter of 2023.

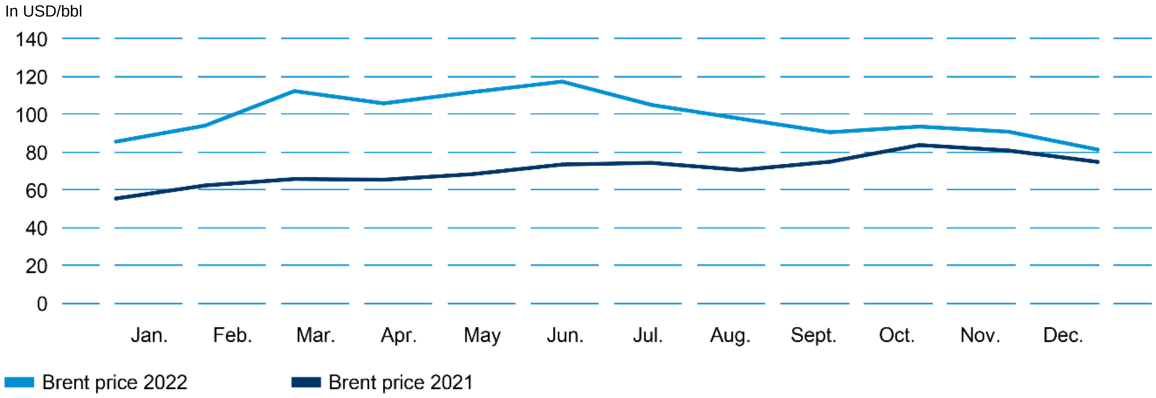
It was a year of huge volatility in the Brent price. The first half of the year was defined by rapid demand growth, as oil consumption continued to recover from its 2020 lows. This contributed to the price rally in Brent, which peaked in Q2. However, supply was increasingly able to catch up. Non-OPEC supply is thought to have reached almost 67 mbbl/d by Q4/22, a 2 mbbl/d increase over the same quarter in 2021. At the same time, demand growth was starting to top out. High prices have also taken a toll on demand, which is estimated to have fallen in the fourth quarter compared to the previous year. Despite the marked decline in the Brent price in the latter part of 2022 on this softening fundamental picture, the annual average increase came in at around 40%. Industry investments have so far not exhibited any appreciable increase corresponding to the higher oil prices of the last two years.

In comparison to 2021, the olefin indicator margins were higher in 2022, driven by low feedstock prices except for the peak in the first quarter of 2022, and high monomer contract prices. On average for the year, indicator margins were on a healthy level. For some products, such as benzene, indicator margins reached historic highs in 2022 even though the market environment was challenging, which was caused by several factors, namely: the Russia/Ukraine conflict, high energy costs, high inflation, and decreasing demand throughout the year. Following the attack on Ukraine, the crude slate became lighter and naphtha was readily available in the market, which led to lower feedstock prices. Furthermore, high gas prices in Europe affected demand throughout the value chain. In summer, the low water level of the Rhine caused logistical constraints on the derivative market. All crackers in Europe reduced the throughput due to weak demand and high energy prices, especially in the second half of 2022. The cracker rates in Europe reduced to the globally near record low levels of 65% in the fourth quarter of 2022 due to extremely weak demand. French strikes and several cracker outages helped only a little in October. The entire supply chain was under the pressure of destocking as year end came to maximize cash and minimize inventory.

Margins of European polyolefins continued to normalize in Q1 from the historic highs seen in 2021. In the second quarter of 2022, margins were supported by the heavy spring turnaround season. In the second half of 2022, however, margins deteriorated, with demand decrease seen across most grades of polyolefins due to the poor macroeconomic conditions (cost of living crisis reducing discretionary incomes of consumers). Imports of polyolefins into Europe were also ample in the second half of the year thanks to the easing of the global container freight market, which ended the year being similar to pre-pandemic levels.

Arguably the most significant result of the events of 2022 has been the reemergence of energy security as a key pillar of energy policy. The reality of overdependence on a single source of energy has been laid bare via numerous reversals on long-held policies, most notably German U-turns on coal and nuclear plant life spans, as well as a rapid build-out of infrastructure to import LNG into the region's largest economy. The sheer size of Europe's energy bill – and its impact on corporate competitiveness and household budgets – should prevent energy security from being neglected in what's known as the energy trilemma at any time in the foreseeable future.

Crude price (Brent) – monthly average[1]



[1] ICE Brent generic 1st contract monthly average

Financial review of the year

Key financials

		2022	2021	Δ
Sales revenues	in EUR mn	62,298	35,555	75%
Clean CCS Operating Result[1]	in EUR mn	**11,175**	**5,961**	**87%**
Clean Operating Result Chemicals & Materials[1]	in EUR mn	1,457	2,224	(34)%
Clean CCS Operating Result Refining & Marketing[1]	in EUR mn	2,415	945	155%
Clean Operating Result Exploration & Production[1]	in EUR mn	7,396	2,892	156%
Clean Operating Result Corporate & Other[1]	in EUR mn	(50)	(62)	19%
Consolidation: elimination of inter-segmental profits	in EUR mn	(43)	(39)	(11)%
Clean CCS Group tax rate	in %	48	36	12
Clean CCS net income[1]	in EUR mn	5,807	3,710	57%
Clean CCS net income attributable to stockholders of the parent[1,2]	in EUR mn	**4,394**	**2,866**	**53%**
Clean CCS EPS[1]	in EUR	13.44	8.77	53%
Special items[3]	in EUR mn	**861**	**(1,315)**	**n.m.**
thereof Chemicals & Materials	in EUR mn	582	(396)	n.m.
thereof Refining & Marketing	in EUR mn	774	(509)	n.m.
thereof Exploration & Production	in EUR mn	(460)	(398)	(16)%
thereof Corporate & Other	in EUR mn	(36)	(12)	(198)%
CCS effects: inventory holding gains/(losses)	in EUR mn	210	418	(50)%
Operating Result Group	in EUR mn	**12,246**	**5,065**	**142%**
Operating Result Chemicals & Materials	in EUR mn	2,039	1,828	12%
Operating Result Refining & Marketing	in EUR mn	3,392	451	n.m.
Operating Result Exploration & Production	in EUR mn	6,936	2,910	138%
Operating Result Corporate & Other	in EUR mn	(86)	(74)	(16)%
Consolidation: elimination of inter-segmental profits	in EUR mn	(35)	(51)	31%
Net financial result	in EUR mn	(1,481)	(194)	n.m.
Group tax rate	in %	52	42	10
Net income	in EUR mn	5,175	2,804	85%
Net income attributable to stockholders of the parent[2]	in EUR mn	**3,634**	**2,093**	**74%**
Earnings Per Share (EPS)	in EUR	11.12	6.40	74%
Cash flow from operating activities	in EUR mn	7,758	7,017	11%
Free cash flow before dividends	in EUR mn	5,792	5,196	11%
Free cash flow after dividends	in EUR mn	4,333	4,199	3%
Organic free cash flow before dividends	in EUR mn	4,891	4,536	8%
Organic free cash flow after dividends	in EUR mn	3,432	3,539	(3)%
Gearing ratio excluding leases	in %	3	22	(19)
Leverage ratio	in %	8	21	(14)
Capital expenditure[4]	in EUR mn	4,201	2,691	56%
Organic capital expenditure[5]	in EUR mn	3,711	2,650	40%
Clean CCS ROACE	in %	19	13	6
ROACE	in %	**17**	**10**	**7**

Note: As of 2022, the gas business, previously reported in Refining & Marketing, was split into Gas Marketing Western Europe reported under Exploration & Production, and Gas & Power Eastern Europe reported under Refining & Marketing. For comparison only, 2021 figures are presented in the new structure.

[1] Adjusted for special items and CCS effects; further information can be found in Note 4 – Segment Reporting – of the Consolidated Financial Statements

[2] After deducting net income attributable to hybrid capital owners and net income attributable to non-controlling interests

[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 hedging effects for material transactions are included.

[4] Capital expenditure including acquisitions

[5] Organic capital expenditure is defined as capital expenditure including capitalized exploration and appraisal expenditure and excluding acquisitions and contingent considerations.

Notes to key financials

Clean CCS Operating Result

Special items and CCS effects

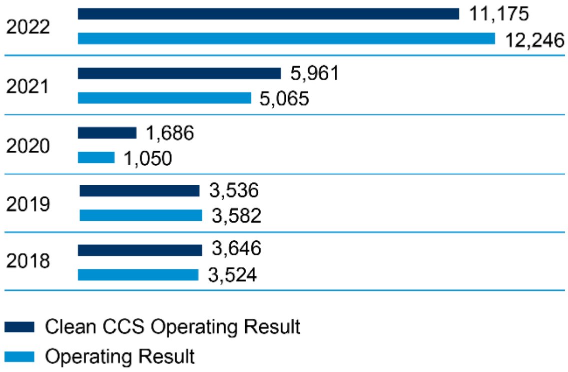
In EUR mn

	2022	2021	Δ
Clean CCS Operating Result[1]	**11,175**	**5,961**	**87%**
Special items	**861**	**(1,315)**	**n.m.**
thereof: personnel restructuring	(8)	(30)	75%
thereof: unscheduled depreciation/write-ups	58	(1,297)	n.m.
thereof: asset disposal	724	223	n.m.
thereof: other	87	(210)	n.m.
CCS effects: inventory holding gains/(losses)	**210**	**418**	**(50)%**
Operating Result Group	**12,246**	**5,065**	**142%**

[1] Adjusted for special items and CCS effects

Clean CCS Operating Result

In EUR mn

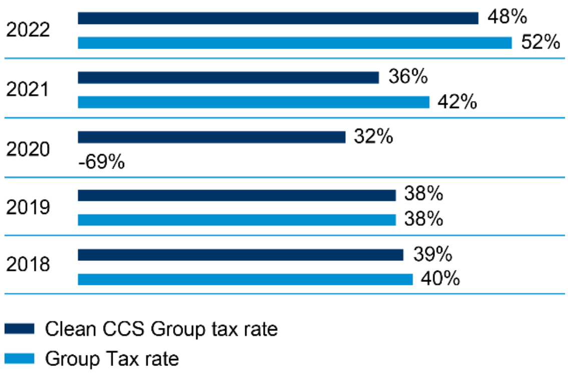


Operating Result adjusted for special items and CCS effects, details of which are depicted in the table on the left.

2022 performance:
With slightly over EUR 11 bn, OMV achieved a strong clean CCS Operating Result in 2022. All three business segments contributed significantly, supported by the overall favorable market environment. Especially the Exploration & Production segment benefitted from the rise in oil and gas prices, while results were burdened by the impact of the war in Ukraine, including the change of the consolidation method of E&P Russian assets as well as supply curtailments in Gas Marketing Western Europe.

Clean CCS Group tax rate

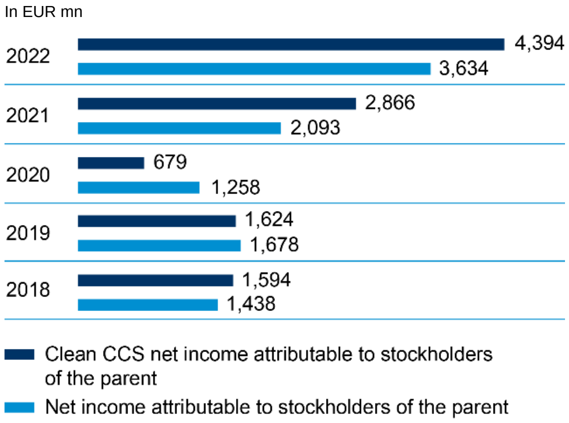
In %



Group tax rate adjusted for special items and CCS effects. It represents the average rate at which the Group's profit before tax is taxed.

2022 performance:
Coming in at 48%, the clean CCS Group tax rate increased by 12 percentage points compared to 36% in the previous year, stemming from an increased contribution from Exploration & Production, in particular from countries with a high tax regime.

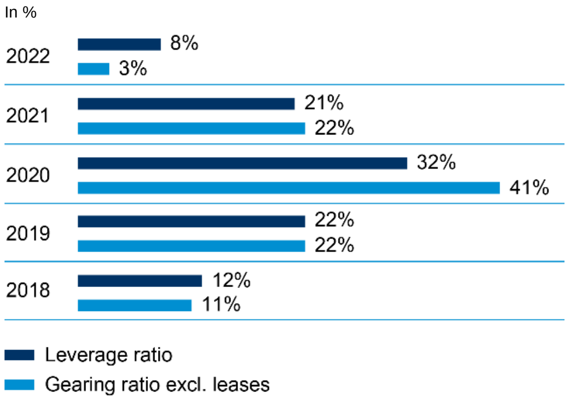
Clean CCS net income attributable to stockholders of the parent



Net income attributable to stockholders of the parent, adjusted for the after-tax effect of special items and CCS.

2022 performance:
The clean CCS net income attributable to stockholders of the parent in the amount of EUR 4.4 bn increased significantly compared to EUR 2.9 bn in 2021 following the strong Operating Result.

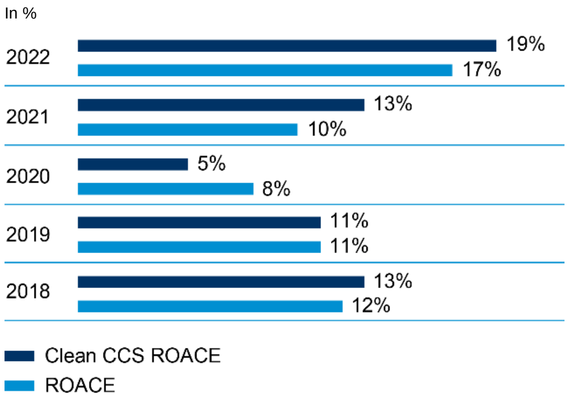
Leverage ratio & Gearing ratio excl. leases



The leverage ratio is calculated by dividing net debt incl. leases through equity plus net debt incl. leases. The gearing ratio excl. leases is calculated by net debt (interest-bearing debts including bonds less liquid funds) excluding leases divided by equity, expressed as a percentage.

2022 performance:
OMV's strong financial performance as well as positive contribution from inorganic cash flow from investing activities, such as the Borouge IPO, partial loan repayment from Bayport Polymers LLC (Baystar), as well as the sale of filling stations in Germany, have led to a continuous deleveraging throughout the year, resulting in a leverage ratio of 8%. The gearing ratio excluding leases came in at 3%.

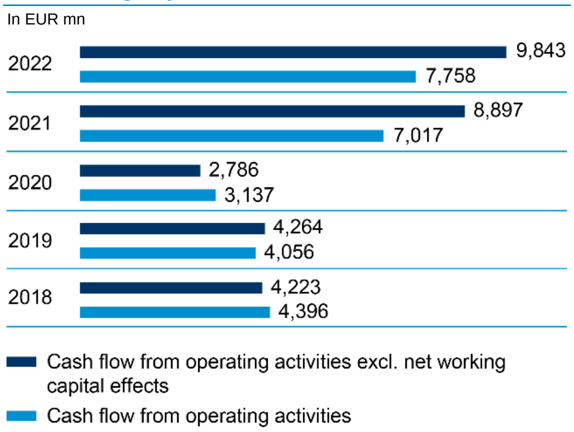
Clean CCS ROACE



The clean CCS ROACE (%) is calculated as Net Operating Profit After Tax (NOPAT – as a sum of the current and last three quarters) adjusted for the after-tax effect of special items and CCS, divided by average capital employed (equity including non-controlling interests plus net debt).

2022 performance:
Driven by the strong operational performance, OMV was able to deliver a clean CCS NOPAT of EUR 5.7 bn in 2022, compared to EUR 3.8 bn in 2021. As average capital employed was on a comparable level, the clean CCS ROACE improved from 13% in 2021 to 19% in 2022.

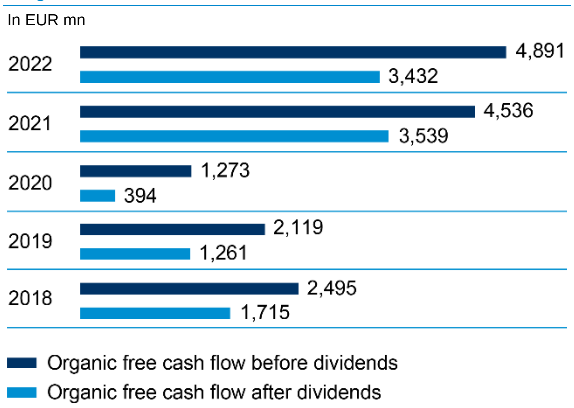
Cash flow from operating activities excl. net working capital effects



Amount of cash OMV Group generates through its ordinary business activities which excludes effects from net working capital positions

2022 performance:
Operating cash flow excl. net working capital effects came in at EUR 9.8 bn above the EUR 8.9 bn from 2021, supported by the overall strong market environment.

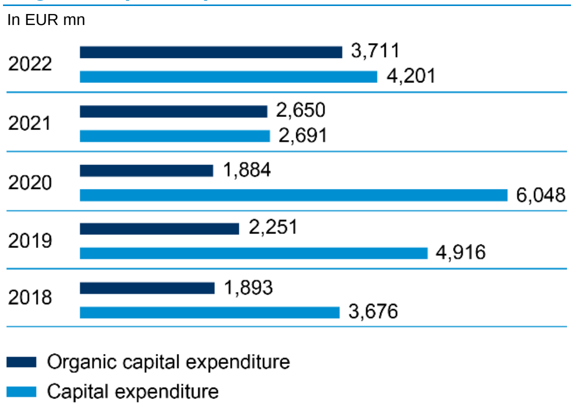
Organic free cash flow



The organic free cash flow is cash flow from operating activities less cash flow from investing activities excluding disposals and material inorganic cash flow components (e.g., acquisitions).

2022 performance:
An organic free cash flow before dividends of EUR 4.9 bn was recorded in 2022, slightly above prior year's level.

Organic capital expenditure



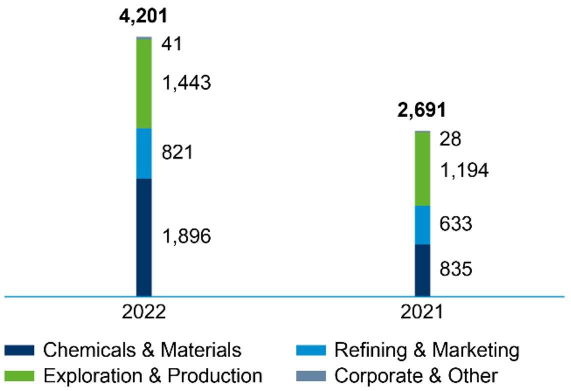
The amount is defined as capital expenditure including capitalized exploration and appraisal expenditure, excluding equity injections into at-equity and fully consolidated companies, acquisitions, and contingent considerations.

2022 performance:
Organic capital expenditure increased by 40% to EUR 3.7 bn compared to EUR 2.6 bn in 2021, mainly due to non-cash leases related to the construction of the propane dehydrogenation (PDH) plant at Kallo (Belgium) by Borealis.

Capital Expenditure (CAPEX)[1]

Total CAPEX

In EUR mn



Chemicals & Materials CAPEX increased mainly due to investments in the construction of the new propane dehydrogenation (PDH) plant in Belgium, which included non-cash effective CAPEX related to leases in the amount of around EUR 0.5 bn and equity injection into Borouge 4 LLC to finance the Borouge 4 project. Furthermore, the CAPEX increase was driven by the construction of the ReOil® demo plant in Austria.

The increase in **Refining & Marketing** CAPEX was driven by turnaround activities, repair works at the Schwechat refinery, as well as investments in the co-processing unit at Schwechat.

The increase in **Exploration & Production** CAPEX was mainly related to investments in Romania, Malaysia and New Zealand.

The **reconciliation** of total capital expenditure to the **investments as shown in the cash flow statement** is depicted in the following table:

Capital expenditure

In EUR mn

	2022	2021	Δ
Total capital expenditure	**4,201**	**2,691**	**56%**
+/– Changes in the consolidated Group and other adjustments	(47)	(33)	(41)%
– Investments in financial assets	(490)	(33)	n.m.
Additions according to statement of non-current assets (intangible and tangible assets)	**3,664**	**2,624**	**40%**
+/– Non-cash changes[1]	(721)	(127)	n.m.
Cash outflow from investments in intangible assets and property, plant and equipment	**2,943**	**2,497**	**18%**
+ Cash outflow from investments, loans and other financial assets	736	382	93%
Investments as shown in the cash flow statement	**3,679**	**2,879**	**28%**

[1] Non-cash changes mainly impacted by new leases for the construction of the new propane dehydrogenation plant in Belgium by Borealis

[1] Includes expenditures for acquisitions as well as equity-accounted investments and other interests; adjusted for capitalized decommissioning costs, exploration wells that have not found proved reserves, borrowing costs and other additions that by definition are not considered capital expenditure

Notes to the cash flow statement

Summarized cash flow statement

In EUR mn

	2022	2021	Δ
Cash flow from operating activities excluding net working capital effects	9,843	8,897	11%
Cash flow from operating activities	7,758	7,017	11%
Cash flow from investing activities	(1,966)	(1,820)	(8)%
Free cash flow	5,792	5,196	11%
Cash flow from financing activities	(2,660)	(2,977)	11%
Effect of exchange rate changes on cash and cash equivalents	(72)	(25)	n.m.
Net (decrease)/increase in cash and cash equivalents	3,060	2,195	39%
Cash and cash equivalents at beginning of period	5,064	2,869	77%
Cash and cash equivalents at end of period	**8,124**	**5,064**	**60%**
thereof cash disclosed within assets held for sale	35	14	n.m.
Cash and cash equivalents presented in the consolidated statement of financial position	**8,090**	**5,050**	**60%**
Free cash flow after dividends	**4,333**	**4,199**	**3%**

Cash flow from operating activities amounted to EUR 7,758 mn, up by EUR 742 mn compared to 2021. This was primarily attributable to an improved market environment, however, partly offset by lower dividends received from Abu Dhabi Polymers Company Limited (Borouge).

Cash flow from investing activities showed an outflow of EUR (1,966) mn in 2022, compared to EUR (1,820) mn in 2021. Cash flow from investing activities in 2022 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, as well as the divestment of the retail network in Germany of EUR 432 mn. Moreover, cash flow from investing activities in 2022 contained outflows from the capital contribution to Borouge 4 LLC of EUR (408) mn as well as cash disposed of EUR (208) mn related to the loss of control of JSC GAZPROM YRGM Development. In 2021, cash flow from investing activities comprised cash inflows of EUR 443 mn related to the divestment of Gas Connect Austria, EUR 290 mn related to the sale of the stake in the Norwegian oil field Wisting, and EUR 94 mn related to the sale of the shares in Kom-Munai LLP and Tasbulat Oil Corporation LLP (Kazakhstan).

Cash flow from financing activities showed an outflow of EUR (2,660) mn compared to EUR (2,977) mn in 2021. Significantly higher dividend payments were made in 2022, however, this was more than offset by higher repayments of bonds in the previous year.

Notes to the income statement

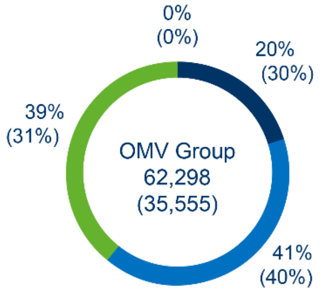
Summarized income statement

In EUR mn (unless otherwise stated)

	2022	2021	Δ
Sales revenues	62,298	35,555	75%
Other operating income and net income from equity-accounted investments	2,512	1,533	64%
Total revenues and other income	**64,811**	**37,087**	**75%**
Purchases (net of inventory variation)	(39,298)	(20,257)	94%
Production and operating expenses incl. production and similar taxes	(6,205)	(4,302)	44%
Depreciation, amortization, impairments and write-ups	(2,484)	(3,750)	(34)%
Selling, distribution and administrative expenses	(2,689)	(2,746)	(2)%
Exploration expenses	(250)	(280)	(11)%
Other operating expenses	(1,639)	(688)	n.m.
Operating Result	**12,246**	**5,065**	**n.m.**
Net financial result	**(1,481)**	**(194)**	**n.m.**
Profit before tax	**10,765**	**4,870**	**n.m.**
Taxes on income and profit	(5,590)	(2,066)	n.m.
Net income for the year	**5,175**	**2,804**	**85%**
thereof attributable to hybrid capital owners	71	94	(25)%
thereof attributable to non-controlling interests	1,470	617	n.m.
Net income attributable to stockholders of the parent	**3,634**	**2,093**	**74%**
Effective tax rate (%)	52	42	10

Sales to third parties 2022 (2021)

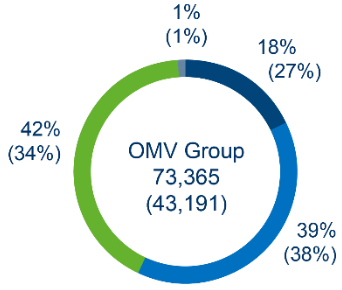
In EUR mn if not otherwise stated (prior year)



Chemicals & Materials	12,269	(10,509)
Refining & Marketing	25,816	(14,095)
Exploration & Production	24,197	(10,937)
Corporate & Other	17	(14)

Total not consolidated sales 2022 (2021)

In EUR mn if not otherwise stated (prior year)



Chemicals & Materials	13,450	(11,618)
Refining & Marketing	28,634	(16,547)
Exploration & Production	30,857	(14,650)
Corporate & Other	424	(376)

Sales revenues increased by 75% to EUR 62,298 mn mainly due to substantially higher market prices. For the sales split by geographical areas, please refer to the Notes to the Consolidated Financial Statements (Note 4 – Segment Reporting).

Other operating income increased from EUR 933 mn in 2021 to EUR 1,644 mn. 2022 was mainly impacted by EUR 409 mn gains from the sale of the filling station business in Germany, EUR 341 mn gains from the successful listing of Borouge PLC on ADX (the Abu Dhabi Securities Exchange), insurance income of around EUR 200 mn recognized with respect to the incident in the Schwechat refinery in June 2022 and higher operating foreign exchange gains. For further details, please refer to the Notes to the Consolidated Financial Statements (Note 6 – Other operating income and net income from equity-accounted investments).

Net income from equity-accounted investments increased from EUR 600 mn in 2021 to EUR 869 mn in 2022 mainly due to the positive contribution of Abu

Dhabi Oil Refining, partially offset by a lower result from Borouge investments, mostly as a result of lower polyethylene and polypropylene prices.

Net expenses related to **depreciation, amortization, impairments and write-ups** decreased compared to 2021. This was mainly due to the fact that 2021 was burdened by impairments booked related to the at-equity accounted investment ADNOC Refining CGU and the nitrogen business unit of Borealis. 2022 contained mainly a write-up of EUR 266 mn of the nitrogen business unit of Borealis based on the new offer from AGROFERT, a.s. and a net impairment amounting to EUR 117 mn based on the impairment testing in the Exploration & Production portfolio triggered by updated commodity price assumptions. For further details, please refer to the Notes to the Consolidated Financial Statements (Note 7 – Depreciation, amortization, impairments and write-ups).

Other operating expenses increased from EUR 688 mn in 2021 to EUR 1,639 mn in 2022 mainly due to deconsolidation of investments in Russia and remeasurement of the asset from reserves redetermination rights with respect to the acquisition of interests in the Yuzhno-Russkoye field. For further details, please refer to the Notes to the Consolidated Financial Statements (Note 2 – Accounting policies, judgements and estimates, section "Impact of Russia's invasion of Ukraine and related significant estimates and assumptions").

Net financial result decreased from (194) mn in 2021 to (1,481) mn in 2022. This development was mainly related to the impairment of the Nord Stream 2 loan in the amount of EUR (1,004) mn and the fair value adjustment of investments in Russia in the amount of EUR (370) mn. For further details, please refer to the Notes to the Consolidated Financial Statements (Note 2 – Accounting policies, judgements and estimates, section "Impact of Russia's invasion of Ukraine and related significant estimates and assumptions," and Note 18 – Financial assets). These effects were partly offset by the improved foreign exchange result and the increased net interest result attributable mostly to higher interest income on cash deposits.

The **effective tax rate** increased from 42% in 2021 to 52% in 2022. The 2022 effective tax rate was mostly affected by a positive contribution from countries with a high tax regime. For further details on the Group's effective tax rate, please refer to the Notes to the Consolidated Financial Statements (Note 12 – Taxes on income and profit).

Notes to the statement of financial position

Summarized statement of financial position

In EUR mn

	2022	2021	Δ
Assets			
Non-current assets	32,384	33,724	(4)%
Current assets	22,369	18,595	20%
Assets held for sale	1,676	1,479	13%
Equity and liabilities			
Equity	26,628	21,996	21%
Non-current liabilities	15,607	17,216	(9)%
Current liabilities	13,567	13,677	(1)%
Liabilities associated with assets held for sale	626	909	(31)%
Total assets/equity and liabilities	**56,429**	**53,798**	**5%**

Current assets:

Inventories increased from EUR 3,150 mn in 2021 to EUR 4,834 mn in 2022 mainly impacted by the filling of our natural gas storage facilities and increased natural gas prices as well as increased balances for finished petroleum products. For further details, please refer to the Notes to the Consolidated Financial Statements (Note 17 – Inventories).

Cash and cash equivalents significantly increased from EUR 5,050 mn to EUR 8,090 mn. For more details, please refer to the Notes to the cash flow statement in the Director's Report chapter.

The above described increase was partly offset by lower **derivatives**, which decreased from EUR 3,737 mn to EUR 2,377 mn, mainly related to the gas business.

Non-current assets:

Intangible assets and property, plant and equipment were impacted by significant CAPEX spendings. However these effects were offset mainly by depreciation and impairment charges as well as the deconsolidation of JSC GAZPROM YRGM Development. For further details, please refer to the Notes to the Consolidated Financial Statements (Note 2 – Accounting policies, judgements and estimates, section "Impact of Russia's invasion of Ukraine and related significant estimates and assumptions").

Equity-accounted investments increased by EUR 407 mn to EUR 7,294 mn impacted by EUR 408 mn capital contribution into Borouge 4 LLC, positive results especially from ADNOC Refining and Borouge investments, positive FX impacts as well as EUR 67 mn net write-up of the investment in ADNOC Refining CGU, partially offset by EUR 801 mn dividend distributions as well as EUR 430 mn disposal due to the successful listing of Borouge PLC. For further details, please refer to the Notes to the Consolidated Financial Statements (Note 16 – Equity-accounted investments).

Financial assets included in 2021 drawdowns and the related accrued interests under the financing agreements for the Nord Stream 2 pipeline project, the total outstanding amount of which EUR 1 bn was fully impaired in 2022. Furthermore, in 2021 an acquired contractual position towards Gazprom with regard to the reserves redetermination in the amount of EUR 432 mn was included. The fair value of this position was reduced to zero in 2022, as OMV no longer expects it to be recoverable. For further details, please refer to the Notes to the Consolidated Financial Statements (Note 2 – Accounting policies, judgements and estimates, section "Impact of Russia's invasion of Ukraine and related significant estimates and assumptions").

Net assets held for sale and liabilities associated with assets held for sale:

The increase in 2022 was mainly due to the reclassification of Rosier SA and the operating entities in Yemen to held for sale.

This effect was partly offset by the sale of the filling station business in Germany. For further details please refer to the Notes to the Consolidated Financial Statements (Note 20 – Assets and liabilities held for sale).

Current liabilities:

Bonds increase was mainly related to short-term reclassifications of EUR 1,250 mn, which was partly offset by a repayment in the amount of EUR 750 mn. For further details please refer to the Consolidated Financial Statements (Note 24 – Liabilities).

Income tax liabilities increase of EUR 1,147 mn related mainly to Norway and was due to significant increase in taxable income. Payment of the outstanding liability in Norway will be made in the first half of 2023.

Financial liabilities from derivatives decreased from EUR 3,607 mn to EUR 1,263 mn, mainly related to the gas business.

Non-current liabilities:

Bonds decrease was mainly related to short-term reclassifications of EUR 1,250 mn. For further details, please refer to the Notes to the Consolidated Financial Statements (Note 24 – Liabilities).

Lease liabilities increased from EUR 887 mn to EUR 1,322 mn mainly due to the new obligation related to the propane dehydrogenation (PDH) plant of Borealis. For further details, please refer to the Notes to the Consolidated Financial Statements (Note 15 – Property, plant and equipment).

Pensions & similar obligations decrease to EUR 997 mn (2021: EUR 1,299 mn) was mainly impacted by various reassessment effects. For further details please refer to the Consolidated Financial Statements (Note 23 – Provisions).

Other provisions decreased from EUR 643 mn to EUR 377 mn mainly due to the reassessment of provisions for onerous contracts. For further details, please refer to the Notes to the Consolidated Financial Statements (Note 23 – Provisions).

Chemicals & Materials

In the Chemicals & Materials segment, OMV is one of the world's leading providers of advanced and circular polyolefin solutions and a European market leader in base chemicals, fertilizers[1], and plastics recycling. The Company supplies services and products to customers around the globe through Borealis and its two joint ventures: Borouge (with ADNOC, based in the UAE and Singapore) and Baystar (with TotalEnergies, based in the United States).

At a glance

		2022	2021	Δ
Clean Operating Result	in EUR mn	1,457	2,224	(34)%
thereof Borealis excluding JVs	in EUR mn	967	1,437	(33)%
thereof Borealis JVs	in EUR mn	332	534	(38)%
Special items	in EUR mn	582	(396)	n.m.
Operating Result	in EUR mn	2,039	1,828	12%
Capital expenditure[1]	in EUR mn	1,896	835	127%
Ethylene indicator margin Europe	in EUR/t	560	468	20%
Propylene indicator margin Europe	in EUR/t	534	453	18%
Polyethylene indicator margin Europe	in EUR/t	390	582	(33)%
Polypropylene indicator margin Europe	in EUR/t	486	735	(34)%
Utilization rate steam crackers Europe		74%	90%	(16)
Polyolefin sales volumes	in mn t	5.66	5.93	(5)%
thereof polyethylene sales volumes excl. JVs	in mn t	1.69	1.82	(7)%
thereof polypropylene sales volumes excl. JVs	in mn t	1.84	2.13	(13)%
thereof polyethylene sales volumes JVs[2]	in mn t	1.25	1.25	(0)%
thereof polypropylene sales volumes JVs[2]	in mn t	0.88	0.74	19%

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] Capital expenditure including acquisitions, notably, 2022 included an equity injection to Borouge 4 of EUR 0.4 bn

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

Financial performance

The **clean Operating Result** declined in 2022 by 34% to EUR 1,457 mn (2021: EUR 2,224 mn). A substantially higher contribution from the nitrogen business and the positive impact from stronger olefin margins were more than offset by considerably weaker European polyolefin margins, significantly lower positive inventory valuation effects, lower sales volumes in Europe, and a reduced contribution from the Borealis JVs.

The contribution of OMV base chemicals decreased despite higher ethylene and propylene indicator margins, mainly as a result of the planned turnaround of the Burghausen steam cracker and the incident at the crude distillation unit at the Schwechat refinery on June 3, 2022. The **ethylene indicator margin Europe** grew by 20% to EUR 560/t (2021: EUR 468/t), while the **propylene indicator margin Europe** increased by 18% to EUR 534/t (2021: EUR 453/t). While the first half of the year was characterized by strong demand for olefins and supply shortages, the second half saw a sharp decline in demand, which was partially compensated for by lower operational rates of European crackers. Declining naphtha prices, after the peak in the first quarter, provided support to the olefins indicator margins in a very volatile market environment. Lower production due to the reduced utilization rate at the Schwechat and Burghausen steam crackers, higher costs of the feedstock mix, which also includes other intermediates besides naphtha, and growing utility prices weighed on the result.

The **utilization rate of the European steam crackers** operated by OMV and Borealis went down by 16 percentage points to 74% (2021: 90%). The utilization rate in 2022 came in lower as a result of the planned turnaround of the steam crackers in Burghausen and

[1] On June 2, 2022, Borealis received a binding offer from AGROFERT, a.s. for the acquisition of its nitrogen business including fertilizer, melamine and technical nitrogen products.

Stenungsund, but also as a result of the incident at the crude distillation unit at the Schwechat refinery on June 3, 2022.

The contribution of **Borealis excluding JVs** declined by EUR 470 mn to EUR 967 mn (2021: EUR 1,437 mn). This was primarily due to substantially lower polyolefin indicator margins and significantly lower positive inventory valuation effects, while the outstanding performance of the nitrogen business and higher olefin indicator margins provided some support. The Borealis base chemicals business experienced a decline despite improved olefin indicator margins, mainly caused by negative inventory valuation effects and the impact from the planned turnaround at the Stenungsund steam cracker. The polyolefin business saw a strong decline in polyolefin indicator margins and substantially lower positive inventory valuation effects. In 2021, polyolefin indicator margins experienced historic highs, driven by strong demand in the European markets coupled with a tight supply-demand balance, as a result of a heavy maintenance season and worldwide logistical constraints. The **polyethylene indicator margin Europe** decreased by 33% to EUR 390/t (2021: EUR 582/t) while the **polypropylene indicator margin Europe** came down by 34% to EUR 486/t (2021: EUR 735/t). In the first half of 2022, polyolefin indicator margins started to normalize from the highs of 2021, at a slow pace to start, but deteriorated substantially in the second half of the year on the back of a slump in demand induced by the global economic slowdown and inflationary pressure on customers. In addition, increased availability of imported volumes into Europe put pressure on the margins. While the realized margins for standard products saw a substantial negative impact due to the emerging demand weakness and higher utility costs, margins for specialty products experienced slight improvements. Higher feedstock discounts and stronger prices, above market indicators, for certain product categories provided some relief. **Polyethylene sales volumes** went down by 7%, while **polypropylene sales volumes** decreased by 13% compared to 2021. The decrease in sales volumes stemmed mainly from the consumer products and infrastructure industries, while the mobility industry experienced a slight increase. The contribution from the nitrogen business saw a substantial increase compared to 2021. Fertilizer margins were substantially higher compared to 2021, as a tight supply situation more than offset the increased natural gas prices. The reclassification as asset held for sale also impacted the result positively.

The contribution of **Borealis JVs** declined by EUR 202 mn to EUR 332 mn (2021: EUR 534 mn), mainly due to lower contributions from Borouge and from Baystar. The favorable impact of a stronger USD managed to partially compensate for these effects. **Polyethylene sales volumes from the JVs** remained at the previous year's level, while **polypropylene sales volumes from the JVs** increased by 19%. In 2022, Borouge sales volumes benefited in particular from the ramp-up of the new polypropylene unit (PP5). A one-time effect from pension provisions negatively impacted the result in 2022 at Borouge, and the successful listing of 10% of Borouge's total issued share capital on June 3, 2022, lowered financial and operational contributions in comparison to 2021. The pricing environment in Asia weakened compared to 2021, as new polyolefin production capacities came online and consumer demand was dampened by COVID-19 lockdowns. Compared to 2021, Baystar experienced a softer market environment and was impacted by the full depreciation charge after the start-up of the ethane cracker and increased interest expenses, while the new unit experienced only a slow ramp-up in light of operational challenges.

Net **special items** amounted to EUR 582 mn (2021: EUR (396) mn) and were mainly related to the successful listing of a 10% share in Borouge, which led to a gain from disposal of around EUR 0.3 bn. In addition, the binding offer received from AGROFERT for Borealis' nitrogen business triggered a write-up of around EUR 0.3 bn. The **Operating Result** of Chemicals & Materials came in at EUR 2,039 mn, compared to EUR 1,828 mn in 2021.

Capital expenditure in Chemicals & Materials amounted to EUR 1,896 mn (2021: EUR 835 mn). The increase was driven by an equity injection to Borouge 4 of around EUR 0.4 bn in 2022 and growth in organic capital expenditure. In 2022, besides ordinary running business investments, organic capital expenditure was predominantly related to investments by Borealis in the construction of the new propane dehydrogenation plant in Belgium, which included non-cash effective CAPEX related to leases in the amount of around EUR 0.5 bn, the construction of the ReOil® demo plant in Austria, and the turnaround at the Burghausen refinery.

Business overview

In the Chemicals & Materials segment, OMV is one of the world's leading providers of advanced and circular polyolefin solutions and a European market leader in base chemicals, fertilizers[1], and plastics recycling. The Company supplies services and products to customers around the globe through OMV and Borealis and its two joint ventures: Borouge (with ADNOC, based in the UAE and Singapore) and Baystar (with TotalEnergies, based in the United States).

The segment comprises the production of base chemicals integrated with OMV operated refineries in Austria and Germany, the Borealis business of base chemicals, polyolefins, and fertilizers, and the joint ventures Borouge and Baystar. With a strong European footprint through Borealis and its two joint ventures, Borouge and Baystar, the Group is active in over 120 countries.

Base chemicals

Base chemicals are building blocks for the chemical industry and are transformed into plastics, packaging, clothing, and many other consumer products.

While the refinery-integrated, OMV-operated steam crackers in Schwechat and Burghausen mainly use naphtha as a feedstock, the steam crackers operated by Borealis in Stenungsund and Porvoo feature high feedstock flexibility using naphtha, ethane, propane, butane, or any LPG mix as feedstock. In Kallo, Borealis runs a propane dehydrogenation unit based on 100% propane feedstock.

The OMV Group produces base chemicals such as olefins (ethylene, propylene, butadiene, and high-purity isobutene) and aromatics (benzene and phenol).

- Ethylene and propylene are important chemical building blocks for producing polyolefins (polyethylene and polypropylene), for example, which are in turn used to manufacture a wide variety of consumer and industrial products.
- Aromatics such as benzene are used as starting materials for heat insulating materials and consumer products, including clothing, pharmaceuticals, cosmetics, computers, and sports equipment.
- C4s (e.g., butadiene and butene) are used in a variety of applications, with butadiene primarily used in manufacturing synthetic rubber, making it a fundamental material for the tire and automotive industries. Butenes are used in specialty chemicals, such as oxo-alcohols for plasticizers and polyols for coatings and synthetic lubricants.
- High-purity isobutene is a feedstock for key chemical products like adhesives, lubricants, and vitamins.
- Phenol and acetone are sold mainly to the polycarbonate and epoxy resin industries. Phenol is also used in phenolic resins and in caprolactam. Acetone is also an ingredient in solvents and MMA for PMMA (plexiglass).

The year 2022, was a challenging year with a very volatile market, which was caused by several main factors: the Russian invasion of Ukraine, high energy costs, high inflation, and decreasing demand across the year.

In comparison to 2021, the ethylene and propylene indicator margins were higher in 2022, driven by low feedstock prices, except for the peak in Q1/22, and high monomer contract prices. In Q1/22, even though the olefin market was tight, margins were negatively impacted by the war in Ukraine. Starting from April 2022, naphtha availability in Europe increased due to lighter refinery feedstock and lower demand from China. Together with a healthy demand in the spring turnaround season this led to historically high margins in Q2/22. After July, both the ethylene and propylene markets became extremely long. All crackers in Europe reduced throughput based on weak demand and high energy prices. Low Rhine water levels caused logistical constraints on the derivative market throughout the summer months. As the market was struggling with these constraints, thanks to declining naphtha prices, the healthy indicator margin could be kept throughout Q3/22. However, demand did not improve from the summer lull into fall, the dramatic collapse in demand continued until the end of the year. The cracker rates in Europe reduced to global minimum levels of 60% to 65% in Q4/22 due to extremely weak demand.

The propane dehydrogenation (PDH) margin remained on a healthy level in the first half of 2022 on the back of a decent propane spread versus naphtha. Margins dropped severely in the third quarter, driven by lowering demand and a strengthening propane price versus naphtha due to higher propane demand, mainly in Asia. Margins improved again in the last quarter of the year driven by lowering propane demand due to lockdowns in China and a mild winter in Europe.

[1] On June 2, 2022, Borealis received a binding offer from AGROFERT, a.s. for the acquisition of its nitrogen business including fertilizer, melamine and technical nitrogen products.

Butadiene demand was healthy in Q1/22, but with increasing naphtha prices, the indicator margins were at the lowest level of the year. Starting from May, supply was low due to reduced cracker rates on a long olefin market, however, the market was still balanced as the demand was low. The skyrocketing natural gas prices in Europe put its chemical industry under great strain, with high energy prices, a significant driver of inflation, and economic weakness lowering demand. Most producers had to add energy surcharges to their prices. The highest butadiene price and indicator margin of the year was achieved in August.

Following the ISCC PLUS-certification at the Burghausen refinery in March 2022, OMV successfully sold its first ISCC PLUS certified benzene volumes this year. The benzene crack hit an all-time high in July at around EUR 900/t, however, the crack significantly weakened later in the year and reached around zero by year end due to volatile market conditions. Uncertainty in economics, logistical constraints and skyrocketing gas prices affected production costs and demand heavily.

Polyolefins

Through its subsidiary Borealis, OMV is the second-largest polyolefin producer in Europe and among the top ten producers globally. Borealis operates seven polyolefin plants located in Schwechat, Stenungsund, Porvoo, and Burghausen, where they are integrated with steam crackers, as well as in Beringen and Kallo, where they are integrated with the existing PDH facility, and in Antwerp. In addition, Borealis operates several compounding plants in Europe, the United States, South Korea, and Brazil.

The value-add polyolefin products manufactured by Borealis are the foundation of many valuable plastics applications that are an intrinsic part of modern life. Advanced Borealis polyolefins have a role to play in saving energy along the value chain and promoting more efficient use of natural resources. Borealis works closely with its customers and industry partners to provide innovative plastics solutions that create value in a variety of industries and segments. These solutions make end products safer, lighter, more affordable, and easier to recycle. In short: They enable more sustainable living. Borealis offers advanced polyolefins for virgin and circular economy solutions, servicing the following key industries: consumer products, energy, healthcare, infrastructure, and mobility.

Following the historically high levels reached in 2021, polyolefin margins slowly normalized in the first half of 2022, supported by a busy spring turnaround season, particularly in the second quarter. As of the third quarter, margins deteriorated due to plummeting demand resulting from the global GDP slowdown, and inflationary pressure on customers. In the meantime, the robust recovery of the international container freight market, which in December 2022 had approached pre-COVID-19 levels, allowed imports to surge. Toward the end of the year, polyolefin margins recovered slightly thanks to low operating rates.

Renewables and circular chemicals

Plastics continue to play a vital role in the economy and in our business, making our lives more efficient, convenient, and safe. Yet, when insufficient effort is made to recover and reuse plastics, most of them end up in landfill or incineration. The vision of a circular economy where we optimize resource efficiency and reuse, recycle and re-purpose endlessly is both a business imperative and an opportunity. Demand for recycled plastics is growing due to increasing public awareness of the importance of using resources sustainably to ensure a climate-neutral future.

The circular economy opens up new ways to reinvent the economy in the interest of preserving natural capital and minimizing waste. OMV and Borealis are pursuing various initiatives in mechanical and chemical recycling, Design for Recycling (DfR), and circular polyolefins that are manufactured with second-generation renewable feedstock. While mechanical recycling has proven to be effective and will likely remain the eco-efficient method of choice for the foreseeable future, chemical recycling will play an increasingly important role to complement it for hard-to-recycle materials.

In June, Borealis launched the Borvida™ portfolio of circular base chemicals: Borvida™ B is produced using non-food waste biomass, while Borvida™ C is made of chemically recycled waste. The traceability of these ISCC PLUS-certified products – which include ethylene, propylene, butene, and phenol – is ensured thanks to the mass balance method of documenting and tracking renewable-based content across complex manufacturing systems. The Borvida™ portfolio will be extended in due course with the Borvida™ A range sourced from atmospheric carbon capture.

In October 2022, planning started for the construction of a novel and advanced commercial-scale mechanical recycling plant in Schwechat (Austria) to augment the three existing polyolefin recycling operations currently operated by Borealis in Europe. The plant will be based on the proprietary Borcycle™ M technology, which transforms polyolefins-based post-consumer waste into high-performance polymers. Once operational in 2025, the new plant will have an annual production capacity in excess of 60,000 t. These large volumes will ensure the ample supply of high-quality recyclate so as to fulfill growing demand for circular products and solutions.

Since 2021, Borealis has procured pyrolysis oil for the chemical recycling process from Belgium-based Renasci with which it manufactures Borcycle™ C circular polyolefins and base chemicals at several of its own production locations. Since then, Borealis has gradually increased the stake it holds in Renasci: from 10% in 2021 to just over 27% in November 2022, and as of January 2023 to a current majority shareholding position of 50.01%.

OMV is currently constructing a demo plant based on its proprietary ReOil® technology to scale up its chemical recycling capacities. The plant has a capacity of 16,000 t p.a. and is scheduled to start up in 2023. The feedstock will consist mainly of polyolefins and will be sourced in Austria in close cooperation with local waste management companies. Examples of such plastic waste include food packaging, plastic cups, lids from takeout coffee, and confectionery packaging. OMV's next step toward an industrial-scale plant with a processing capacity of up to 200,000 t/year is planned for 2026.

Fertilizers, melamine, and technical nitrogen products

Through its subsidiary Borealis, OMV is a leading European manufacturer and distributor of fertilizers, technical nitrogen products, and melamine: The Company is Europe's third-largest nitrogen fertilizer manufacturer and the world's third-largest melamine producer by production capacity utilized.

In 2020, the OMV Group announced that it had started the divestment process for the nitrogen business unit, which includes fertilizers, technical nitrogen, and melamine. A binding offer received from EuroChem in February 2022 was declined in March after assessing the consequences of the war in Ukraine and related sanctions. In June 2022, Borealis received a binding offer from Czech-based AGROFERT that valued the business on an enterprise value basis at EUR 810 mn. Pending regulatory approval, closing is anticipated for the first quarter of 2023. The sale of the Company's share in Rosier, which operates the production sites in the Netherlands and Belgium, to Yilfert Holding was completed on January 2, 2023.

Joint ventures

Borouge (Borealis 36%, ADNOC 54%, free float 10%)

Established in 1998, Borouge is a true success story of the long-term partnership with ADNOC. The joint venture has successfully combined the leading-edge Borstar® technology with competitive feedstock and access to growing Asian markets. Through Borouge, the Group's footprint reaches all the way to the Middle East, the Asia-Pacific region, the Indian subcontinent, and Africa.

In June 2022, Borouge, became the largest-ever IPO in Abu Dhabi when it was listed on the Abu Dhabi Securities Exchange (ADX). The IPO offered 10% of Borouge's total issued share capital and raised over USD 2.0 bn in gross proceeds. It drew USD 83 bn in orders and was oversubscribed by nearly 42 times in aggregate.

Baystar (Borealis 50%, TotalEnergies 50%)

Baystar is a joint venture between TotalEnergies Petrochemicals & Refining USA, Inc. (TEPRI), a wholly owned subsidiary of TotalEnergies SE, and Novealis Holdings LLC (Novealis), a wholly owned subsidiary of Borealis AG.

TotalEnergies contributed its award-winning Bayport facilities to the JV and will be the operator of the cracker in Port Arthur. Borealis brings its proprietary Borstar® technology to North America for the first time along with the Bayport site for unique polyethylene grades for the most demanding applications.

Growth projects

Borouge

Borouge continued to drive growth in 2022. February saw the ground-breaking ceremony for Borouge 4, the new USD 6.2 bn facility under construction at the Borouge complex in Ruwais (UAE). Once operational, Borouge 4 will help meet growing demand for polymers in the Middle East and Asia, and will also supply feedstock to the adjacent TA'ZIZ Industrial Chemicals Zone. The successful start-up of PP5, the fifth Borouge polypropylene (PP) unit, also took place in February, boosting total Borouge PP capacity by more than 25%. The new PP5 unit is leveraging the proprietary Borstar® technology to deliver greater quantities of polymer-based material solutions for a wide range of industries, from packaging and consumer goods to pipe and infrastructure.

Baystar

The largest Borealis growth project underway in North America is the Baystar™ joint venture with TotalEnergies in Port Arthur, Texas. A new ethane-based steam cracker was started up in July 2022. With an annual production capacity of 1 mn t of ethylene, the cracker supplies feedstock to Baystar's existing polyethylene (PE) units. In the future, it will also supply ethylene to the new, 625,000 metric-ton-per-year Borstar® PE unit once construction and ramping up have been completed. Baystar is a crucial growth anchor as it enables Borealis to bring Borstar to North America for the first time.

Kallo

Progress was made in the first half of 2022 at the new world-scale propane dehydrogenation (PDH) plant in Kallo (Belgium). However, construction was stopped after misconduct on the part of the site's contractor, IREM, was uncovered. Borealis suspended, then terminated all contracts with IREM and its subcontractors due to non-compliance with fundamental contractual principles. Work resumed in October following a re-tendering process. Start-up of the new PDH plant is expected in the second half of 2024. Borealis has zero tolerance for non-compliance in all aspects of its operations and has since implemented more extensive controls and monitoring measures to ensure full future compliance.

Innovation and new technologies

OMV's ReOil® proprietary thermal cracking technology was developed to meet the European Commission's targets for the circular economy and to fulfill future packaging recycling quotas. The ReOil® plant at the Schwechat refinery, which has a capacity of 100 kg/h, has been recycling post-consumer and post-industrial plastics into synthetic crude oil using a pyrolysis process since 2018. This synthetic crude is then processed mainly into monomers and other hydrocarbons in the Schwechat refinery. The pilot plant has been running for a total of 18,000 hours since its commissioning, enabling improvements in the thermal cracking process and supporting the further scale-up of the ReOil® technology. OMV and Borealis are pursuing the clear ambition of becoming a leading player in chemical and mechanical recycling technologies. In November 2022, OMV has signed a Memorandum of Understanding with Wood, a global leader in consulting and engineering solutions in energy and materials markets, to enter into a mutually exclusive collaboration agreement for the commercial licensing of OMV's proprietary ReOil® technology.

At Borealis, innovation is fundamental for contributing to the circularity of polyolefins and creating a more sustainable way of life. It also helps the Group improve its competitiveness and enhance its efficiency and sustainability – and therefore has a direct impact on people, the planet, and profit. Borealis is investing in R&D and new technologies in order to accelerate Value Creation through Innovation, particularly in the circular sphere.

Around 500 people are active in R&D at the Borealis Group. This figure includes scientists and researchers at the Innovation Headquarters in Linz (Austria) and the two innovation centers in Stenungsund and Porvoo.

Borealis continues to be among the top-ranked companies in Austria with respect to patent filings. In 2022, Borealis filed 128 new priority patent applications at the European Patent Office. This is just short of its previous record of 133 patent applications filed in 2021. As of January 2023, the Borealis Group holds around 11,500 individual patents or patent applications which are subsumed in approximately 1,450 patent families. The growing number of patents is proof positive of the Group's dedication to Value Creation through Innovation.

The K 2022 trade fair held in Germany in October was the ideal stage for showcasing the many new products and material solutions generated through innovation and collaboration. Center stage was taken by the Borstar® Nextension technology, a step change for performance-based polyolefins. The unique combination of Borstar® technology and single-site Borstar® Nextension catalysts improves PP properties and produces a wider range of tailored polyolefins. Borstar® Nextension facilitates easier recycling because its use in multilayer applications allows for the replacement of multiple different materials with only one material; it thus encourages design for recycling by enabling monomaterial solutions. The single-site catalysts for this breakthrough technology are manufactured at a newly built Borealis plant in Porvoo (Finland). Two BorPure™ and a nonwoven grade based on Borstar® Nextension technology were also launched in October, each offering superior performance combined with circularity and material efficiency.

Grades from the Bornewables™ portfolio of premium circular polyolefins based on renewably sourced feedstocks are being used to develop an increasing number of novel applications, many of which are generated through value chain collaboration. To name just a few of the products made using grades from the Bornewables™ range and presented at the K 2022: the MAM Original Pure climate-neutral baby pacifier, a coffee-to-go cup in the Tupperware ECO+ product line, a reusable and fully recyclable lightweight plastic bottle co-developed by Borealis and Trexel, and a series of rigid food packaging applications based on Bornewables™ and Borcycle™ C co-developed by Borealis and ITC. In the Pipe sector, collaboration with Uponor resulted in the first PE-X pipes based on Bornewables™ feedstock, while co-operation with NUPI produced next-generation PP-RCT pipes based on Bornewables™.

Other circular highlights of 2022 include three fully recyclable, PE monomaterial pouch solutions; lightweight and ultra-lightweight reusable cups made of Borealis PP using the patented Bockatech EcoCore plastic foaming technology; a series of flexible packaging formats incorporating 50% PCR; and the world's first shoe made from carbon emissions, On's Cloudprime, containing high-performance, easy-to-process ethylene vinyl acetate foam supplied by Borealis. In June, the first Borcycle™ M jacketing compound containing up to 50% PCR was launched, thereby promoting enhanced circularity in the Wire & Cable sector. Finally, in the automotive sector, Borealis announced in October that collaboration with Tier One supplier Magna had produced the first and largest-ever all-thermoplastic tailgate for the new Volkswagen Multivan, a prime example of customer-centric innovation resulting in high-performance yet lighter-weight parts that help reduce the carbon footprint of vehicles.

Digitalization

Stepping up digitalization in Chemicals & Materials is one of the key drivers for transformation. Not only will it increase the Group's productivity and improve the customer experience, it will also support the achievement of sustainability goals. In particular, digital solutions for the circular economy of plastics will become more important for the success of the Group's carbon neutrality journey.

For that reason, Borealis decided in 2017 to implement a digital program and to create a state-of-the-art IT and digital organization, which led in 2018 to the creation of the Borealis Digital Studio in Brussels (Belgium). The Digital Studio is Borealis' creative and agile enabler for developing smart solutions for customers and employees. It consists of a diverse, cross-functional team of digital professionals, including designers, usability experts, business analysts, software developers and engineers. Its mission is to support the Group's businesses as they adapt to a rapidly changing environment and to keep Borealis sustainably profitable, by creating innovative digital solutions that have a positive impact on the Group, its people, and the environment. Adding value is key when creating digital solutions and end-users are always at the heart of the process, as the solutions are built both with and for them, following the agile methodology. Together with the Borealis IT organization, the Digital Studio explores innovation options with the business functions.

An innovative game-based interactive learning solution helps employees and contractors learn the Group's Life Saving Rules and Process Safety Rules in a very immersive way, allowing them to apply theory to practice without stopping production or risking injury. The training combines a 3D-modeled plant environment, an engaging story, and motivating gamification elements to simulate safety scenarios, enabling people to learn faster and retain knowledge better than traditional methods. In addition, Borealis has explored virtual reality technology to complement existing training methods and support the Group's journey to reach Goal Zero.

Borealis is employing artificial intelligence (AI) models to improve quality. A solution that uses image recognition to trace contamination has been rolled out to multiple locations across the Group. It gives customers peace of mind by ensuring they receive very clean polymer material, which is especially relevant for high-voltage insulation applications in the Energy business. In addition, Borealis' plastic recycling businesses are using AI to improve their intake quality and waste sorting, which in turn supports the Group with advancing the circular economy.

The online portal for polyolefins customers, MyBorealis, supports customer service representatives and sales managers in their daily interactions with customers. It puts easy order management at the customers' fingertips, along with a complete library of order, product, and complaint documentation. The application works around the clock, providing instant access to up-to-date information, with ordering fully integrated with supply chain and IT processes. A single global portal supports eight languages, allowing organizations in Europe, North America, and South America to use it. By the end of 2022, 20% of the order volume came in via the portal, up from 18% at the start of the year.

Borealis has developed a solution for recording and following up on the condition of equipment at its plants. The integrated digital tool allows the operator to access and enter real-time data in the field, using tablets compliant with ATEX, the two European Directives for controlling explosive atmospheres. Additionally, a failure prediction model using Borealis' cloud-based data and analytics platform has been rolled out on rotating equipment. The model allows live anomaly detection and will be adapted for other equipment types, contributing to higher reliability for the Group's production assets. Other initiatives to increase reliability include introducing autonomous robots with sensors for monitoring data points from equipment, using smart glasses to enable skilled experts to provide remote assistance in the field, and creating a Group-wide data platform containing 3D scans of critical spare parts. To better support Borealis' complex activities in plant turnarounds, a Management Tool for Turnaround and Projects has been rolled out, which fully integrates planning and progress reporting on work orders, as well as the Go4Zero tool, which supports safety follow-up for employees and contractors.

At the K 2022 trade fair, Borealis presented Neoni, a new carbon dioxide equivalent (CO_2e) emissions calculator that is currently under development. This digital tool is the first in the industry to offer CO_2e emissions data down to the grade level for polyolefins, providing more transparency to Borealis' customers so they can make informed decisions on which materials best meet their circularity goals. Neoni offers a partial carbon footprint of products from Life Cycle Assessments (LCAs), in the form of cradle-to-gate CO_2e emissions. This means the calculation includes all CO_2e emissions incurred up to the moment the grade leaves Borealis' facilities. The tool will soon offer customers the option to calculate additional CO_2e emissions incurred from Borealis to their own operations, further enhancing its usefulness. Neoni presents CO_2e emissions for a wide range of materials, from virgin, fossil feedstock-based solutions to renewable feedstock-based grades in the Bornewables™ portfolio of circular polyolefins, as well as those in the Borcycle™ portfolio of mechanically recycled polyolefins. The results from the tool will be accessible to customers on MyBorealis, the online platform for Borealis customers.

Refining & Marketing

OMV's Refining & Marketing business refines and markets fuels and natural gas. It operates three inland refineries in Europe and holds a strong market position in the areas where its refineries are located, serving a strong branded retail network and commercial customers. In the Middle East, it owns 15% of ADNOC Refining and ADNOC Global Trading.

At a glance

		2022	2021	Δ
Clean CCS Operating Result[1]	in EUR mn	2,415	945	155%
thereof ADNOC Refining & Trading	in EUR mn	350	(11)	n.m.
thereof Gas & Power Eastern Europe	in EUR mn	605	188	n.m.
Special items	in EUR mn	774	(924)	n.m.
CCS effects: inventory holding gains/(losses)[1]	in EUR mn	202	430	(53)%
Operating Result	in EUR mn	3,392	451	n.m.
Capital expenditure[2]	in EUR mn	821	633	30%
OMV refining indicator margin Europe based on Brent[3,4]	in USD/bbl	14.71	3.66	n.m.
Utilization rate refineries Europe		73%	88%	(15)
Fuels and other sales volumes Europe	in mn t	15.51	16.34	(5)%
thereof retail sales volumes	in mn t	6.16	6.40	(4)%

Note: As of 2022, the gas business was split into Gas Marketing Western Europe reported under Exploration & Production, and Gas & Power Eastern Europe reported under Refining & Marketing. Previously, the gas business was fully reflected in Refining & Marketing. For comparison only, 2021 figures are presented in the new structure.

[1] Adjusted for special items and CCS effects; further information can be found in Note 4 – Segment Reporting – of the Consolidated Financial Statements

[2] Capital expenditure including acquisitions

[3] As of Q2/22, the refining indicator margin reflects the change in the crude oil reference price from Urals to Brent at OMV Petrom. For comparison only, 2021 figures are presented based on the new calculation logic.

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

Financial performance

The **clean CCS Operating Result** increased significantly to EUR 2,415 mn (2021: EUR 945 mn). Exceptional refining indicator margins, a significantly better result in Gas & Power Eastern Europe, and a remarkable ADNOC Refining & ADNOC Global Trading result more than compensated for the negative production effects following the turnaround and incident at the Schwechat refinery, higher costs driven by turnaround activities, and a lower retail result.

The **OMV refining indicator margin Europe** went up sharply to USD 14.7/bbl (2021: USD 3.7/bbl). Higher cracks for diesel, gasoline, and jet fuel were only partially offset by rising fuel and losses due to the further Brent price increase, and lower heavy fuel oil cracks. In 2022, the **utilization rate of the European refineries** decreased by 15 percentage points to 73% (2021: 88%), mainly caused by the turnaround and the incident at the Schwechat refinery, as well as the turnaround at the Burghausen refinery in the second and third quarters of 2022. At 15.5 mn t, **fuels and other sales volumes in Europe** decreased slightly by 5%, mainly as a consequence of lower supply availability in Schwechat and the divestment of the German retail business, partly offset by higher jet fuel sales volumes. The result of the commercial business declined slightly, mainly due to the price cap regulations in several countries, especially in Hungary and Slovenia. This was partially offset by increased demand for jet fuel driven by the easing of travel restrictions. The contribution from the retail business to the result decreased significantly, mainly driven by the divestment of the German retail network in May 2022, higher utilities costs, lower fuel unit margins following the price caps in several countries, and higher fixed costs driven by inflation. This was partially offset by better performance in the non-fuel business and cost-cutting efficiency measures.

In 2022, the contribution of **ADNOC Refining & ADNOC Global Trading** to the clean CCS Operating Result grew substantially to EUR 350 mn (2021: EUR (11) mn), mainly as a result of higher refining margins, and robust operational performance at ADNOC Refining. In addition, ADNOC Global Trading provided strong support to the result compared to the same period of the previous year.

The contribution of the **Gas & Power Eastern Europe** business to the result more than tripled to EUR 605 mn (2021: EUR 188 mn), mainly due to the positive impact of increasing gas selling prices, high gas margins on gas transactions outside Romania, and better power results due to higher margins following higher power selling prices. This was partially offset by Petrom Gas & Power being significantly regulated through extended scope of capped prices and of overtaxation, for both gas and power.

Net **special items** amounted to EUR 774 mn (2021: EUR (924) mn) and were primarily related to the sale of the German filling stations in May 2022 and commodity derivatives. In 2021, special items were mainly related to an impairment in ADNOC Refining in the amount of EUR (669) mn. **CCS effects** of EUR 202 mn were recorded in 2022 as a consequence of increasing crude oil prices. The **Operating Result** of Refining & Marketing rose substantially to EUR 3,392 mn (2021: EUR 451 mn).

Capital expenditure in Refining & Marketing amounted to EUR 821 mn (2021: EUR 633 mn). Organic capital expenditure in 2022 was predominantly related to the European refineries and the retail network. The increase in capital expenditure in 2022 was mainly due to turnaround activities, repair works at the Schwechat refinery, and investments in the co-processing unit at Schwechat.

Business overview

The Refining & Marketing business segment refines crude oil and other feedstocks, and markets fuels as well as natural gas and power. Its activities include Refining, Supply and Trading, Commercial, Retail, and Gas & Power Eastern Europe. OMV owns a total refining capacity of around 500 kbbl/d, with three wholly owned refineries in Europe and a 15% share in ADNOC Refining and ADNOC Global Trading. In Europe, refining activities are highly integrated with marketing to serve a strong branded retail network and a broad base of commercial customers. Total fuels and other sales volumes Europe amounted to 15.51 mn t in 2022. The strongly branded retail network comprising 1,803 filling stations accounts for around 40% of the sales volumes, while commercial customers are mainly from industrial transportation and construction sectors and account for the remaining sales volumes. In the Gas & Power Eastern Europe business, OMV Petrom operates a gas-fired power plant in Romania and is engaged in gas and power sales.

Refining including product supply and sales

Throughout 2022, we saw exceptional refining margin strength. A boom in benchmark refining margins took hold from the end of the first quarter, when middle distillate tightness really started to become apparent. The Russian invasion of Ukraine, which was followed by a raft of "self-sanctioning" measures by western firms in the trade of Russian oil, contributed significantly to this tight picture. Resurgent demand in the first half of the year also exposed significant tightness in the global refining system's ability to supply additional distillate volumes.

This distillate tightness was consistently the driver of refining economics over the course of the year. With Russia's established role as a key supplier of distillate molecules into the European market severely curtailed, the value of distillate molecules in Europe surged. This peak was sustained throughout the second quarter, with ultra-low sulfur diesel in Rotterdam averaging a premium of close to USD 50/bbl to Dated Brent over the quarter. Jet quotations tracked a similar high-premium path. The refining system's struggle to meet demand was also evident in the rate at which inventories were drawn down in high-visibility hubs over the first half of the year. A significant degree of tightness in the production capacity of core refined products can in part be attributed to a raft of capacity losses since the high water mark for demand in 2019.

Late in the second quarter turned out to be the high point for benchmark margins, as refinery supply increasingly caught up with demand as the year progressed. As product supply increased in response to the unprecedented rally in middle distillate and gasoline cracks over the second quarter, headwinds in naphtha and heavy products became increasingly apparent. Naphtha cracks versus Brent in Europe lost more and more ground over the first half of 2022, averaging a discount of more than USD 35/bbl versus Dated Brent in June and posting only a moderate recovery over the second half of 2022. Demand for naphtha remained weak as petrochemical margins remained under significant pressure. Fuel oil cracks similarly failed to post any appreciable recovery from the declines seen over the first part of the year. High-sulfur fuel oil in Rotterdam came off its mid-year lows when it was trading at a discount of more than USD 40/bbl versus Dated Brent, but remains heavily discounted.

The extreme divergence of product cracks throughout 2022 reflects the forced rearrangement of interregional crude and product flows as Russia, a major supplier of both, was shut out of many importing markets. At the same time, European in particular and to some extent Asian gross margins had to reflect the much higher cost of refinery production (i.e., energy and refinery fuel) throughout 2022, which is itself a function of the changes in the European natural gas market on the back of geopolitical upheaval. In sum, the cost of supplying the marginal diesel barrel to the market in 2022 was significantly higher than in 2021.

OMV's European refineries achieved a utilization rate of 73% in 2022, which was influenced strongly by the planned turnaround activities in the Schwechat and Burghausen refineries, and the incident at the crude oil distillation unit in Schwechat. During the legally required water pressure test as part of the final work on the OMV Schwechat refinery's turnaround, significant damage occurred to the crude oil distillation unit on June 3, following a mechanical incident. After repair work completed in record time, and without a single incident, the crude oil distillation unit resumed full operations on October 7, 2022.

Despite the challenging environment caused by the unstable geopolitical situation and the incident at the Schwechat refinery, commercial sales delivered ahead of expectations in many areas. The Operating Result was mainly driven by well-executed price management, even with lower volume availability. To closely reflect the market developments and market outlook, OMV's commercial products and services are being expanded, including the launch of several new, more sustainable products. Sustainable Aviation Fuel (SAF), for example, contributes to a reduction of CO_2 emissions of more than 80% as a result of processing regionally sourced used cooking oil. Starting with the production of around 2 kt of Sustainable Aviation Fuel in 2022, OMV plans to scale production up and to market 700 kt per year by 2030. In terms of sales, OMV is already delivering SAF to Austrian Airlines at Vienna Airport. In addition, MoU agreements with Lufthansa, Ryanair and Wizz Air were signed in 2022, for the supply of up to 1,145 kt SAF in the period 2023–2030.

ADNOC Refining & Trading

Alongside majority shareholder ADNOC (65%) and Eni (20%), OMV is a strategic partner in ADNOC Refining after acquiring 15% of the company's shares at the end of July 2019. In 2022, ADNOC Refining operated its major refinery in Ruwais, which is the world's fourth largest refining complex with integrated petrochemicals.

In comparison to 2021, in 2022 the ADNOC Refining business benefitted from a higher margin environment and improved operational performance. With the same ownership structure as ADNOC Refining, ADNOC Global Trading (AGT) trades the majority of ADNOC Refining's export volumes of products and supplies non-domestic crudes, condensates, and other liquids for processing.

AGT extends the successful Refining & Marketing business model into key geographic regions and to strategic partners. By continuously optimizing trade flows, it allows ADNOC Refining to access competitive non-domestic feedstock sources and implement best practices such as risk management.

During 2022, AGT performance was strong, continuing to pursue its business ambition and substantially growing its third-party trading.

Refining capacities 2022

In kbbl/d

Schwechat (Austria)	204
Burghausen (Germany)	79
Petrobrazi (Romania)	86
ADNOC Refining (United Arab Emirates)[1]	138
Total	**507**

[1] Equivalent to OMV's 15% share in ADNOC Refining

Retail

Despite a challenging environment due to both the war in Ukraine and the shortage in supply, mostly as a result of the crude oil distillation unit incident at the Schwechat refinery, the retail business achieved a remarkable result in 2022 and proved again to be a stable outlet for refinery products and a strong cash generator.

Total sales partially recovered to 6.1 mn t, equivalent to approximately 7.6 bn l, strongly supported by an ongoing growing cards business. At the end of the year, the network comprised 1,803 filling stations (2021: 2,088). OMV especially benefitted from its proven multi-brand strategy in this challenging price environment. The OMV brand is positioned as a premium brand, with VIVA representing a strong shop, gastronomy, and service offering, while the unmanned Avanti brand in Austria and the Petrom brand in Romania serve price-sensitive customer groups. Sales of OMV's premium-brand fuels MaxxMotion have been under pressure due to the overall consumer price environment, but still contributed to the overall Retail result as a high margin product. The non-fuel business, including VIVA convenience stores and car washes, continued to grow and outperformed 2021. In Austria and Slovakia, a new third-party store partnership with REWE has been successfully introduced. In multiple countries, the loyalty system has been successfully upgraded by utilizing state-of-the-art digital solutions.

The OMV network partners with third parties to provide EV-charging facilities at more than 150 sites, and has introduced the first OMV owned and operated EV chargers in Austria. Further investments in OMV's own EV-charging infrastructure will be one of the strategic key pillars within the Retail business. Approximately 380 sites are equipped with photovoltaic installations, underlining OMV's focus on sustainability and resilience.

Following a clear strategy of active portfolio management, OMV has decided to divest certain parts of its retail network. Closing of the divestment of the OMV network in Germany (285 filling stations) to the EG Group took place in April 2022. The announced divestment of OMV Slovenia (118 filling stations) to the MOL Group is dependent on the Merger Clearance process carried out by EU authorities. Furthermore, a divestment agreement was signed for Avanti Germany comprising the sale of 17 unmanned filling stations to PKN Orlen in December 2022.

Gas & Power Eastern Europe

In 2022, the European gas market was characterized by unprecedented high gas prices and significant volatility. This situation is expected to continue.

Similarly, in Romania, both gas and power markets faced unseen volatility and unpredictability levels with high prices and a drop in demand. A series of regulatory interventions and market constraints significantly impacted operations and results, and will continue to do so in the future.

In Romania, OMV Petrom's gas and power activities once again delivered a record high Operating Result, reflecting outstanding business performance built on the profitable optimization of product, market, and customer portfolios. Natural gas sales volumes to third parties reached 35.8 TWh in 2022 compared to 38.4 TWh in 2021, a very strong performance given the market environment. As the overall market demand was significantly down, OMV Petrom's gas volumes covered an increasing share of the overall consumption. OMV Petrom managed to source high gas volumes from third parties, thus successfully covering its sales channels. In addition, activities in the neighboring markets, both for gas and power, have been expanded, laying a strong foundation for further extension of our regional footprint. Gas transactions executed outside Romania, diversifying the supply portfolio with LNG, and the enlarged customer portfolio (including small businesses and even residential customers) were successfully managed, improving the results.

OMV Petrom's net electrical output increased to 5.01 TWh, +5% compared to 2021, and a record high level of production since the start of operations. The Brazi power plant covered around 9% of the national power generation mix, reaching a record high contribution to the security of the national power system. The Brazi power plant celebrated in August 2022, ten years since its commissioning, having generated over 34 TWh of electricity during this period. Looking forward, the Brazi power plant remains a pillar of the Romanian power market, natural gas being a good fit for renewable energy.

Nord Stream 2

OMV is a financial investor in the Nord Stream 2 pipeline project along with four other European companies. In 2022, OMV decided to impair the entire outstanding loans and accrued interest (approximately EUR 1 bn). For further details, please refer to Note 2 – Accounting policies, judgements and estimates, section 'Impact of Russia's invasion of Ukraine and related significant estimates and assumptions'.

Innovation and new technologies

OMV actively explores alternative feedstocks, technologies, and fuels with the aim of developing a well-diversified, competitive future portfolio. Additional attention is given to the production of conventional and advanced biofuels, synthetic fuels, and green hydrogen as precursors for sustainable feedstock for chemicals.

OMV is in the execution phase of the Co-Processing project at the Schwechat refinery. This technology enables OMV to process biogenic feedstocks (e.g., domestic rapeseed oil) together with fossil-based materials in an existing refinery hydrotreating plant during the fuel refining process. This will reduce OMV's carbon footprint by up to 360,000 t by substituting fossil diesel. Operations are scheduled to begin in 2023. In 2022, OMV started pilot production of Sustainabile Aviation Fuel (SAF) from another co-processing route in Schwechat, and completed the first conversion runs of biogenic feedstock to ethylene in the refinery in Burghausen.

OMV secured a long-term contract with AustroCel Hallein to supply OMV with advanced bioethanol totalling up to 1.5 mn l per month starting in January 2021. This will reduce emissions by around 45,000 t of CO_2 per year.

OMV is assessing the potential production of advanced fuels made out of residue or waste streams. Unlike conventional biofuels, the use of advanced fuels is not capped. The principal sources of advanced fuels include biomass fraction from mixed municipal or industrial waste, straw, animal manure, or residues from forestry and wood processing, as well as waste streams. OMV is currently constructing a pilot plant for the conversion of advanced glycerine to propanol. Commissioning is expected in the second half of 2023. OMV also collaborates with technology providers, industry partners, and academic institutions to assess the production of advanced biofuels and chemicals.

While the above mentioned bio- and synthetic products will predominantly be sold as fuels initially due to a mandated market, they can also be used as chemical feedstock.

OMV and its partners are working on the UpHy project with the intention of producing green hydrogen for use in both the mobility sector and the refining process. OMV is building an electrolysis plant at the Schwechat refinery for this purpose, to be powered with renewable electricity in order to produce zero-carbon hydrogen. The green hydrogen will initially be used for fuel hydrogenation, including biofuels and Sustainable Aviation Fuels.

OMV, together with partners including BASF and thyssenkrupp Uhde, has initiated the consortium Methanol-to-SAF (M2SAF). The aim of the M2SAF project is to develop a novel process technology to facilitate the selective production of SAF that can be used as a drop-in fuel up to 100%. This production process should generate only minimal additional CO_2 emissions and should be easy to integrate into existing production plants. The starting point of the process is sustainably produced methanol from CO_2 and green hydrogen. As part of the overall concept of renewable fuels, the M2SAF development project is being funded to the tune of EUR 3.1 mn by the German Federal Ministry for Digital and Transport (BMDV). In addition to catalyst development, process development, plant integration, and the design of a demo plant, the project also includes techno-economic and environmental analysis, as well as related support for the certification and analysis of the new jet fuels.

Digitalization

Digitalization remains a significant part of optimizing our value and operational efficiency with activities in 2022 bringing EUR 26 mn benefit over the coming four years. Highlighted examples for 2022 include:

A digitalized predictive cleaning schedule for the heat exchangers in our crude distillation units in Austria and Romania resulted in both better energy efficiency and higher throughput. These data-driven optimizations generated savings of EUR 1.7 mn p.a. and contributed to our sustainability targets by saving approximately 37,000 t CO_2 p.a.

Our new digital Customer Engagement Platform saw the launch of our customer portal in 2022, which enables customers to enjoy the benefits of a modern collaboration platform with features such as instant information on placed orders or checking available credit lines.

The significant digital milestone for our retail business came with the launch of the OMV MyStation app, a mobile app that went live in 2022 in five countries. The app had already counted approximately 402,000 users by the end of 2022, and digitalized OMV's loyalty program, among other functions. To further improve the customer experience, future functionality will aim to also include options in the areas of sustainability and customer service. The loyalty club, enhanced by the app, contributed to an increase in our premium fuels share, which for a loyalty member is double that of a non-member (34% share of premium fuels for members).

Over the last two years, the Robotic Process Automation (RPA) has automated 107 routine processes and delivered benefits of over EUR 2.8 mn of year-on-year savings.

Exploration & Production

In the Exploration & Production business segment, OMV boosted value delivery and cash generation from the portfolio of oil and gas assets, while building up a dedicated Low Carbon Business unit in line with the ongoing energy transition and to support the OMV Group's transformation.

At a glance

		2022	2021	Δ
Clean Operating Result	in EUR mn	7,396	2,892	156%
thereof Gas Marketing Western Europe	in EUR mn	(300)	55	n.m.
Special items	in EUR mn	(460)	18	n.m.
Operating Result	in EUR mn	6,936	2,910	138%
Capital expenditure[1]	in EUR mn	1,443	1,194	21%
Exploration expenditure	in EUR mn	202	210	(4)%
Exploration expenses	in EUR mn	250	281	(11)%
Production cost	in USD/boe	8.20	6.67	23%
Total hydrocarbon production	in kboe/d	392	486	(19)%
Total hydrocarbon sales volumes	in kboe/d	379	462	(18)%
Proved reserves as of December 31	in mn boe	1,037	1,295	(20)%
Average Brent price	in USD/bbl	101.32	70.91	43%
Average realized crude oil price[2,3]	in USD/bbl	95.04	65.60	45%
Average realized natural gas price[2,4]	in EUR/MWh	53.78	16.49	n.m.

Note: As of 2022, the gas business was split into Gas Marketing Western Europe reported under Exploration & Production, and Gas & Power Eastern Europe reported under Refining & Marketing. Previously, the gas business was fully reflected in Refining & Marketing. For comparison only, 2021 figures are presented in the new structure.

[1] Capital expenditure including acquisitions

[2] Average realized prices include hedging effects.

[3] As of Q2/22, the transfer price at OMV Petrom between the E&P segment and the R&M segment is based on Brent instead of Urals. Previous figures have not been restated.

[4] The average realized gas price is converted to MWh using a standardized calorific value across the portfolio of 10.8 MWh for 1,000 cubic meters of natural gas.

Financial performance

The **clean Operating Result** rose sharply from EUR 2,892 mn to EUR 7,396 mn in 2022. Exceptionally strong market effects of EUR 5,280 mn as a consequence of substantially higher oil and gas prices were partially offset by negative operational effects of EUR (679) mn due to the missing contribution of Russia following the change in the consolidation method, and a substantially lower Gas Marketing Western Europe result. In addition, production decreased in Romania, Malaysia, and Libya, while production increased in the United Arab Emirates after a revision of OPEC+ restrictions. Sales volumes decreased to a slightly lesser extent compared to production as a consequence of the scheduling of liftings. Depreciation of EUR (97) mn weighed on results, mainly driven by higher production in the United Arab Emirates and Norway. Gas Marketing Western Europe lowered the result, mainly due to losses caused by the Russian supply curtailments and volatility, receivables impairments, and valuation adjustments. A change in the reporting logic for LNG activities had a partially positive offsetting effect.

Net **special items** amounted to EUR (460) mn in 2022 (2021: EUR 18 mn), which were mainly caused by the change in the consolidation method for Russian operations and the fair value adjustment to contractual position related to the reserve redetermination for the Yuzhno-Russkoye natural gas field. Valuation effects of commodity derivatives in Gas Marketing Western Europe and temporary hedging effects were partial offsets. The release of a provision in the LNG business also had a positive effect. The **Operating Result** reached EUR 6,936 mn (2021: EUR 2,910 mn).

Production cost excluding royalties increased to USD 8.2/boe in 2022 (2021: USD 6.7/boe), mainly driven by the change in the consolidation method of Russian operations as of March 1, 2022, and general price inflation.

The **total hydrocarbon production volume** decreased by 95 kboe/d to 392 kboe/d, caused above all by the change in the consolidation method of Russian operations as of March 1, 2022. Natural decline in Romania, planned maintenance in Malaysia, and force majeure in Libya following politically motivated closures were the most prominent additional adverse factors. Production increased in the United Arab Emirates after a revision of OPEC+ restrictions.

Total hydrocarbon sales volumes dropped by a lesser extent than production volumes, to 379 kboe/d (2021: 462 kboe/d). The deviation between production and sales volumes is explained by the scheduling of liftings.

In 2022, the **average Brent price** reached USD 101.3/bbl, a substantial growth of 43% compared to the previous year. The Group's **average realized crude price** improved by 45%, supported by a change in the transfer price calculation for Romanian crude oil production. The **average realized gas price** in EUR/MWh more than tripled to EUR 53.80/MWh.

Capital expenditure including capitalized E&A was raised to EUR 1,443 mn in 2022 (2021: EUR 1,194 mn), rebounding from the previous austerity-induced level. Organic capital expenditure was primarily directed at projects in Romania, New Zealand, and Norway. **Exploration expenditure** was EUR 202 mn in 2022, and was thus broadly on a similar level compared to 2021. It was mainly related to activities in Malaysia, Romania, and Norway.

Production

	2022				2021			
	Oil and NGL	**Natural gas[1]**		**Total**	Oil and NGL	Natural gas[1]		Total
	in mn bbl	in bcf	in mn boe	in mn boe	in mn bbl	in bcf	in mn boe	in mn boe
Romania[2]	20.9	122.0	22.6	43.5	22.4	129.9	24.0	46.4
Austria	3.3	19.7	3.3	6.6	3.6	20.6	3.4	7.0
Kazakhstan[2]	–	–	–	–	0.7	0.7	0.1	0.8
Norway	14.7	102.2	17.0	31.7	15.3	102.3	17.0	32.3
Libya	10.4	–	–	10.4	12.0	–	–	12.0
Tunisia	0.9	14.7	2.4	3.4	0.9	17.3	2.9	3.8
Yemen	0.6	–	–	0.6	1.1	–	–	1.1
Kurdistan Region of Iraq	1.0	15.8	2.6	3.6	1.0	15.6	2.6	3.6
United Arab Emirates	15.4	–	–	15.4	10.8	–	–	10.8
New Zealand	3.0	47.1	7.8	10.8	3.5	51.8	8.6	12.1
Malaysia[2]	0.6	60.0	10.0	10.6	1.7	64.5	10.8	12.4
Russia	–	37.7	6.3	6.3	–	210.6	35.1	35.1
Total	**70.8**	**419.2**	**72.1**	**143.0**	**72.9**	**613.2**	**104.6**	**177.5**

[1] To convert natural gas from cf to boe, the following conversion factor was applied in all countries: 1 boe = 6,000 cf. In Romania, the following factor was used: 1 boe = 5,400 cf.

[2] The figures above include 100% of all fully consolidated companies.

Portfolio developments

The year 2022 marked the highest financial results for E&P, with a record clean CCS Operating Result of EUR 7.4 bn, driven by high oil and gas prices. Despite the production and supply impact of the Russia-Ukraine conflict, E&P has formed strategy implementation teams to focus on key strategic initiatives and made progress with identifying options for optimizing its portfolio, as well as starting the development of its Low Carbon Business. Shortly after the Russia-Ukraine conflict started, OMV deconsolidated the participation in the Yuzhno-Russkoye natural gas field and ceased to consider Russia as a core region. Total average hydrocarbon production came in at 392 kboe/d for 2022, with a natural gas share of around 50%.

The key strategic focus of the E&P segment remains to increase the share of natural gas over that of crude oil and reduce carbon intensity across the portfolio. In 2022, E&P progressed well with its five major natural gas development projects: Neptun (Romania), Jerun (Malaysia), Berling (Norway), Ghasha (UAE), and Māui B (New Zealand).

In 2019, OMV New Zealand announced the intended divestment of its 69% interest in the Maari field to Jadestone Energy. After ongoing engagement with Jadestone Energy, a mutual decision has been made to no longer pursue the transaction. In Yemen, the sales contract for OMV's assets in the country were signed in December 2022. In Norway, the farm-out agreements for a 20% interest in the Oswig and Velocette licenses were signed on May 9, 2022, to Longboat Energy. On February 27, 2023, OMV announced that it started the sales process for the divestment of its E&P assets in the Asia-Pacific region: a 50% stake in SapuraOMV Upstream Sdn. Bhd. and 100% of the shares in OMV New Zealand Limited.

In Q1/22, E&P integrated the Gas Marketing Western Europe business from Refining & Marketing. In light of market developments, E&P set up a Gas Task Force assigned with the following duties: ensuring that storage facilities in Austria were filled to 100% before the gas winter season 2022/23, establishing new payment conditions with Gazprom Export while complying with European sanctions, and securing additional supply contracts and pipeline capacities, mitigating the risk for OMV.

Central and Eastern Europe

In Romania, 55 new wells and sidetracks were drilled and 647 workover jobs performed. Also, 700 subsurface abandonments were performed in 2022. OMV Petrom successfully and safely finalized the major planned maintenance works at both offshore and onshore facilities. One new well was particularly successful in 2022, as it was put into production in the same year with excellent results.

OMV Petrom continued to focus on the most profitable barrels and there are ongoing activities related to selective divestments.

In Austria, the second and final phase of the photovoltaic plant Schönkirchen was commissioned successfully in 2022. The plant now delivers total peak production of 15.32 MWp for a total power generation of around 15.84 GWh p.a. In 2022, OMV Austria placed significant emphasis on process safety topics. Hazard and operability studies were performed in seven facilities.

Middle East and Africa

In 2022, the Middle East and Africa region delivered strong production results despite a challenging security situation in Libya, Kurdistan, and Yemen. Operations were frequently disrupted and some projects delayed.

This strong production was due to an easing of the OPEC quota and several OMV-driven initiatives to improve the uptime and reliability of the offshore facilities in Umm Lulu and SARB in the UAE.

In Libya, in the first half of the year, the production from our non-operated assets was heavily constrained due to several force majeure events. This production deferment was induced by security shutdowns as a result of the political instability in the country. But as soon as production there came back on stream by mid-July, it remained stable until the end of the year.

In Yemen, production was stable for most of 2022 until political unrest started in Q4/22 and disrupted the shipping of crude oil for all oil and gas companies in the country.

In Tunisia, stable production at the Nawara natural gas field was maintained. The front-end compression system execution project started in 2022 and an infill drilling project will commence in 2023. Both projects aim at increasing the life span of field production at the Nawara asset.

North Sea

In Norway, several new production wells have come on stream.

On Gullfaks, nine wells were delivered. The Gudrun Phase 2 Improved Oil Recovery (IOR) project was completed. This project consists of one infill well, two water production wells, and two water injectors. Infill drilling on Edvard Grieg was completed during 2022 and all five wells from the Solveig field are now producing toward the Edvard Grieg platform.

The Hywind Tampen offshore wind project is now delivering renewable wind power to the Gullfaks field.

Berling (formerly known as Iris/Hades) progressed to FID followed by the submission of the Plan for Development and Operations (PDO) to the Norwegian Ministry in December 2022.

Asia-Pacific

The Jerun natural gas project in Malaysia is progressing according to plan. Detailed engineering is well on track, and the first deliveries of structural steel have arrived at the fabrication yard.

In New Zealand, OMV continued the redevelopment and optimization of the Māui and Pohokura natural gas assets.

Throughout this, the operations team have remained focused on keeping the gas flowing and prioritizing opportunities to further reduce site emissions.

In Pohokura, the infill well was hooked up to the Pohokura onshore facility, with the well producing as expected.

Workovers at Maari continued through to the end of 2022, and a strong focus on asset integrity and corrosion management has allowed for life span extension initiatives to be pursued with no major issues identified to date.

Key projects

Neptun (Romania, OMV 50%)

Starting in August 2022, OMV Petrom is now operator of the Neptun Deep offshore license block with new non-operating partner Romgaz. The Declaration of Commerciality (DoC) was successfully submitted to Romanian authorities in December 2022. The declaration of commercial discovery, while a significant milestone, represents an intermediate step in the process of making the final investment decision. Together with its new partner, OMV Petrom is planning FID in mid-2023.

Other major projects (Romania, OMV 100%)

The successful completion of an exploration well in July 2022 led to the discovery of large resources in the X Craiova Block. It is currently in experimental production. This discovery unlocks significant development opportunities, including the drilling of appraisal and development wells in the coming years.

The commissioning of a photovoltaic park in 2022 marked a first for OMV Petrom. As part of an energy efficiency program, we will use the power it generates for our own consumption within the Exploration & Production segment.

The Enhanced Oil Recovery (EOR) project consisting of the injection of viscous salt water started in May 2022 and has been producing initial results.

Umm Lulu and SARB (United Arab Emirates, OMV 20%)

Record production was achieved in the Umm Lulu and SARB fields in 2022. Throughout most of the year, only a minimal OPEC quota was applied, so that production in both fields was close to its full potential.

Development drilling continued during the year, using five rigs in total. Seven wells in SARB and 13 wells in Umm Lulu were drilled, while 22 new wells were brought on stream.

Ghasha concession (United Arab Emirates, OMV 5%)

The Ghasha concession is being developed as three projects in parallel, namely Hail & Ghasha, the Dalma project (containing several fields in the Dalma area), and the Deep Gas Development (also containing several fields). The Hail & Ghasha megaproject reached several milestones in 2022, with four out of the eleven artificial islands being completed.

In the Dalma project, activities on the onshore and offshore Engineering, Procurement, and Construction (EPC) packages are progressing, with first gas targeted by the middle of the decade.

Khor Mor (KRI, OMV 10%)

The Khor Mor field exceeded production expectations despite several insurgent attacks during the year. Due to the deteriorating security situation since June, construction work on the Khor Mor expansion project is currently on hold. The operator will evaluate the situation in the first half of 2023.

Gullfaks (Norway, OMV 19%)

In 2022, the Equinor-operated Gullfaks field delivered strong production volumes, mainly due to reduced natural gas injection. Norway's first floating wind farm Hywind Tampen started electricity production in November 2022. The wind farm is expected to meet about 35% of the field's electricity demand. By the end of 2022, seven out of eleven turbines had started production. The remaining four were assembled in late 2022 and will be installed onsite during 2023. Nine wells were part of the Gullfaks annual activity program in 2022.

Gudrun (Norway, OMV 24%)

The water injection project Gudrun Phase 2 has started on the Gudrun field in the North Sea. The Improved Oil Recovery (IOR) project will increase the oil recovery from the main reservoir on the field and extend production lifetime by two years, changing the drainage strategy from pressure depletion to pressure support by water injection.

Berling (Hades/Iris) (Norway, OMV 30%)

As the operator, OMV changed the name of the Hades/Iris field development project to Berling. The project is progressing toward FID followed by the submission of the PDO to the Norwegian Ministry in December 2022. Offers for rig charters are currently being reviewed. Production start-up is expected in 2028.

SK408 (Malaysia, OMV 40%)

In Malaysia, the phase 1 development of the SK408 license (the Gorek, Larak, and Bakong fields) continued to produce at a high level.

Phase 2 of the license, the Jerun project, is progressing well according to the construction plan. Fabrication of the jacket and topside is well underway and continues to progress as planned. Works continue on the installation of mechanical equipment, piping spools, and pulling electrical and instrument cables for topsides.

Māui A Crestal Infill (New Zealand, OMV 100%)
Two additional MACI wells following the successful drilling program earlier this year were started. Drilling is expected to be completed in 2023.

Māui B IRF Phase 3 (New Zealand, OMV 100%)
The project scope of the Māui B IRF Phase 3 infill drilling comprises the drilling, completion, tie-in, and commissioning of five sidetrack wells on the Māui B platform. Three out of the five wells were delivered during 2022.

Exploration and appraisal highlights

In 2022, OMV, OMV Petrom, and SapuraOMV drilled twelve exploration and appraisal wells in six different countries. Eight of these wells were completed before year end, while the other four were either drilling or testing in early January 2023.

OMV operated or participated in a number of key wells, including two successful appraisals in offshore UAE, natural gas/condensate discoveries in Norway and Tunisia, and a successful natural gas appraisal well in New Zealand. OMV Petrom drilled three onshore exploration wells in Romania resulting in two oil discoveries. The SapuraOMV-operated Kanga drilling in Australia was completed in June 2022. The well did not discover any producible hydrocarbons.

The drilling of four wells in Austria, New Zealand, the UAE, and Mexico was still ongoing at year end. These are expected to be finalized in Q1/23 or Q2/23.

Exploration and appraisal expenditure slightly decreased to EUR 202 mn in 2022 (2021: EUR 210 mn).

Earlier in the year, SapuraOMV was awarded a 40% working interest in a Production Sharing Contract for the Offshore Exploration Block SB412 in Malaysia.

Looking to Q1/23, new wells scheduled for spudding in January are foreseen in Romania, New Zealand, and Tunisia.

Reserves development

Proved reserves (1P) as of December 31, 2022, decreased to 1,037 mn boe (thereof OMV Petrom: 380 mn boe), with a one-year Reserve Replacement Rate (RRR) of (80)% in 2022 (2021: 77%). The three-year rolling average RRR is 40% (2021: 105%). There were material proved reserves additions realized in Norway and the United Arab Emirates, with a commitment to execute more development drilling and encouraging reservoir performance in both countries. These additions were offset by the exclusion of reserves in Russia since OMV ceased fully consolidating and equity accounting Russian entities. Proved plus probable reserves (2P) decreased to 1,892 mn boe (thereof OMV Petrom: 741 mn boe), dominated by the exclusion of reserves in Russia, which overshadowed the positive revision in Romania from the maturation of the Black Sea Neptun Deep project.

Gas supply, marketing, and trading

OMV markets and trades natural gas in eight European countries. In 2022, natural gas sales volumes amounted to 111.2 TWh (2021: 156.8 TWh). The foundation of the natural gas sales business is a diverse supply portfolio, which consists of equity gas from Austria and Norway (amounted to 36.3 TWh in 2022) and a variety of international suppliers. In addition to mid- and long-term activities, short-term activities at Europe's main international trading hubs complement OMV's supply portfolio.

OMV Gas Marketing & Trading GmbH's (OMV GAS) sales activities are focused on a diverse customer portfolio in the large-scale industry and municipality segments in Austria, Germany, Hungary, the Netherlands, and Belgium. Italy, Slovenia, and France are covered by opportunistic origination activities.

In 2022, the importance of the LNG business increased enormously and OMV fully utilized its allotted capacity at the Gate regasification terminal in the Netherlands. Several LNG contracts for 2023 and 2024 have already been concluded and concern non-Russian gas only. This makes the LNG business a very important building block for OMV to diversify the natural gas supply portfolio, thereby enhancing supply security.

In 2022, the European natural gas market was characterized by the unprecedented energy market crisis stemming from the war in Ukraine, with very high natural gas prices, extreme price volatility, and unpredictable supply cuts from Russia. This situation is expected to continue.

Degrading market conditions and deteriorating supply reliability drove OMV to restructure its natural gas business in 2022. A task force has been set up to minimize the adverse effects stemming from the war in Ukraine, while securing a continuous and diversified supply stream. This involves regular reporting of the security of supply status regarding OMV's portfolio in terms of the overall natural gas supply situation, storage filling levels, and a continuous definition and adjustment of hedging strategies that mitigate the inherent price risk of gas supply disruptions. Natural gas supply diversification strategies were defined and executed, and OMV has successfully secured additional natural gas transportation capacities. Furthermore, OMV was able to fully utilize the capacity of its storage facilities. These measures have succeeded in securing OMV's portfolio and in increasing the resilience of the supply situation for the coming years. This will mitigate the impact of Russian gas supply curtailments in Germany and Austria.

Gas logistics

OMV operates natural gas storage facilities in Austria and Germany with a capacity of 30 TWh. Additionally, OMV holds a 65% stake in the Central European Gas Hub (CEGH), the leading natural gas trading hub in Central and Eastern Europe.

The unprecedented energy market crisis caused by the war in Ukraine has had a significant impact on the European storage market. The storage utilization period of 2022 started with very low levels all over Europe. Global demand, based on recovery from the pandemic, shortage of supply, and market uncertainty due to the war led to an inverse summer/winter spread, with summer prices exceeding winter prices. European regulations concerning storage filling levels and unprecedented volatility of prices across the entire energy complex dominated the market. In this difficult environment, OMV was able to fill its storage capacity in Austria and Germany to 100% by mid-October 2022, storage level at year end was at 97%.

At the Central European Gas Hub, 633 TWh of natural gas was nominated at the Virtual Trading Point (VTP) in 2022. This volume corresponds to approximately seven times Austria's annual natural gas consumption. The EEX CEGH Gas Market traded total volumes of 425 TWh in Austria, an increase of 84%, and 51 TWh in the Czech Republic, an increase of 79%.

Low Carbon Business

By 2030, OMV aims to invest around EUR 5 bn in low-carbon geothermal energy, Carbon Capture and Storage (CCS), and further renewable power solutions like photovoltaic or onshore and offshore wind power generation. OMV will also explore opportunities in energy storage solutions, e.g., subsurface storage of hydrogen.

With these investments, OMV expects to generate an operating cash flow of EUR 0.5 bn per annum by 2030. All of the above-mentioned targets play a key role in OMV's Strategy 2030.

E&P started 2021 with the establishment of a dedicated Low Carbon Business unit, which has since gained significant momentum, both on a national and an international level, with a variety of initiatives started and several projects initiated and/or executed.

OMV conducted a production and injection test in fall 2022 to analyze the geothermal potential in the Vienna Basin (Lower Austria). The test took place in the basement of the Vienna Basin. The aim of the geothermal test was to determine important reservoir parameters and to obtain samples of the formation water in order to decide whether this formation is suitable for producing geothermal energy for direct heat use.

In Germany, OMV has a 50% interest in a geothermal exploration project called Thermo in Lower Saxony. This involves a small aircraft taking gravity and magnetic measurements over an area of around 5,000 km^2 to gather geological information. This information will be used to assess the geothermal energy potential and will be part of a comprehensive evaluation of future geothermal activities in the area.

In partnership with Complexul Energetic Oltenia (CE Oltenia), OMV Petrom will build four photovoltaic (PV) parks with a total power capacity of ~450 MW. According to current estimates, the PV parks should supply electricity to the national energy system starting 2024. Further opportunities for photovoltaic projects in Lower Austria, as well as in other Austrian and international locations, are currently under evaluation.

A strong focus of the OMV Low Carbon Business is on Carbon Capture and Storage (CCS), particularly to support the hard-to-abate industry sectors in their goal of reducing their CO_2 emissions. One of OMV's focus areas is offshore Norway, where currently, several CCS opportunities and projects are being assessed together with dedicated, experienced partners.

Innovation and new technologies

The Innovation & Technology department provides key expertise and cutting-edge technologies to ensure OMV's strategic goal of decarbonization and becoming a net-zero emissions company.

Technology scouting, innovation, and development is performed by a highly integrated team covering the entire value chain of energy projects: Surface, Subsurface, Laboratory, and IT Solutions, in strong collaboration with OMV Petrom and renowned universities like Stanford.

Multidisciplinary project teams focus on evaluating technologies and performing essential work for the energy transition by building and providing expertise for future technology applications in hydrogen generation, geothermal energy, as well as carbon capture, utilization, and storage.

Development of state-of-the-art online monitoring, artificial intelligence and machine learning subsurface workflows, water treatment, and drone technologies ensure safe, sustainable, and stable operations worldwide.

The Innovation & Technology team demonstrates its position as a reliable technology and innovation partner by delivering technology to product solutions, supporting major field developments in the UAE for ADNOC, and enabling stable natural gas production and supply through the deployment of technology for the OMV Petrom Neptun Deep project in Romania.

Technology deployment in the area of Smart Oil Recovery (SOR) – an innovative method to optimize Enhanced Oil Recovery (EOR) in mature reservoirs – allows for incremental oil production. In the next generation of EOR, we will use alkaline viscous salt water with increased mobilization effects especially in our Austrian reservoirs.

Technologies that OMV successfully implements are showcased to the public at the OMV Innovation & Technology Center (ITC) in Austria. The Tech Center & Lab team in Austria and OMV Petrom Upstream Laboratories (ICPT) in Romania support all OMV assets globally as centers of excellence for analyses, testing, technology research, and consulting.

Digitalization

The year 2022 was a pivotal year for OMV, as the group embarked on a journey toward a circular business model along the pathways laid out in OMV's new Strategy 2030. Digitalization and innovation will play a key role on this journey. The tools and systems we have been putting in place for the E&P division over the last several years, as well as the new ways of working in cross-geographical, multidisciplinary teams are bearing fruit and will enable us to apply the available technology in new markets, such as low-carbon business.

In 2022, OMV joined forces with partners to implement the innovative DELFI environment across the majority of our operated ventures. This subsurface data and interpretation platform allows multidisciplinary teams to collaborate using the same data, both onsite and remotely. Over the course of the year, over 200 users and almost 1 petabyte of data were migrated to the new public cloud platform using over 80 individual applications. In 2023, the full rollout of DELFI across the organization will be completed.

Building on the successful implementation of the DELFI platform, OMV's best-in-class machine learning-supported stochastic reservoir modeling and decision analysis workflow was implemented in DELFI. The workflow is based on the results of the OMV-Stanford University project. The workflow leads to the integration of energy production optimization, economics, and decision-making. It includes OMV proprietary elements.

Construction of our Operations Cockpit began at our base in Gänserndorf (Austria). Once completed, it will connect experts globally to optimize production and operating costs.

OMV implemented a 3D intelligent digital twin and augmented reality inspection and maintenance tool for our operations in New Zealand, significantly enhancing the preparation and planning of maintenance activities there. We are utilizing the 3D visualization of our facilities to build inspection plans and complete the inspections using iPads and the HoloLens.

In 2022, OMV continued to automate its drilling activities. We commissioned the construction of the first automated onshore rig in OMV's portfolio in Romania as part of our automated well delivery process. The automatic rig will improve HSSE performance by removing people from the rig's danger zones. It will increase drilling efficiency by reducing time and costs due to a more effective execution of tasks. We expect that it will help us reduce the overall drilling cost per well by almost 10%. In addition, CO_2 emissions will be reduced by 80 t per well.

Following our AI (Artificial Intelligence) Strategy, we have established a new AI Ecosystem capability to foster the increasing importance of AI and Machine Learning (ML). The ecosystem provides all of the organizational, technical, and process-related prerequisites for delivering customer-centric AI and ML products, so as to enable the in-house development of AI use cases and products by our Data Analytics experts.

Outlook

On 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 will report on the following business segments: Chemicals & Materials, Fuels & Feedstock (former Refining & Marketing), and Energy (former 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.

Market environment

In 2023, OMV expects the average Brent crude oil price to be above USD 80/bbl (2022: USD 101/bbl). For 2023, the average realized gas price is anticipated to be around EUR 35/MWh (2022: EUR 54/MWh), with a THE price 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 3.7 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 480/t (2022: EUR 534/t).

In 2023, the steam cracker utilization rate in Europe is expected to be around 90% (2022: 74%). Turnarounds are planned at the Schwechat cracker in Q2 and at the Porvoo cracker in Q3.

In 2023, the polyethylene indicator margin Europe is forecast to be around EUR 350/t (2022: EUR 390/t). The polypropylene indicator margin Europe is expected to be 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 1.1 bn in 2023 (2022: EUR 1.4 bn).

Fuels & Feedstock

In 2023, the OMV refining indicator margin Europe is expected to be 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 95% (2022: 73%). A turnaround at the Petrobrazi refinery is planned in Q2.

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).

Exploration and Appraisal (E&A) expenditure is expected to be between EUR 200 mn and EUR 250 mn (2022: EUR 202 mn).

For information about the longer-term outlook, see the Strategy chapter.

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

Risk Management

As an international oil, gas, and chemicals company with operations extending from hydrocarbon exploration and production through to the trading and marketing of mineral oil products, chemical products, and natural gas, OMV is exposed to a variety of risks – including market and financial risks, operational risks, and strategic risks. The Group's risk management processes focus on the identification, assessment, and evaluation of such risks and their impact on the Group's financial stability and profitability. The objective of these activities is to actively manage risks in the context of the Group's risk appetite and defined risk tolerance levels in order to achieve OMV's long-term strategic goals.

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

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

Enterprise-Wide Risk Management

Financial and non-financial risks are regularly identified, assessed, and reported through the Group's Enterprise-Wide Risk Management (EWRM) process.

The main purpose of the OMV Group's EWRM process is to deliver value through risk-based management and decision-making, which is ensured by applying a "three lines of defense" model (1. business management, 2. risk management and oversight functions, 3. internal audit). The assessment of financial, operational, and strategic risks helps the Group leverage business opportunities in a systematic manner. This ensures that OMV's value grows sustainably. Since 2003, the EWRM system has helped enhance risk awareness and improve risk management skills across the entire organization, including at subsidiaries in more than 20 countries. The OMV Group is constantly enhancing the EWRM process based on internal and external requirements, for instance developing ESG (Environmental, Social, and Governance) reporting standards and frameworks.

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

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

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

Financial Risk Management

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

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

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

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

In the Refining & Marketing and Chemicals & Materials businesses, OMV is especially exposed to volatile refining and chemicals margins and natural gas prices, as well as inventory risks. Corresponding optimization and hedging activities are undertaken in order to mitigate those risks. They include margin hedges as well as stock hedges. An optimization, trading, and hedging risk control governance system defines clear mandates including risk thresholds for such activities. In addition, Emission Compliance Management ensures a balanced position of emission allowances by selling the surplus or covering the gap.

Management of interest rate risk

To balance the Group's interest rate portfolio, loans can be converted from fixed to floating rates and vice versa according to predefined rules. OMV regularly analyzes the impact of interest rate changes on interest income and expenses from floating rate deposits and borrowings.

Management of credit risk

Significant counterparty credit risks are assessed, monitored, and controlled at the Group and segment level using predetermined credit limits for all counterparties, banks, and security providers. The procedures are governed by guidelines at OMV Group level. In light of a challenging geopolitical and economic environment with high inflation, volatile commodity prices, rising interest rates, and distorted supply chains, special attention is paid to early warning signals like changes in payment behavior.

Operational risks

The nature of OMV's business operations exposes the Group to various health, safety, security, and environmental (HSSE) risks. Such risks include the potential impact of natural disasters, as well as process safety and personal security events. Other operational risks comprise risks related to the delivery of capital projects or legal/regulatory non-compliance. All operational risks are identified, analyzed, monitored, and mitigated in accordance with the Group's defined risk management process. Control and mitigation of assessed risks take place at all organizational levels using clearly defined risk policies and responsibilities. The key Group risks are governed centrally to ensure the Group's ability to meet planning objectives through corporate directives, including those relating to health, safety, security, environment, legal matters, compliance, human resources, and sustainability.

The process safety incident at the Schwechat refinery that occurred on June 3, 2022, has led to a delayed start-up of the refinery after the regular maintenance turnaround. Immediately after the incident, a broad-based on-site task force was set up with the remit of investigating the incident and at the same time working on restoring operations. At the end of September, the legally required water pressure test on the main column of the crude distillation unit was successfully completed. After the precisely prepared commissioning process, the OMV Schwechat refinery was fully restarted in mid-October. For the duration of the repairs, OMV had successfully established an alternative supply system to ensure continuous supply to its customers.

Project risks

In implementing its Strategy 2030, OMV will invest in both organic and inorganic growth projects following a mature project risk management process, identifying, analyzing, and monitoring project risks on a regular basis. OMV has vast experience in managing major capital projects and mitigating project risks.

OMV may experience operational, political, technological, or other risks beyond its control, both of its own and of its contractual partners, which may delay or hinder the progress of its projects.

By way of example, the execution of major onshore and offshore projects in Romania, Norway, or the UAE may be affected by changes to the respective regulatory or fiscal frameworks, by the unavailability of contractors, or the lack of qualified staff. Project costs may be negatively impacted by price inflation, labor shortages, or the disruption or reorganization of supply chains. Projects, in particular in recycling and sustainable fuels and feedstocks, may be affected by insufficient availability of required feedstock supply, by the inability to commercially scale up new technologies, or by the lack of regulatory clarity. In new business areas in particular, OMV may more often invest through partnerships and joint ventures, which may expose the Company to increased governance and credit risks and may negatively impact project execution. The effect of any of these risks may have a material adverse impact on OMV's business, results of operations, and financial condition.

ESG risk

OMV places special emphasis on five Sustainability focus areas: Climate Change; Natural Resources Management; People; Ethical Business Practices; and Health, Safety, and Security.

OMV Executive Board members regularly (at least quarterly) discuss current and upcoming environmental, climate, and energy-related policies and regulations, related developments in the fuels, chemicals, and natural gas markets, the financial implications of carbon emissions trading obligations, the status of innovation project implementation, and progress on achieving sustainability-related targets. OMV focuses on assessing the potential vulnerabilities of the Company to climate change (e.g., water deficiency, droughts, floods, landslides), the impact of the Company on the environment, and the mitigation actions that will ensure a successful transition to a low-carbon environment (e.g., carbon emission reductions, compliance with new regulatory requirements). The short- and mid-term physical vulnerabilities related to climate change are identified and reported in the EWRM process; they do not exceed OMV's reporting threshold. Additionally, OMV has performed a robust climate and vulnerability assessment for most of its main assets to identify its resilience to physical risks related to climate change using the Intergovernmental Panel on Climate Change (IPCC) scenarios corresponding to the time horizon suggested by the EU taxonomy.

OMV's operations impact our employees and the communities where we operate. As a signatory to the United Nations Global Compact, OMV follows the Human Rights Due Diligence Process, including the assessment of the human rights risk associated with our current and future business activities, and taking risk management actions. This ongoing process makes use of external resources and expertise, and includes external stakeholders, in particular impacted groups.

In July 2022, upon becoming aware that the authorities were conducting an investigation into alleged human trafficking practices by a (sub)contractor at the propane dehydrogenation plant construction site in Kallo (Belgium), Borealis immediately offered support and provided all requested information to the authorities, in full transparency. Borealis immediately suspended and later terminated all contracts with the respective (sub)contractor. Borealis has zero tolerance for any malpractice and puts stringent measures in place to mitigate related risks. After careful consideration, Borealis granted the majority of the works to a different contractor and implemented thorough social controls at the Kallo construction site. Work on the construction site gradually increased from October 2022. The prolonged standstill and gradual restart of the project might affect the project timeline.

IT risks

As OMV's activities rely on information technology systems, the Group may experience disruption due to major cyber events. Security controls are therefore implemented across the Group to protect information and IT assets that store and process information. IT-related risks are assessed, monitored regularly, and managed actively with dedicated information and security programs across the organization. OT (Operational Technology) related risks are reflected in the assessment of process safety risks.

Strategic risks

In order to identify strategic risks that might have potentially long-term effects on the Company's objectives, OMV continuously monitors its internal and external environment.

Geopolitical and regulatory risks

OMV thoroughly monitors geopolitical developments, in particular the ongoing Russian war on Ukraine and any additional sanctions and countersanctions resulting from it. The Company regularly reviews the impact of potential further escalations 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 further disruptions in global supply chains and shortages of products related to energy, raw materials, agriculture, and metals, and consequently lead to further increases in operational costs.

OMV experienced ongoing curtailments of natural gas delivery volumes purchased by OMV under long-term supply agreements with Gazprom in Germany and Austria. This required replacement purchases on the market as well as adjustments to OMV's hedging ratios, resulting in a negative financial impact for OMV. The uncertainty regarding future curtailments and delivery volumes remains and could result in further substantial losses, especially if actual deliveries materially deviate from previously hedged volumes, thus leading to partially unmitigated gas price exposure from Gazprom supply contracts.

In the event of further, or even full, natural 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. Additionally, OMV managed to secure 40 TWh of additional transport capacities to Austria for the current gas year (October 1, 2022–September 30, 2023) at Oberkappel (pipeline from Germany) and Arnoldstein (pipeline from Italy) transfer points. OMV continues to closely monitor developments and regularly evaluates the potential impact 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 price caps, subsidy schemes, and the EU solidarity contribution are being implemented in some of the countries OMV is active in. New regulatory and fiscal interventions may also impact the financial position of the OMV Group. The Council Regulation (EU) 2022/1854 introduced a solidarity contribution, which was transposed into the local legislation of the Member States by the end of 2022 and applies to 2022 and/or 2023. It represents a contribution of surplus profits of companies operating in the crude petroleum, natural gas, coal, and refinery sectors. It is calculated based on the taxable profits of those companies, as determined under national tax rules, that are more than 20% higher than the average taxable profits generated in the period 2018 to 2021. Based on the legislation in Austria, it is expected that two Austrian entities of the OMV Group will be subject to the solidarity contribution (Energy Crisis Contribution) for the second half of 2022. Romania transposed this regulation via GEO 186/2022, approved and published in December 2022. This Government Emergency Ordinance (GEO) will subsequently follow the parliamentary approval process, so it may be subject to change. Based on OMV Petrom's 2022 accounts and the provisions of this Emergency Ordinance, OMV Petrom is not subject to the EU solidarity contribution for the fiscal year 2022, having less than 75% of its turnover in the defined areas: extraction of crude, extraction of natural gas, extraction of coal, and refining business. No solidarity contribution is expected for OMV Group entities in Germany for the year 2022 either.

In addition to the above-mentioned geopolitical tensions, OMV's operations are exposed to further geopolitical risks such as the expropriation and nationalization of property, restrictions on foreign ownership, civil strife and acts of war or terrorism, and political uncertainties, in particular related to Libya, Yemen, and Tunisia, as well as other countries where OMV operates and has financial investments. However, OMV has extensive experience in dealing with the political environment in emerging economies. Also, possible regulatory changes may lead to disruptions or limitations in production or an increased tax burden. OMV continuously observes political and regulatory developments in all markets that affect OMV's operations. Country-specific risks are assessed before entering new countries.

Macroeconomic risks

The COVID-19 pandemic continues to have a considerable impact on global economic development, in particular driven by changes in China's zero COVID-19 policy and the emergence of new variants. In addition, geopolitical developments, disruptions in supply chains, high price inflation, and the impact of rising interest rates could lead to a significant deterioration in economic growth.

Climate change-related risks

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

Business transformation risks

OMV's transformation into a leading provider of sustainable fuels, chemicals, and materials, as well as sustainable energy solutions, is influenced by a variety of uncertainties. Such risks comprise the availability of skilled employees, technology and scale-up risks, availability of sustainable feedstock in sufficient quality and quantity, and governance risks related to joint ventures and partnerships.

Personnel risks

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

For further details on risk management and the use of financial instruments, please refer to Note 28 of the Consolidated Financial Statements.

For further details on climate change-related risks and their management, see the OMV Sustainability Report, as well as Note 2 of the Consolidated Financial Statements.

For further details on health, safety, security, and environmental risks, please refer to the chapter Health, Safety, Security, and Environment in the Directors' Report.

For further details on project-related risks and their management, see the OMV EMTN Prospectus dated June 17, 2022.

Other Information

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

1. The capital stock amounts to EUR 327,272,727 and is divided into 327,272,727 bearer shares of no par value. There is only one class of shares.
2. There is a consortium agreement in place between the two core shareholders, Österreichische Beteiligungs AG (ÖBAG) and Mubadala Petroleum and Petrochemicals Holding Company L.L.C (MPPH), which provides for coordinated behavior and certain limitations on transfers of shareholdings.[1]
3. ÖBAG holds 31.5% and MPPH holds 24.9% of the capital stock. [1]
4. All shares have the same control rights.
5. Employees who are shareholders directly exercise their voting rights at the Annual General Meeting.
6. The Company's Executive Board must consist of two to six members. The Company's Supervisory Board must consist of at least six members elected by the Annual General Meeting and of the members nominated under section 110 Paragraph 1 of the Arbeitsverfassungsgesetz (Austrian Labor Constitution Act). Resolutions concerning the dismissal of members of the Supervisory Board pursuant to section 87 Paragraph 8 of the Aktiengesetz (Austrian Stock Corporation Act) require a simple majority of the votes cast. To approve capital increases pursuant to section 149 of the Austrian Stock Corporation Act and alterations of the Articles of Association (except those concerning the Company's objects), simple majorities of the votes and capital represented in adopting the resolution are sufficient.
7.

7.a) As the authorized capital granted by the Annual General Meeting on May 14, 2014, expired on May 14, 2019, the Annual General Meeting decided upon a new authorized capital on September 29, 2020. Specifically, it authorized the Executive Board until September 29, 2025, to increase the share capital of OMV with the consent of the Supervisory Board – at once or in several tranches – by an amount of up to EUR 32,727,272 by issuing up to 32,727,272 new no-par value common voting shares in bearer form in return for contributions in cash. The capital increase can also be implemented by way of indirect offer for subscription after taking over by one or several credit institutions according to Section 153 Paragraph 6 of the Austrian Stock Corporation Act. The issue price and the conditions of issuance can be determined by the Executive Board with the consent of the Supervisory Board. The Annual General Meeting also authorized the Executive Board, subject to the approval of the Supervisory Board, to exclude the subscription right of the shareholders if the capital increase serves to

(i) adjust fractional amounts or

(ii) satisfy stock transfer programs, in particular long-term incentive plans, equity deferrals or other participation programs for employees, senior employees and members of the Executive Board/management boards of the Company or one of its affiliates, or other employees' stock ownership plans.

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

7.b) On June 2, 2021, the Annual General Meeting authorized the Executive Board for a period of five years from the adoption of the resolution, therefore, until and including June 1, 2026, subject to the approval of the Supervisory Board, to dispose of or utilize repurchased treasury shares or treasury shares already held by the Company to grant to employees, executive employees and/or members of the Executive Board/management boards of the Company or its affiliates including for purposes of share transfer programs, in particular long-term incentive plans including equity deferrals or other stock ownership plans, and to thereby exclude the general purchasing right of shareholders (exclusion of subscription rights). The authorization can be exercised as a whole or in parts or even in several tranches by the Company, by a subsidiary (Section 189a Number 7 of the Austrian Commercial Code) or by third parties for the account of the Company.

[1] On December 21, 2022, Abu Dhabi National Oil Company has announced its plan to take over the 24.9% stake in OMV Aktiengesellschaft from Mubadala Investment Company, subject to regulatory approvals.

8. As of December 31, 2022, OMV has outstanding perpetual hybrid notes in the nominal amount of EUR 2,500 mn which are subordinated to all other creditors. According to IFRS, the net proceeds of the hybrid notes in the amount of EUR 2,483 mn are fully treated as equity because the repayment of the principal and the payments of interest are solely at the discretion of OMV.

On December 7, 2015, OMV issued hybrid notes with an aggregate principal amount of EUR 1,500 mn, in two tranches of EUR 750 mn each:

(i) The hybrid notes of tranche 1, with a first call date in 2021, were called and redeemed at their principal amount (plus interest accrued) on November 30, 2021.

(ii) The hybrid notes of tranche 2 bear a fixed interest rate of 6.250% per annum until, but excluding, December 9, 2025, which is the first call date of tranche 2. From December 9, 2025 (including), tranche 2 will bear an interest rate per annum at the relevant five-year swap rate for the relevant interest period plus a specified margin and a step-up of 100 basis points.

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

On June 19, 2018, OMV issued a hybrid bond with a principal amount of EUR 500 mn. The hybrid bond bears a fixed interest rate of 2.875% per annum until, but excluding, June 19, 2024. From June 19, 2024 (including), until, but excluding, June 19, 2028, the hybrid notes will bear interest at a rate corresponding to the relevant five-year swap rate plus a specified margin. From June 19, 2028 (including), the notes will bear an interest rate per annum at the relevant five-year swap rate for the relevant interest period plus a specified margin and a step-up of 100 basis points. Interest is due and payable annually in arrears on June 19 of each year, unless OMV elects to defer the relevant interest payments. The outstanding deferred interest must be paid under certain circumstances, in particular, if the Annual General Meeting of OMV resolves upon a dividend payment on OMV shares.

On September 1, 2020, OMV issued hybrid notes with an aggregate principal amount of EUR 1,250 mn, in two tranches (tranche 1: EUR 750 mn; tranche 2: EUR 500 mn) with the following interest payable:

(iii) The hybrid notes of tranche 1 bear a fixed interest rate of 2.500% per annum until, but excluding, September 1, 2026, which is the first reset date of tranche 1. From the first reset date (including) until, but excluding, September 1, 2030, the hybrid notes of tranche 1 will bear interest per annum at a reset interest rate which is determined according to the relevant five-year swap rate plus a specified margin. From September 1, 2030 (including), the hybrid notes of tranche 1 will bear an interest rate per annum at the relevant five-year swap rate for each interest period thereafter plus a specified margin and a step-up of 100 basis points.

(iv) The hybrid notes of tranche 2 bear a fixed interest rate of 2.875% per annum until, but excluding, September 1, 2029, which is the first reset date of tranche 2. From the first reset date (including) until, but excluding, September 1, 2030, the hybrid notes of tranche 2 will bear interest per annum at a reset interest rate which is determined according to the relevant five-year swap rate plus a specified margin. From September 1, 2030 (including), the hybrid notes of tranche 2 will bear an interest rate per annum at the relevant five-year swap rate for each interest period thereafter plus a specified margin and a step-up of 100 basis points.

Interest is due and payable annually in arrears on September 1 of each year, unless OMV elects to defer the relevant interest payments. The outstanding deferred interest must be paid under certain circumstances, in particular, if the Annual General Meeting of OMV resolves upon a dividend payment on OMV shares.

The hybrid notes outstanding as of December 31, 2022, do not have a scheduled maturity date and they may be redeemed at the option of OMV under certain circumstances. OMV has, in particular, the right to repay the hybrid notes at certain call dates. Any accrued unpaid interest becomes payable when the notes are redeemed. In the case of a change of control, for example, OMV may call the hybrid notes for redemption or else the applicable interest rate will be subject to an increase according to the terms and conditions of the hybrid notes.

9. The material financing agreements to which OMV is a party and bonds issued by OMV contain typical change of control clauses.
10. There are no agreements between the Company and members of the Executive Board and Supervisory Board or employees regarding the payment of compensation in the event of a public takeover bid.
11. The most important elements of the internal control and risk management system regarding the accounting process are the following: Governance for the internal control system is defined by internal corporate regulations (ICS Directive and its Annexes). Corporate Internal Audit controls the compliance with these principles and requirements through regular audits, based on the annual audit plan approved by the Audit Committee of the Supervisory Board, or through ad hoc audits.

    The results of those audits are presented to the Audit Committee of the Supervisory Board. For the main "end-to-end" processes (e.g., purchase-to-pay, order-to-cash), Group-wide Minimum Control Requirements are defined. Based on a defined time plan, the implementation and the effectiveness are being monitored. The establishment of Group-wide standards for the preparation of annual and interim financial statements by means of the corporate IFRS Accounting Manual is also regulated by an internal corporate regulation. The Group uses a comprehensive risk management system. The essential processes of the financial reporting system have been identified and analyzed. In addition, the effectiveness of the risk management system is regularly evaluated by external auditors. The results of the evaluation are reported to the Audit Committee of the Supervisory Board.

12. In accordance with section 267a Paragraph 6 of the Austrian Commercial Code, a separate consolidated non-financial report will be issued.

Subsequent events

Please refer to Note 37 in the Consolidated Financial Statements.

Vienna, March 9, 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

Auditor's Report[1]

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of

OMV Aktiengesellschaft, Vienna,

and of its subsidiaries (the Group) comprising the consolidated statement of financial position as of December 31, 2022, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year then ended and the notes to the consolidated financial statements except for "Oil and Gas Reserve Estimation and Disclosures (unaudited)".

Based on our audit the accompanying consolidated financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Group as of December 31, 2022 and its financial performance for the year then ended in accordance with the International Financial Reporting Standards (IFRSs) as adopted by EU, and the additional requirements under Section 245a Austrian Company Code (UGB).

Basis for Opinion

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following "EU regulation") and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISA). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

Key Audit Matters

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

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

1. Deconsolidation and valuation of investments in Russia
2. The impact of climate change and the energy transition on the financial statements
3. Recoverability of equity-accounted investments
4. Recoverability of intangible exploration and evaluation (E&E) assets
5. Estimation of oil and gas reserves
6. Valuation of provision for decommissioning and restoration obligations

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

Key Audit Matter

Deconsolidation and valuation investments in Russia

The attack of Russia on Ukraine and countersanctions announced by Russia have significant impact on assets related to OMV's prior core region Russia.

OMV is represented in Russia by an interest in the Yuzhno-Russkoye gas field. The gas is produced by the operator and the license holder, OJSC Severneftegazprom (SNGP), in which OMV holds 24.99% interest. The interest in SNGP was accounted for at equity until February 28, 2022. The gas is sold through the trading company JSC GAZPROM YRGM Development (YRGM), in which OMV holds one preferred share entitling OMV to a dividend of 99.99% of the total net profit. Up to February 28, 2022, YRGM was fully consolidated because all its activities were predetermined and OMV was fully exposed to the variability of returns. Due to the Russian countersanctions, which have an impact on the operation of foreign companies in Russia, OMV lost power to receive dividends from YRGM which led to the loss of control over YRGM and the loss of significant influence over SNGP.

OMV has ceased to fully consolidate YRGM and to equity account for SNGP in the consolidated financial statements. Starting March 1, 2022, the investments in SNGP and YRGM are accounted for at fair value through profit or loss according to IFRS 9. This change led to a loss of EUR 658 mn.

As of December 31, 2022, the fair value of the investments in YRGM and SNGP was further decreased to a book value of EUR 23 mn, leading to an additional loss of EUR 370 mn.

The remaining fair value of both investments has been estimated using a DCF model considering the production profile, expected gas prices and production costs, as well as an illiquidity discount.

The financial asset which is related to the reserves redetermination right out of the acquisition of the interest in the Yuzhno-Russkoye field in 2017 was fully written off with a fair value loss of EUR 432 mn.

The principal risk relates to management's assumption of losing control over YRGM and significant influence over SNGP, the recoverability of the remaining fair value of these two financial instruments as well as the valuation of the reserves redetermination right.

OMV Group's disclosures about the impact of Russia's invasion of Ukraine and the related significant assumptions and estimates are included in Note 2 (Accounting policies, judgements and estimates).

How our audit addressed the key audit matter

We assessed management's assumptions and estimates.

Specifically, our work included, but was not limited to, the following procedures:

- Assess the criteria applied by OMV in determining the loss of control resp. significant influence over YRGM and SNGP;
- Inquire OMV's executive board, legal department and gas trading management;
- Assess the design and implementation of controls related to estimating the key assumptions used in the calculation of the fair value of the investments and financial asset, such as estimated reserves and production profile, future gas prices and production costs;
- Evaluate OMV's assessment of production profile, future gas prices and production costs, as well as the illiquidity discount used for the fair value calculation with external data where available;
- Assess OMV's gas reserves assumptions which led to a financial asset related to the reserves redetermination right and assess the subsequent write off;
- Involve our valuation specialists to assist us in the analysis of discount rates and inflation rates;
- Test the mathematical accuracy of fair value calculation;
- Reading of information in the director's report (strategy and OMV Group Business Year) and consider its consistency with the assumptions used by management; and
- Assess the adequacy of the disclosures in the financial statements.

Key Audit Matter

The impact of climate change and the energy transition on the financial statements

Climate change and energy transition impact many areas of accounting estimates and judgements.

The risk is that accounting estimates and judgement do not properly reflect the impact of material climate change and energy transition.

As included in Note 2 (Accounting policies, judgements and estimates) to the financial statements, OMV has considered the short- and long-term effects of climate change and energy transition in preparing the consolidated financial statements.

The note also explains that IFRS's requires the use of assumptions that represent management's current best estimate of the range of expected future economic conditions, which may differ from company ambitions and public climate targets.

OMV's management has established for its mid-term plan assumptions a base case scenario, which is used for estimates in various areas of the Financial Statements, including amongst others impairment of assets, useful lives and decommissioning provision. The base case scenario considers that OECD countries will achieve the net zero emissions goal between 2050 and 2070 (equivalent to a path between the International Energy Agency (IEA) "net zero emissions" (NZE) and "sustainable development" (SDS) scenarios) and non-OECD countries will implement all announced decarbonization pledges in full and on time (equivalent to the IEA "announced pledges scenario" (APS)).

As part of the sensitivity analysis over the recoverability of assets and valuation of decommissioning provisions, OMV performed a stress test analysis, using a decarbonization scenario which is built on a path between the IEA SDS and IEA NZE scenarios.

An additional sensitivity has been performed for assessing the recoverability of the oil and gas assets in the E&P segment using the Net Zero Emissions by 2050 scenario which was modeled by the IEA and shows a pathway for the global energy sector to achieve net zero CO2 emissions by 2050.

OMV Group's disclosures about the impact of climate change and energy transition on the financial statements, including sensitivities due to the stress test analysis, are included in Note 2 (Accounting policies, judgements and estimates).

How our audit addressed the key audit matter

We evaluated management's key assumptions related to climate change and energy transition risks and how it impacted the critical accounting estimates and judgements on different areas of the financial statements.

Specifically, our work included, but was not limited to, the following procedures:

- Assess the design and implementation of controls in the estimation processes, with a focus on how the impact of climate change and energy transition was considered for the key assumptions;
- Analyse with those responsible for group strategy and group reporting OMV's view on the impact of climate change and energy transition on key assumptions used in the base case scenario and stress test analysis;
- Reading of information in the director's report (strategy and sustainability) and consider its consistency with the assumptions used by management when preparing its energy transition base case scenario and stress test analysis;
- Assessing OMV's mapping of the impact of climate change and energy transition risks into accounting estimates and judgements included in the financial statements;
- Evaluate OMV's assessment of key assumptions (oil and gas price, CO2 price, refining and petrochemical margins and cracks, power prices and spreads, volume development) used in the base case comparing it to external market data and other resources where available; and
- Assess the adequacy of the disclosures made in the financial statements regarding the impact of climate change and energy transition, including the sensitivities due to the stress test analysis and net zero emissions scenario analysis in Note 2 (Accounting policies, judgements and estimates).

Key Audit Matter	How our audit addressed the key audit matter
Recoverability of equity-accounted investments As of December 31, 2022, the carrying value of equity-accounted investments amounted to EUR 7,294 mn (after a write-up of EUR 67 mn for Abu Dhabi Oil Refining Company). The assessment of the recoverability of the carrying amount of equity-accounted investments requires judgement in assessing whether there is an indication that the investment should be impaired or there is an indication that an impairment loss recognised in prior periods may no longer exist or may have decreased and in measuring any such impairment or reversal. For the equity-accounted investment Abu Dhabi Oil Refining Company, registered in Abu Dhabi, indicators were identified that the impairment of EUR 669 mn recognized in the previous year decreased. The test of the recoverable amount performed by the management led to a reversal of previous impairment at the amount of EUR 67 mn. The principal risk relates to management's estimates of future margin assumptions, production volumes, cash flows and discount rates, which are used to project the recoverability. OMV Group's disclosures about equity-accounted investments and the impairment testing related hereto are included in Note 2 (Accounting policies, judgements and estimates), Note 7 (Depreciation, amortization, impairments and write-ups) and Note 16 (Equity-accounted investments).	We assessed management's assessment of the recoverability of the carrying value of equity-accounted investments by evaluating if and how management determines a need of impairment or reversing a previous impairment. Where testing the recoverable amount was required, we evaluated management's assumptions. Specifically, our work included, but was not limited to, the following procedures: ▶ Assess the design and implementation of the controls in the valuation process; ▶ Review and evaluation of management's assessment of the existence of impairment indicators or indicators that impairments recognized in prior periods may have decreased; ▶ Assess the determination of cash generating units; ▶ Reconcile the assumptions used within the future cash flow models to approved budgets and business plans; ▶ Check the mathematical accuracy of the cash flow models; ▶ Compare of cash flow projections with external market data and other available external sources; ▶ Involve our valuation specialists for analyzing of the discount-, exchange- and growth rates and assessing the valuation models; ▶ Assess the historical accuracy of management's budgets and forecasts by comparing them to actual performance and to prior year; ▶ Review of management's sensitivity analysis over key assumptions and perform additional own sensitivity analysis in order to assess the impact of possible changes of assumptions on the recoverability; and ▶ Assess the adequacy of the disclosures in the financial statements.

Key Audit Matter	How our audit addressed the key audit matter
Recoverability of intangible exploration and evaluation (E&E) assets The carrying value of intangible E&E assets amounted to EUR 878 mn at December 31, 2022, after an impairment loss of EUR 183 mn in 2022. Under IFRS 6, Exploration for and Evaluation of Mineral Resources, exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying value of an exploration and evaluation asset may exceed its recoverable amount. The assessment of the carrying value requires management to apply judgement and estimates in assessing whether any impairment has arisen at year end, and in quantifying any such impairment. The principal risks relate to the assessment of management's intention to proceed with a future work program for a prospect or licence, the likelihood of licence renewal, and the success of drilling and geological analysis to date. In addition, the recoverability of exploration and evaluation assets may also be impacted by climate risk and energy transition as described in the key audit matter above. OMV Group's disclosures about intangible E&E assets and related impairment testing are included in Note 2 (Accounting policies, judgements and estimates), Note 7 (Depreciation, amortization, impairments and write-ups), Note 8 (Exploration expenses) and Note 14 (Intangible assets).	We evaluated management's assessment of the carrying value of intangible E&E assets performed with reference to the criteria of IFRS 6 and the Group's accounting policy. Specifically, our work included, but was not limited to, the following procedures: ▸ Inquire whether management has the intention to carry out exploration and evaluation activity in the relevant exploration area which included the review of management's budget and discussions with senior management as to the intentions and strategy of the Group; ▸ Read Executive Board minutes of meetings and consider whether there were negative indicators that certain projects might be unsuccessful; ▸ Discuss with management about the status of the largest exploration projects; ▸ Assess whether the Group has the ability to finance any planned future exploration and evaluation activity; ▸ Identify the existence of oil and gas fields where the Group's right to explore is either at, or close to, expiry and review management's assessment whether there are any risks related to renewal of the license; ▸ Review of management's assumptions where an E&E asset has been impaired and review of the valuation; ▸ Assess the adequacy of the disclosures in the financial statements; and ▸ The procedures described in the key audit matter regarding climate change and energy transition above.

Key Audit Matter

Estimation of oil and gas reserves

Oil and gas reserves are an indicator of the future potential of the group's performance. They have an impact on the financial statements as they are the basis for production profiles in future cash flow estimates, depreciation, amortization and impairment charges.

The estimation of oil and gas reserves requires judgement and assumptions made by management and engineers due to the technical uncertainty in assessing quantities.

The principal risk of the oil and gas reserves estimate is the impact on the group's financial statements through impairment testing, depreciation & amortization and decommissioning provision estimate.

OMV Group's disclosures about oil and gas reserves and related impairment testing are included in Note 2 (Accounting policies, judgements and estimates), Note 7 (Depreciation, amortization, impairments and write-ups), Note 9 (Other operating expenses) and Note 23 (Provisions).

How our audit addressed the key audit matter

Our procedures have focused on management's estimation process in the determination of oil and gas reserves.

Specifically, our work included, but was not limited to, the following procedures:

- Walkthrough and understand the Group's process and controls associated with the oil and gas reserves estimation process;
- Test controls of the oil and gas reserves review process;
- Analysis of the internal certification process for technical and commercial specialists who are responsible for oil and gas reserves estimation;
- Assess the competence of both internal and external specialists and the objectivity and independence of external specialists, to consider whether they were appropriately qualified to carry out the estimation of oil and gas reserves;
- Analyse the latest reports of DeGolyer and MacNaughton (D&M) on their reviews performed in 2022 of the group's estimated oil and gas reserves in Tunisia, Malaysia and the Kurdistan Region of Iraq;
- Test whether significant additions or reductions in oil and gas reserves were made in the period in which the new information became available and in compliance with Group's Reserves and Resources Guidelines;
- Test that the updated oil and gas reserve estimates were included appropriately in the Group's consideration of impairment and in accounting for depreciation & amortization; and
- Assess the adequacy of the disclosures in the financial statements.

Key Audit Matter	How our audit addressed the key audit matter
Valuation of provision for decommissioning and restoration obligations The total provision for decommissioning and restoration obligations amounted to EUR 3,796 mn at December 31, 2022. Group's core activities regularly lead to obligations related to dismantling and removal, asset retirement and soil remediation activities. The principal risk relates to management's estimates of future costs, discount rates and inflation rates, which are used to project the provision for decommissioning and restoration obligations. In addition, the valuation of provision for decommissioning and restoration obligations may also be impacted by climate risk and energy transition as described in the key audit matter above. OMV Group's disclosures about the provision for decommissioning and restoration obligations are included in Note 2 (Accounting policies, judgements and estimates) and Note 23 (Provisions).	We assessed management's estimation of the provision for decommissioning and restoration obligations. Specifically, our work included, but was not limited to, the following procedures: ▸ Assess the design and implementation of the controls over the decommissioning and restoration obligations estimation process; ▸ Compare current estimates of costs with actual decommissioning and restoration costs previously incurred. Where no previous data was available, we reconciled cost estimates to third party support or the Group's engineers' estimates; ▸ Inspection of supporting evidence for any material revisions in cost estimates during the year; ▸ Confirm whether the decommissioning dates are consistent with the Group's budget and business plans; ▸ Involve our valuation specialists to assist us in the analysis of discount rates and inflation rates; ▸ Test the mathematical accuracy of the decommissioning and restoration obligation calculation; ▸ Assess the adequacy of the disclosures in the financial statements; and ▸ The procedures described in the key audit matter regarding climate risk and energy transition above.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report and the annual financial report, but does not include the consolidated financial statements, the directors' report for the Group and the auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, to consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

Management is responsible for the preparation of the consolidated financial statements in accordance with IFRS as adopted by the EU, and the additional requirements under Section 245a Austrian Company Code (UGB) for them to present a true and fair view of the assets, the financial position and the financial performance of the Group and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Comments on the Directors' Report for the Group

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

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

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

Opinion

In our opinion, the directors' report for the Group was prepared in accordance with the valid legal requirements, comprising the details in accordance with Section 243a Austrian Company Code (UGB), and is consistent with the consolidated financial statements.

Statement

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

Additional information in accordance with article 10 EU regulation

We were elected as auditor by the ordinary general meeting on June 3, 2022. We were appointed by the Supervisory Board on July 14, 2022. We are auditors without cease since 2011.

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

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

Responsible Austrian Certified Public Accountant

The engagement partner is Mr. Alexander Wlasto, Certified Public Accountant.

Vienna, March 9, 2023

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b. H.

Mag. Alexander Wlasto m.p.
Wirtschaftsprüfer/Certified Public Accountant

Mag. Katharina Schrenk m.p.
Wirtschaftsprüfer/Certified Public Accountant

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

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Consolidated Income Statement for 2022

Consolidated Income Statement

In EUR mn

	Note	**2022**	2021
Sales revenues	4, 5	**62,298**	**35,555**
Other operating income	6	1,644	933
Net income from equity-accounted investments	6, 16	869	600
Total revenues and other income		**64,811**	**37,087**
Purchases (net of inventory variation)	17	(39,298)	(20,257)
Production and operating expenses		(4,542)	(3,645)
Production and similar taxes		(1,663)	(658)
Depreciation, amortization, impairments and write-ups	7	(2,484)	(3,750)
Selling, distribution and administrative expenses		(2,689)	(2,746)
Exploration expenses	7, 8	(250)	(280)
Other operating expenses	9	(1,639)	(688)
Operating Result		**12,246**	**5,065**
Dividend income	31	11	19
Interest income	11, 31	269	161
Interest expenses	11, 31	(417)	(334)
Other financial income and expenses	11, 31	(1,345)	(40)
Net financial result		**(1,481)**	**(194)**
Profit before tax		**10,765**	**4,870**
Taxes on income and profit	12	(5,590)	(2,066)
Net income for the year		**5,175**	**2,804**
thereof attributable to stockholders of the parent		3,634	2,093
thereof attributable to hybrid capital owners		71	94
thereof attributable to non-controlling interests		1,470	617
Basic Earnings Per Share in EUR	13	**11.12**	**6.40**
Diluted Earnings Per Share in EUR	13	**11.11**	**6.40**

Consolidated Statement of Comprehensive Income for 2022

Consolidated Statement of Comprehensive Income

In EUR mn

	Note	2022	2021
Net income for the year		**5,175**	**2,804**
Currency translation differences		**603**	**946**
Gains/(losses) arising during the year	21	250	883
Reclassification of (gains)/losses to the income statement	3, 6, 9	354	63
Gains/(losses) on hedges	28	**40**	**210**
Gains/(losses) arising during the year		377	386
Reclassification of (gains)/losses to the income statement		(338)	(176)
Share of other comprehensive income of equity-accounted investments	16	**0**	**0**
Total of items that may be reclassified (“recycled”) subsequently to the income statement		**643**	**1,156**
Remeasurement gains/(losses) on defined benefit plans	23	**263**	**53**
Gains/(losses) on equity investments	18	**2**	**(1)**
Gains/(losses) on hedges that are subsequently transferred to the carrying amount of the hedged item	28	**(67)**	**17**
Share of other comprehensive income of equity-accounted investments	16	**6**	**(0)**
Total of items that will not be reclassified (“recycled”) subsequently to the income statement		**204**	**69**
Income taxes relating to items that may be reclassified (“recycled”) subsequently to the income statement		(5)	(41)
Income taxes relating to items that will not be reclassified (“recycled”) subsequently to the income statement		(26)	8
Total income taxes relating to components of other comprehensive income	21	**(30)**	**(33)**
Other comprehensive income for the year, net of tax	21	**817**	**1,192**
Total comprehensive income for the year		**5,992**	**3,996**
thereof attributable to stockholders of the parent		4,381	3,164
thereof attributable to hybrid capital owners		71	94
thereof attributable to non-controlling interests		1,540	739

Consolidated Statement of Financial Position as of December 31, 2022

Assets

In EUR mn

	Note	**2022**	2021
Intangible assets	14	2,510	3,161
Property, plant and equipment	15	19,317	18,569
Equity-accounted investments	16	7,294	6,887
Other financial assets	18	1,999	3,730
Other assets	19	115	113
Deferred taxes	25	1,150	1,265
Non-current assets		**32,384**	**33,724**
Inventories	17	4,834	3,150
Trade receivables	18	4,222	4,518
Other financial assets	18	3,929	5,148
Income tax receivables		97	107
Other assets	19	1,198	621
Cash and cash equivalents	26	8,090	5,050
Current assets		**22,369**	**18,595**
Assets held for sale	20	1,676	1,479
Total assets		**56,429**	**53,798**

Equity and Liabilities

In EUR mn

	Note	2022	2021
Share capital		327	327
Hybrid capital		2,483	2,483
Reserves		16,339	12,695
Equity of stockholders of the parent		**19,149**	**15,505**
Non-controlling interests	22	7,478	6,491
Total equity	21	**26,628**	**21,996**
Provisions for pensions and similar obligations	23	997	1,299
Bonds	24	6,030	7,275
Lease liabilities	24	1,322	887
Other interest-bearing debts	24	1,359	1,415
Provisions for decommissioning and restoration obligations	23	3,714	3,683
Other provisions	23	377	643
Other financial liabilities	24	489	587
Other liabilities	24	124	118
Deferred taxes	25	1,194	1,309
Non-current liabilities		**15,607**	**17,216**
Trade payables	24	5,259	4,860
Bonds	24	1,290	795
Lease liabilities	24	155	131
Other interest-bearing debts	24	128	350
Income tax liabilities		2,449	1,301
Provisions for decommissioning and restoration obligations	23	82	72
Other provisions	23	505	360
Other financial liabilities	24	2,172	4,367
Other liabilities	24	1,527	1,440
Current liabilities		**13,567**	**13,677**
Liabilities associated with assets held for sale	20	626	909
Total equity and liabilities		**56,429**	**53,798**

Consolidated Statement of Changes in Equity for 2022

Consolidated Statement of Changes in Equity in 2022[1]

In EUR mn

	Share capital	Capital reserves	Hybrid capital	Revenue reserves	Currency translation differences
January 1, 2022	**327**	**1,514**	**2,483**	**12,008**	**(910)**
Net income for the year	—	—	—	3,705	—
Other comprehensive income for the year	—	—	—	206	543
Total comprehensive income for the year	**—**	**—**	**—**	**3,911**	**543**
Dividend distribution and hybrid coupon	—	—	—	(847)	—
Share-based payments	—	4	—	—	—
Increase/(decrease) in non-controlling interests	—	—	—	5	(2)
Reclassification of cash flow hedges to balance sheet	—	—	—	—	—
December 31, 2022	**327**	**1,517**	**2,483**	**15,076**	**(370)**

Consolidated Statement of Changes in Equity in 2021[1]

In EUR mn

	Share capital	Capital reserves	Hybrid capital	Revenue reserves	Currency translation differences
January 1, 2021	**327**	**1,506**	**3,228**	**10,502**	**(1,785)**
Net income for the year	—	—	—	2,187	—
Other comprehensive income for the year	—	—	—	61	875
Total comprehensive income for the year	**—**	**—**	**—**	**2,248**	**875**
Dividend distribution and hybrid coupon	—	—	—	(699)	—
Changes in hybrid capital	—	—	(745)	(43)	—
Share-based payments	—	8	—	—	—
Increase/(decrease) in non-controlling interests	—	—	—	—	—
Reclassification of cash flow hedges to balance sheet	—	—	—	—	—
December 31, 2021	**327**	**1,514**	**2,483**	**12,008**	**(910)**

[1] See Note 21 – Equity of stockholders of the parent and Note 22 – Non-controlling interests

Hedges	Share of other compr. income of equity-accounted investments	Treasury shares	Equity of stockholders of the parent	Non-controlling interests	**Total equity**
173	**(86)**	**(3)**	**15,505**	**6,491**	**21,996**
—	—	—	3,705	1,470	**5,175**
(6)	4	—	746	71	**817**
(6)	**4**	**—**	**4,451**	**1,540**	**5,992**
—	—	—	(847)	(621)	**(1,467)**
—	—	1	4	—	**4**
—	—	—	3	45	**48**
33	—	—	33	23	**56**
200	**(82)**	**(2)**	**19,149**	**7,478**	**26,628**

Hedges	Share of other compr. income of equity-accounted investments	Treasury shares	Equity of stockholders of the parent	Non-controlling interests	**Total equity**
51	**(86)**	**(3)**	**13,739**	**6,159**	**19,899**
—	—	—	2,187	617	**2,804**
134	0	—	1,071	121	**1,192**
134	**0**	**—**	**3,258**	**739**	**3,996**
—	—	—	(699)	(268)	**(967)**
—	—	—	(789)	—	**(789)**
—	—	0	8	—	**8**
—	—	—	—	(147)	**(147)**
(13)	—	—	(13)	8	**(5)**
173	**(86)**	**(3)**	**15,505**	**6,491**	**21,996**

Consolidated Statement of Cash Flows for 2022

Consolidated Statement of Cash Flows

In EUR mn

	Note	2022	2021
Net income for the year		**5,175**	**2,804**
Depreciation, amortization, impairments and write ups	7	2,667	3,935
Deferred taxes	12	85	10
Current taxes	12	5,505	2,056
Income taxes paid		(4,266)	(1,135)
Tax refunds		68	24
Losses/(gains) from disposal of non-current assets and businesses	6, 9	(344)	(267)
Income from equity-accounted investments and other dividend income	6, 18, 31	(879)	(619)
Dividends received from equity-accounted investments and other companies	16, 35	812	2,007
Interest expense	11, 31	154	175
Interest paid		(182)	(207)
Interest income	11, 31	(264)	(156)
Interest received		247	78
Increase/(decrease) in personnel provisions	23	(13)	(13)
Increase/(decrease) in provisions	23	(195)	(16)
Other changes	26	1,274	221
Cash flow from operating activities excluding net working capital effects		**9,843**	**8,897**
Decrease/(increase) in inventories	17	(2,188)	(1,084)
Decrease/(increase) in receivables	18, 19	(397)	(1,932)
Increase/(decrease) in liabilities	24	501	1,136
Changes in net working capital components		**(2,084)**	**(1,881)**
Cash flow from operating activities		**7,758**	**7,017**
Investments			
Intangible assets and property, plant and equipment	14, 15	(2,943)	(2,497)
Investments, loans and other financial assets	18	(736)	(382)
Disposals			
Proceeds in relation to non-current assets and financial assets		1,487	397
Proceeds from the sale of subsidiaries and businesses, net of cash disposed		440	661
Cash disposed due to the loss of control		(214)	—
Cash flow from investing activities		**(1,966)**	**(1,820)**
Increase in long-term borrowings	26	0	250
Repayments of long-term borrowings	26	(1,047)	(2,287)
Increase/(decrease) in short-term borrowings	26	(184)	61
Increase in non-controlling interest	22	30	—
Decrease in non-controlling interest		(1)	(4)
Dividends paid to stockholders of the parent (incl. hybrid coupons)	21	(847)	(733)
Dividends paid to non-controlling interests	22	(612)	(265)
Cash flow from financing activities		**(2,660)**	**(2,977)**
Effect of foreign exchange rate changes on cash and cash equivalents		(72)	(25)
Net increase/(decrease) in cash and cash equivalents		**3,060**	**2,195**
Cash and cash equivalents at beginning of year	26	5,064	2,869
Cash and cash equivalents at end of year	26	8,124	5,064
Thereof cash disclosed within Assets held for sale		35	14
Cash and cash equivalents presented in the consolidated statement of financial position	26	**8,090**	**5,050**

Notes to the Consolidated Financial Statements

Basis of Preparation and Accounting Policies

1 Basis of preparation

OMV Aktiengesellschaft (registered in the Austrian Register of Companies with its office based at Trabrennstraße 6–8, 1020 Vienna, Austria), is an integrated, international oil, gas and chemicals company with activities in the divisions Chemicals & Materials, Refining & Marketing, and Exploration & Production.

These financial statements have been prepared and are in **compliance with International Financial Reporting Standards (IFRSs) as adopted by the EU and in accordance with the supplementary accounting regulations pursuant to Sec. 245a, Para. 1 of the Austrian Commercial Code (UGB)**. The financial year corresponds to the calendar year.

The consolidated financial statements are in general based on the historical cost principle, except for certain items that have been measured at fair value as described in Note 2 – Accounting policies, judgements and estimates. The accounting policies adopted are consistent with those of the previous financial year, except where otherwise indicated.

The consolidated financial statements for 2022 have been prepared in million EUR (EUR mn, EUR 1,000,000). Accordingly, there may be rounding differences.

The consolidated financial statements comprise the financial statements of OMV Aktiengesellschaft and the entities it controls (its subsidiaries) as at December 31, 2022. The financial statements of all consolidated companies are prepared in accordance with uniform group-wide accounting policies. A list of subsidiaries, equity-accounted investments and other investments is included under Note 38 – Direct and indirect investments of OMV Aktiengesellschaft – including consolidation method, business segment, place of business and interest held by OMV.

The consolidated financial statements for 2022 were approved and released for publication by the Supervisory Board on March 9, 2023.

2 Accounting policies, judgements and estimates

1) Significant judgements and estimates

Preparation of the consolidated financial statements requires management to make estimates and judgements that affect the amounts reported for assets, liabilities, income and expenses, as well as the amounts disclosed in the notes. These estimates and assumptions are based on historical experience and other factors that are deemed reasonable at the date of preparation of these financial statements. Actual outcomes could differ from these estimates.

Significant estimates and assumptions were required in particular with regards to the effects from the climate crisis and energy transition as well as the Ukraine-Russia-crisis. These estimates and assumptions are described below in section a) and b).

In addition, estimates and assumptions with significant impact on OMV Group result were made with respect to oil and gas reserves, the recoverability of assets, provisions, lease contracts, and taxes on income. These are described together with the relevant accounting policies in section 2 of this note and highlighted in grey.

a) Significant estimates and assumptions in assessing climate-related risks

OMV has considered the short- and long-term effects of climate change and energy transition in preparing the consolidated financial statements. They are subject to uncertainty and they may have significant impacts on the assets and liabilities currently reported by the Group.

In 2022, OMV defined the first time concrete short-, medium-, and long-term targets for its emissions reductions and committed to becoming a net-zero emissions company by 2050 (Scopes 1, 2, and 3). For Scopes 1 and 2 emissions, OMV is aiming for an absolute reduction of at least 30% by 2030 and of at least 60% by

2040. For Scope 3 emissions, OMV is striving for a reduction of at least 20% by 2030 and of 50% by 2040.[1]

The significant accounting estimates performed by management incorporate the future effects of OMV's own strategic decisions and commitments on having its portfolio adhered to the energy transition targets, short and long-term impacts of climate risks and energy transition to lower carbon energy sources together with management's best estimate on global supply and demand, including forecasted commodities prices.

Nevertheless, there is significant uncertainty around the changes in the mix of energy sources over the next 30 years and the extent to which such changes will meet the ambitions of the Paris Agreement. While companies can commit to such ambitions, financial reporting under IFRS requires the use of assumptions that represent management's current best estimate of the range of expected future economic conditions, which may differ from such targets. These assumptions include expectations about future worldwide decarbonization efforts and the transition of economies to net zero emissions.

OMV uses two different scenarios which were developed by the internal Market Intelligence department: the base case and the stress case. The scenarios differ in the underlying expectations about the pace of the future worldwide decarbonization and lead to different assumptions for demand, prices and margins of fossil commodities. The base case is used for the mid-term planning as well as for estimates going into the measurement of various items in the group financial statements, including impairment testing of non-financial assets and the measurement of provisions. The stress case which is based on a faster decarbonization path than the base case is used for calculating sensitivities in order to recognize the uncertainty in the pace of the energy transition and to better understand the financial risk from energy transition on the existing assets of OMV. Both scenarios, the base and stress case, reflect more climate change mitigation efforts and a faster decarbonization path than the scenarios used in the prior year. But OMV still expects to see energy transition at different paces in different parts of the world.

The base case is built on a scenario in which OECD countries will achieve the net zero emissions goal between 2050 and 2070 (equivalent to a path between the IEA "net zero emissions" (NZE) and "sustainable development" (SDS) scenarios) and non-OECD countries will implement all announced decarbonization pledges in full and on time (equivalent to the IEA "announced pledges scenario" (APS)).[2]

For the stress test analysis, a decarbonization scenario is used which is a potential trajectory to reaching the climate goals according to the Paris Agreement. In this scenario, it is assumed that advanced economies will reach the net zero emissions goal by 2050, while middle-income and developing economies will only follow at a later point but not later than 2070. This scenario is built on a path between the IEA SDS and IEA NZE scenarios. The entire world following the commitments of the Paris Agreement leads to lower global demand for oil and gas and consequently to lower oil and gas prices than in the base case. In addition, this scenario incorporates other possible effects such as slower economic growth in the short term.

In an additional sensitivity analysis for assessing the recoverability of the oil and gas assets in the E&P segment, OMV used the Net Zero Emissions by 2050 scenario which was modeled by the IEA.[3] It shows a pathway for the global energy sector to achieve net zero CO_2 emissions by 2050.

For investment decisions, business cases are calculated based on the same price and demand assumptions as are used for the mid-term planning and impairment tests. In addition, a business case calculation based on the stress case assumptions is mandatory for all investment decisions in order to assess the economic viability under a "Paris aligned" scenario. The IEA NZE scenario is not used for investment decisions.

Costs for CO_2 emissions are taken into account in business case calculations, impairment tests as well as the stress case scenario calculations to the extent carbon pricing schemes are in place in the respective countries. Estimates for the CO_2 prices in the European Union are disclosed in Note 2.2j.

[1] The base for the emission reduction targets are the Group's emissions in 2019 adjusted for the emissions of Borealis in which OMV acquired a majority stake in 2020. In addition to the emission reduction targets based on absolute reductions, the Group defined also targets based on carbon intensities.
[2] Based on World Energy Outlook 2021 report published by International Energy Agency (IEA). The sustainable development scenario (SDS) which was not included in the IEA World Energy Outlook 2022 report is a normative scenario used to model a "well below 2°C" pathway as well as the achievement of other sustainable development goals and its outcomes are close to the "announced pledges scenario" (APS).
[3] Based on the World Energy Outlook 2022 report published by International Energy Agency (IEA)

Recoverability of assets

Commodity price assumptions have a significant impact on the recoverable amounts of E&A assets, PPE and goodwill. For the impairment tests, the price set as defined for the mid-term planning and incorporating the energy transition scenario as described above was used. Disclosures on the impairment tests – including the detailed price set – are included in Note 2.2j as well as Note 7 – Depreciation, amortization, impairments and write-ups. The outcome of the impairment tests is not in line with the goals of the Paris Agreement.

The sensitivities calculated based on the stress case indicate that there is mainly a risk for impairments in a Paris-aligned scenario for oil and gas assets in the E&P segment. In order to further assess the risk from different decarbonization scenarios and its impact on OMV's oil and gas assets, an additional calculation of a possible effect of using the oil and gas prices in a 1.5°C compatible Net Zero Emission by 2050 (NZE) scenario by the International Energy Agency (IEA) has been performed. CO_2 price assumptions were the same as in the stress case calculation. They are in line with the IEA NZE scenario for the European Union. But no CO_2 prices were taken into account in countries without CO_2 pricing systems in place.

The impact of the OMV stress case and the "NZE by 2050" calculation on the carrying amounts of oil and gas assets are summarized in the table below.

Sensitivities on oil and gas assets[1]

	Decrease of carrying amounts of oil and gas assets	Remaining carrying amounts of oil and gas assets	Brent oil price in real terms 2030/2040/2050[2]	Gas price THE in real terms 2030/2040/2050[2]
	in EUR bn	in EUR bn	USD/bbl	EUR/MWh
OMV stress case scenario	(5.3)	6.9	47/27/20	18/18/18
IEA NZE scenario	(6.1)	6.0	36/30/25	15/13/12

[1] Including oil and gas assets with unproved and proved reserves, E&P at-equity investments and E&P related goodwill
[2] In 2027 real terms

Whereas the recoverability of the refineries in the R&M segment would also be impacted through globally declining demand for almost all products, resulting in lower margins and cracks in a scenario assuming a quicker decarbonization path, the carrying amounts of assets in the C&M segment are not expected to be at risk.

More details on the stress tests including a description of the assumptions applied are included in Note 2.2j.

Useful lives

The pace of energy transition may have an impact on the remaining useful lives of assets.The depreciable fixed assets in the refineries will in average be fully depreciated over the next 9 years and in retail over the next 5 to 10 years. Demand for petroleum products is expected to stay robust over this period of time. It is therefore not expected that energy transition has a material impact on the expected useful lives of property, plant, and equipment in the R&M segment.

In the E&P segment, oil and gas assets are depreciated using the unit-of-production method as described in Note 2.2h which is based on proved reserves. According to the current production plans, 31% of proved reserves as at December 31, 2022, will be left by 2030, 5% by 2040, and less than 1% by 2050. The existing oil and gas assets with proved reserves will therefore be significantly depreciated until 2030 and, with the exception of one field, fully depreciated until 2050.

As OMV doesn't see the C&M segment materially impacted by the energy transition, there is also no material impact on useful lives in this segment expected.

Decommissioning provisions

The maturity profile of decommissioning provisions is included in Note 23 - Provisions. The economic cut-off date of oil and gas assets does not shift significantly under the stress case scenario. The impact on the carrying amount of the decommissioning provisions is therefore expected to be immaterial.

For refineries, no decommissioning provisions are recognized. OMV's refinery sites are expected to continue to be used for production under a Paris-aligned energy transition scenario. There are significant investments planned in the next years with the goal to adapt OMV's refinery sites in Europe in the direction of renewable fuels and chemical feedstock production with deeper chemicals integration. Furthermore, ADNOC Refining is expected to continue to operate under such a scenario because of its favourable positioning in the market.

b) Impact of Russia's invasion of Ukraine and related significant estimates and assumptions

The attack of Russia on Ukraine on February 24, 2022, led to developments that had a significant impact on the consolidated financial statements.

OMV is represented in Russia by an interest in the Yuzhno-Russkoye gas field. The gas is produced by the operator and the license holder, OJSC Severneftegazprom (SNGP), in which OMV holds a 24.99% interest. The interest in SNGP was until February 28, 2022, accounted for at equity. The gas is sold through the trading company JSC GAZPROM YRGM Development (YRGM), in which OMV holds one preferred share entitling OMV to a dividend of 99.99% of the total net profit. Until February 2022, YRGM was fully consolidated because all its activities are predetermined and OMV was fully exposed to the variability of returns. In response to the sanctions of the Western countries, Russia passed several countersanctions, which have an impact on the operation of foreign companies in Russia. According to these countersanctions, among others, OMV lost power to receive dividends from YRGM, which led to the loss of control over YRGM and the loss of significant influence over SNGP. For this reason, OMV ceased to fully consolidate YRGM and to equity account for SNGP in the consolidated financial statements.

Starting March 1, 2022, the investments in SNGP and YRGM are accounted for at fair value through profit or loss according to IFRS 9. The deconsolidation led to a loss of EUR 658 mn; of that amount, EUR 399 mn was related to the recycling of the cumulative currency differences originally recognized in other comprehensive income. The total amount was included in other operating expenses. In addition, the deconsolidation had a negative impact on the cash flow from investing activities in the amount of EUR 208 mn due to the derecognized cash balance of YRGM, shown in the line “Cash disposed due to the loss of control.” As of December 31, 2022, the fair value of the investments in YRGM and SNGP was further decreased to a book value of EUR 23 mn, leading to an additional loss of EUR 370 mn in the financial result. The fair value measurement takes into account the further deterioration of the political and legal environment in Russia and is based on a DCF model considering the production profile, expected gas prices, and production costs, as well as an illiquidity discount of 90% on the remaining net present value of the cash flows and the cash balance.

OMV has a contractual position toward Gazprom from the redetermination of the reserves of the Yuzhno Russkoye gas field, which was taken over as part of the acquisition of the participation in this field in 2017. According to this agreement, the volume of gas reserves in the Yuzhno Russkoye field is contractually defined and, in case the reserves are higher or lower than what was assumed in the agreement, either OMV could be obligated to compensate Gazprom (but would have profited in the future from higher sales volumes) or Gazprom could be obligated to compensate OMV. The payment for the reserve redetermination is linked to the actual amount of the gas reserves.

A fair value calculation which was based on three different scenarios, one of them based on an internal estimate by OMV, led to a positive value. In the current difficult political and legal environment in Russia, OMV, however, no longer expects this contractual position to be recoverable. As a consequence, a fair value loss of EUR 432 mn was recognized in other operating expenses, which reduced the fair value of this position to zero.

In 2021, the fair value measurement was based on OMV's internal reserve estimates and led to an asset with a value of EUR 432 mn. An external assessment of the reserves in Yushno Russkoye as of December 31, 2020, showed a signficant deviation from the internal estimate. In an additional expert-opinion by an independent, external expert OMV's approach for determining the reserves was, however, deemed appropriate. An increase of the estimated reserves over the contractually defined reserves could lead to a financial liability toward Gazprom.

The total payments made by OMV as financial investor under the financing agreements for Nord Stream 2 amounted to EUR 729 mn. The total outstanding amount including accrued interest as of March 5, 2022, amounted to EUR 1 bn and was fully impaired, negatively impacting the financial result (carrying amount as of December 31, 2021: EUR 987 mn).

Whereas OMV purchased on average 7.6 TWh per month of natural gas under long-term supply agreements with Gazprom in Austria and Germany in the first quarter of 2022, there were curtailments of gas delivery volumes since mid of June and no deliveries to Germany since end of August 2022. In the second half of 2022, OMV imported on average 2.6 TWh per month of natural gas based on these contracts. The curtailments of gas delivery volumes required adjustments to OMV's hedging ratios and replacement purchases on the market resulting in a negative financial impact. The uncertainty regarding future curtailments and delivery volumes remains and could result in further substantial losses in particular, in case actual deliveries materially deviate from previously hedged volumes leading to partially unmitigated gas price exposure from Gazprom supply contracts.

No onerous contract provisions have been recognized for the long-term gas supply contracts with Gazprom. The pricing of these contracts is based on current hub prices and it is not possible to estimate any negative impact from future gas curtailments. The hedges related to the supply from these contracts are measured at fair value and not subject to hedge accounting.

OMV took various measures to replace Russian gas supplies and to ensure that it can meet all of its supply obligations. This included the establishment of routes for deliveries from North Western Europe (e.g. Norwegian equity gas and liquified natural gas (LNG) supply via the Gate terminal) and Italy. In July, OMV managed to secure 40 TWh of additional transport capacities to Austria for the current gas year (October 1, 2022 – September 30, 2023) at the transfer points Oberkappel (pipeline from Germany) and Arnoldstein (pipeline from Italy). Furthermore, storages have been filled to maximize possible withdrawals in case of supply cuts and OMV has access to liquid gas market hubs in Europe, if needed.

As a direct consequence of the energy crisis in Europe, regulatory measures like the EU solidarity contribution and price caps were implemented in some of the countries in which OMV is active. The impact from the EU solidarity contribution on the group financial statements is disclosed in Note 12 – Taxes on income and profit.

2) Significant accounting policies

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. Assets and liabilities of subsidiaries acquired are included at their fair value at the time of acquisition. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Any contingent consideration is measured at fair value at the date of acquisition. Contingent consideration classified as financial asset or liability is subsequently measured at fair value with the changes in fair value recognized in profit or loss.

Goodwill is calculated as the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interest and the fair value of the equity previously held by OMV in the acquired entity over the net identifiable assets acquired and liabilities assumed. Goodwill is recorded as an asset and tested for impairment at least yearly. Impairments are recorded immediately through profit or loss, subsequent write-ups are not possible. Any gain on a bargain purchase is recognized in profit or loss immediately.

b) Sales revenue

Revenue is generally recognized when control over a product or a service is transferred to a customer. It is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

When goods such as crude oil, LNG, oil and chemical products and similar goods are sold, the delivery of each quantity unit normally represents a single performance obligation. Revenue is recognized when control of the goods has transferred to the customer, which is the point in time when legal ownership as well as the risk of loss has passed to the customer and is determined on the basis of the Incoterm agreed in the contract with the customer. These sales are done with normal credit terms according to the industry standard.

Revenue from the production of crude oil, in which OMV has an interest with other producers, is recognized according to the sales method. This means that revenue is recognized based on the actual sales to third parties, regardless of the Group's percentage interest or entitlement. An adjustment of production costs is recognized at average cost for the difference between the costs associated with the output sold and the costs incurred based on entitlement to output, with a counter entry in the other assets or liabilities.

In the R&M retail business, revenues from the sale of fuels are recognized when products are supplied to the customers. Depending on whether OMV is principal or agent in the sale of shop merchandise, revenue and costs related to such sales are presented gross or net in the income statement. OMV is principal if it controls the goods before they are transferred to the customer, which is mainly indicated by OMV having the inventory risk. At filling stations, payments are due immediately at the time of purchase.

OMV's gas and power supply contracts include a single performance obligation which is satisfied over the agreed delivery period. Revenue is recognized according to the consumption by the customer and in line with the amount to which OMV has a right to invoice. Only in exceptional cases long-term gas supply contracts contain stepped prices in different periods where the rates do not reflect the value of the goods at the time of delivery. In these cases revenue is recognized based on the average contractual price.

In some customer contracts for the delivery of natural gas, the fees charged to the customer comprise a fixed charge as well as a variable fee depending on the volumes delivered. These contracts contain only one performance obligation which is to stand-ready for the delivery of gas over a certain period. The revenue from the fixed charges and the variable fees is recognized in line with the amount chargeable to the customer. Gas and power deliveries are billed and paid on a monthly basis.

Gas storage contracts contain a stand-ready obligation for providing storage services over an agreed period of time. Revenue is recognized according to the amount to which OMV has a right to invoice. These services are billed and paid on a monthly basis.

There are some customer contracts in OMV for the delivery of oil and gas as well as for the provision of gas storage services which have a term of more than one year. In principle, IFRS 15 requires the disclosure of the total amount of transaction prices allocated to unperformed performance obligations for such contracts. Contracts for the delivery of oil contain variable prices based on market prices as at delivery date, as it is common in the oil industry. For these contracts it is, therefore, not possible to allocate the transaction price to unsatisfied performance obligations. For gas delivery and gas storage contracts OMV applies the practical expedient according to IFRS 15.121 (b) according to which this information need not be disclosed for contracts where revenue is recognized in the amount to which the entity has a right to invoice. OMV, therefore, does not disclose this information.

c) Other revenues

Other revenues include revenues from commodity contracts which are in the scope of IFRS 9. Sales and purchases of commodities are reported net within other revenues, when the forward sales and purchase contracts are determined to be for trading purposes and not for the final physical delivery.

In addition, other revenues include an adjustment of revenues from considering the national oil company's profit share as income tax in certain production sharing agreements in the E&P segment (see 2.2f), realized and unrealized results from hedging of sales transactions as well as lease and rental income.

d) Exploration expenses

Exploration expenses relate exclusively to the business segment E&P and comprise the costs associated with unproved reserves. These include geological and geophysical costs for the identification and investigation of areas with possible oil and gas reserves and administrative, legal and consulting costs in connection with exploration. They also include all impairments on exploration wells where no proved reserves could be demonstrated. Depreciation of economically successful exploration wells is reported as depreciation, amortization, impairment charges and write-ups.

e) Research and development

Expenditure related to research activities is recognized as expense in the period in which it is incurred. Research and development (R&D) expenses, which are presented in the income statement within the line-Other operating expenses, include all direct and indirect materials, personnel and external services costs incurred in connection with the focused search for new insights related to the development and significant improvement of products, services and processes and in connection with research activities. Development costs are capitalized if the recognition criteria according to IAS 38 are fulfilled.

f) Exploration and production sharing agreements

Exploration and production sharing agreements (EPSAs) are contracts for oil and gas licenses in which the oil or gas production is shared between one or more oil companies and the host country/national oil company in defined proportions. Exploration expenditures are carried by the oil companies as a rule and recovered from the state or the national oil company through so called "cost oil" in a successful case only. Under certain EPSA contracts the host country's/national oil company's profit share represents imposed income taxes and is treated as such for purposes of the income statement presentation.

g) Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are recognized at costs of acquisition or construction (including costs of major inspection and general overhauls). The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset when a decommissioning provision is recognized (see 2.2s). Costs for replacements of components are capitalized and carrying values of the replaced parts are derecognized. Costs relating to minor maintenance and repairs are treated as expenses in the year in which they are incurred.

Intangible assets and depreciable property, plant and equipment (except for oil and gas assets, see 2.2h) are amortized or depreciated on a straight-line basis over the useful economic life.

Useful life		Years
Intangible assets		
Goodwill		Indefinite
Software		3–7
Concessions, licenses, contract-related intangible assets etc.		3–20, contract duration or unit-of-production method
Business-specific property, plant and equipment		
E&P	Oil and gas wells	Unit-of-production method
R&M	Pipelines	20-30
	Gas power plant	8–30
	Storage tanks	40
	Refinery facilities	25
	Filling stations	5–20
C&M	Chemical production facilities	15-20
Other property, plant and equipment		
Production and office buildings		20–50
Other technical plant and equipment		10–20
Fixtures and fittings		3–15

h) Oil and gas assets

E&P activities are recorded using the successful efforts method. The acquisition costs of geological and geophysical studies before the discovery of proved reserves, are recognized in the period in which they are incurred. The costs of wells are capitalized and reported as intangible assets until the existence or absence of potentially commercially viable oil or gas reserves is determined. Wells which are not commercially viable are expensed. The costs of exploration wells whose commercial viability has not yet been determined continue to be capitalized as long as the following conditions are fulfilled:

- Sufficient oil and gas reserves have been discovered that would justify completion as a production well.
- Sufficient progress is being made in assessing the economic and technical feasibility to justify beginning field development in the near future.
- The period for which the entity has the right to explore in the specific area has not expired.

Significant estimates and judgements: Recoverability of unproved oil and gas assets

There may be cases when costs related to unproved oil and gas properties remain capitalized over longer periods while various appraisal and seismic activities continue in order to assess the size of the reservoir and its commerciality. Further decisions on the optimum timing of such developments are made from a resource and portfolio point of view. As soon as there is no further intention to develop a discovery, the assets are immediately impaired.

Exploratory wells in progress at year-end which are determined to be unsuccessful subsequent to the statement of financial position date are treated as non-adjusting events, meaning that the costs incurred for such exploratory wells remain capitalized in the financial statements of the reporting period under review and will be expensed in the subsequent period.

License acquisition costs and capitalized exploration and appraisal activities are not amortized as long as they are related to unproved reserves, but tested for impairment when there is an indicator for a potential impairment. Once the reserves are proved and commercial viability is established, the related assets are reclassified into tangible assets. Development expenditure on the construction, installation or completion of infrastructure facilities such as platforms and pipelines and drilling development wells is capitalized within tangible assets. Once production starts, depreciation commences. Capitalized exploration and development costs and support equipment are generally depreciated based on proved developed reserves by applying the unit-of-production method; only capitalized exploration rights and acquired reserves are amortized on the basis of total proved reserves, unless a different reserves basis is more adequate.

Significant estimate: Oil and gas reserves
The oil and gas reserves are estimated by the Group's petroleum engineers in accordance with industry standards and reassessed at least once per year. In addition, external reviews are performed regularly. In 2022, the reserves of the oil and gas assets (as of December 31, 2021) in Tunisia, KRI and Malaysia were externally reviewed by DeGolyer and MacNaughton (D&M). The reserves of the other significant oil and gas assets were externally reviewed the year before.

The results of the external reviews did not show significant deviations from the internal estimates, apart from few exceptional cases. In case of significant deviations, OMV performs further analysis, involving additional independent experts, where necessary.

Oil and gas reserve estimates have a significant impact on the assessment of the recoverability of carrying amounts of the Group's oil and gas assets. Downward revisions of these estimates could lead to impairment of the asset's carrying. In addition, changes to the estimates of oil and gas reserves impact prospectively the amount of amortization and depreciation.

i) Associated companies and joint arrangements

Associated companies are those entities in which the Group has significant influence, but not control nor joint control over the financial and operating policies. Joint arrangements, which are arrangements of which the Group has joint control together with one or more parties, are classified into joint ventures or joint operations. Joint ventures are joint arrangements in which the parties that share control have rights to the net assets of the arrangement. Joint operations are joint arrangements in which the parties that share joint control have rights to the assets, and obligations for the liabilities, relating to the arrangement.

Investments in associated companies and joint ventures are accounted for using the equity method, under which the investment is initially recognized at cost and subsequently adjusted for the Group's share of the profit or loss less dividends received and the Group's share of other comprehensive income and other movements in equity.

Significant joint exploration and production activities in the E&P segment are conducted through joint operations which are not structured through a separate vehicle. For these joint operations, OMV recognizes in the consolidated financial statements its share of the assets held and liabilities and expenses incurred jointly with the other partners, as well as the group's income from the sale of its share of the output and any liabilities and expenses that the group has incurred in relation to the joint operation. Acquisitions of interests in a joint operation, in which the activity of the joint operation constitutes a business, are accounted for according to the relevant IFRS 3 principles for business combination accounting (see 2.2a).

In addition, there are contractual arrangements similar to joint operations which are not jointly controlled and therefore do not meet the definition of a joint operation according to IFRS 11. This is the case when the main decisions can be taken by more than one combination of affirmative votes of the involved parties or where one other party has control. OMV assesses whether such arrangements are within or out of scope of IFRS 11 on the basis of the relevant legal arrangements such as concession, license or joint operating agreements which define how and by whom the relevant decisions for these activities are taken. The accounting treatment for these arrangements is basically the same as for joint operations. As acquisitions of interests in such arrangements are not within the scope of IFRS 3, OMV's accounting policy is to treat such transactions as asset acquisitions.

j) Impairment of assets

Intangible assets, property, plant and equipment (including oil and gas assets) as well as investments in associated companies and joint ventures are tested for impairment whenever events or changes in circumstances indicate that an asset may be impaired. Impairment tests are performed on the level of the asset or the smallest group of assets that generates cash inflows that are largely independent of those from other assets or groups of assets, called cash-generating units (CGUs).

If assets are determined to be impaired, the carrying amounts are written down to their recoverable amount, which is the higher of fair value less costs of disposal or value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. The pre-tax discount rate is determined by way of iteration. The cash flows are generally derived from the recent budgets and planning calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

The fair value less costs of disposal is determined on the basis of the recent market transactions, if available. If no such transactions can be identified, an appropriate valuation model is used.

If the reasons for impairment no longer apply in a subsequent period, a reversal is recognized in profit or loss. The increased carrying amount related to the reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization and depreciation) had no impairment loss been recognized in prior years.

Significant estimates and judgements: Recoverability of assets

Evaluating whether assets or CGUs are impaired or whether past impairments should be reversed, require the use of various estimates and assumptions such as price and margin developments, production volumes and discount rates.

Changes in the economic situation, expectations about climate-related risks or other facts and circumstances might require a revision of these assumptions and could lead to impairments of assets or reversals of impairments within the next financial year.

Significant assumptions

The price and margin assumptions used in impairment testing are reviewed annually by management and approved by the Supervisory Board within the mid-term planning (MTP). They are based on management's best estimate and were consistent with external sources. Whereas prices in the near term are anchored in recent forward prices and market developments, long-term price assumptions are developed using a variety of long-term forcasts by reputable experts and consultants and consider long-term views of global supply and demand. OMV's long-term assumptions take into consideration the impacts of the climate change and the energy transition to lower-carbon energy sources (see section 1 of this note).

During the reporting period, OMV increased its near-term assumptions for Brent oil taking into account the tighter post-COVID-19 market. The long-term oil prices were kept on the same level as in the prior year. European gas prices were increased significantly in the near term after Russia's invasion of Ukraine and the sharp decline of Russian gas flows into the European market. In the long term, European gas prices are assumed to stay slightly above the assumptions of 2021 also due to lower supply of Russian gas to Europe and despite a faster decarbonization assumed than in 2021.

The price assumptions as well as the EUR-USD exchange rates are listed below (in nominal terms in the first 5 years and afterwards in 2027 real terms in 2022 and 2026 real terms in 2021):

2022 Price assumptions for impairment testing

	2023	2024	2025	2026	2027	2030	2040	2050
Brent oil price (USD/bbl)	80	75	70	65	65	65	60	60
EUR-USD exchange rate	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
Brent oil price (EUR/bbl)	73	68	64	59	59	59	55	55
Gas price THE (EUR/MWh)	91	64	46	36	27	24	24	24
CO_2 price EUA (EUR/t)	85	92	100	107	114	129	142	118

2021 Price assumptions for impairment testing

	2022	2023	2024	2025	2026	2030	2040	2050
Brent oil price (USD/bbl)	65	65	65	65	65	65	60	60
EUR-USD exchange rate	1.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22
Brent oil price (EUR/bbl)	53	53	53	53	53	53	49	49
Gas price THE (EUR/MWh)	25	22	22	22	22	22	22	22
CO_2 price EUA (EUR/t)	55	58	61	64	68	93	117	—

The key valuation assumptions for the recoverable amounts of E&P assets are prices and margins, production volumes, exchange and discount rates. The production profiles were estimated based on reserves estimates (see Note 2.2h) and past experience and represent management's best estimate of future production. The cash flow projections for the first five years are based on the mid-term plan and thereafter on a "life of field" planning and therefore cover the whole life term of the field.

The increase in gas prices was considered as an indication for reversal of impairments of European gas assets which were recognized in prior years. On the contrary, the expected production volume of some oil and gas fields in Romania decreased due to higher expected natural decline rates and the cost base increased. The results of the impairment tests are disclosed in Note 7 – Depreciation, amortization, impairments and write-ups.

In the R&M and C&M business, the main assumptions for the calculation of the recoverable amounts are the relevant margins, volumes as well as discount, inflation and growth rates. The value in use calculation is based on the cash flows of the 5-year mid-term planning and a terminal value.

As far as refining margins in the Middle East are concerned, they were assumed to increase in the near term but to stay in the long run on the same level as in the previous period. The margin improvement in the near term was considered as an indication for reversal of the impairment recognized on the ADNOC Refining investment in 2021. The growth rate included in the terminal value calculation was assumed as 1%.

Sensitivities based on stress case

Sensitivities based on a stress case scenario have been calculated to test the resilience of assets against risks from a slower economic growth and the Russia-Ukraine crisis in the near term and from climate-related risks in the longer term. Long-term price and margin assumptions are based on a Paris-aligned scenario with a worldwide transition to net zero emissions between 2050 and 2070 (for more details see section 1 of this note).

The assumptions used in the sensitivity analysis are included in the table below (prices in nominal terms in the first 5 years and afterwards in 2027 real terms):

2022 Price assumptions for stress case sensitivities

	2023	2024	2025	2026	2027	2030	2040	2050
Brent oil price (USD/bbl)	65	60	55	50	50	47	27	20
EUR-USD exchange rate	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Brent oil price (EUR/bbl)	54	50	46	42	42	39	23	17
Gas price THE (EUR/MWh)	69	48	35	27	20	18	18	18
CO_2 price EUA (EUR/t)	100	107	114	121	129	142	194	232

The stress case sensitivities were calculated using a simplified method. The calculation was based on a DCF model similar to a value in use calculation where no future investments for enhancements and improvements were considered. The calculations do not consider consequential measures that management could implement such as divestments and changes in business plans. The amounts presented should therefore not be seen as a best estimate of an expected impairment impact following such a scenario.

In the E&P segment, the cash flows are based on an adjusted mid-term planning for five years and a life of field planning for the remaining years until abandonment. The stress case does not include any other changes to input factors than prices and volumes and does not consider any restructuring measures.

Under this stress test scenario, the carrying amounts of the oil and gas assets with proved reserves (incl. E&P at-equity investments) would have to be decreased by EUR 4.4 bn and goodwill would decrease by EUR 0.6 bn. In addition, some oil and gas assets with unproved reserves would be abandoned with a pre-tax P&L impact of EUR 0.3 bn. For E&P oil and gas assets, an additional sensitivity based on oil and gas prices according to the IEA Net Zero by 2050 scenario was calculated and showed a decrease in the carrying amount of oil and gas assets with proved and unproved reserves (incl. E&P goodwill) of EUR 6.1 bn (see section 1 of this note).

In the R&M segment, the stress case reflects globally declining demand for almost all products resulting in lower margins and cracks compared to the impairment test scenario. Under the stress case scenario, the carrying amounts related to refineries (including the investment in ADNOC Refining) would have to be decreased by in total EUR 0.6 bn, mainly related to ADNOC Refining investment and Petrobrazi in Romania. The Schwechat and Burghausen refineries are more resilient against impairment risks in such a scenario due to the strong focus of these refineries on petrochemical production.

In the stress test calculations for the refineries, the cash flows of the 5-year mid-term planning were adjusted for the lower margins. The refining indicator margins Europe were assumed to be lower by approximately 50% in the stress case than in the mid-term planning. The terminal value for the refineries in Europe was calculated based on the cash flows derived from the last detailed planning period and a growth rate which is equivalent to the CAGR derived from a long-term estimate of margins and sales volumes. The growth rates are in the range between (3.17)% and 1.0%. In addition, cash flows assumed for the terminal value incorporate a significant decrease in operating costs and CAPEX.

k) Assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts are to be realized by sale rather than through continued use. This is the case when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets once classified as held for sale are no longer amortized or depreciated.

l) Leases

OMV as a lessee recognizes lease liabilities and right-of-use assets for lease contracts according to IFRS 16. It applies the recognition exemption for short-term leases and leases in which the underlying asset is of low value and therefore does not recognize right-of-use assets and lease liabilities for such leases. Leases to explore for and use oil and natural gas, which comprise mainly land leases used for such activities, are not in the scope of IFRS 16. The rent for these contracts is recognized as expense on a straight-line basis over the lease term.

Non-lease components are separated from the lease components for the measurement of right-of-use assets and lease liabilities. Lease liabilities are recognized at the present value of fixed lease payments and lease payments which depend on an index or rate over the determined lease term with the applicable discount rate. Right-of-use assets are recognized at the value of the lease liability plus prepayments and initial direct costs and presented within property, plant and equipment.

OMV as a lessor entered into contracts which were assessed as operating leases, for which fixed and variable rent is recognized as revenue from rents and leases over the period of the lease.

Significant estimates and judgements: Leases

OMV has a significant number of contracts in which it leases filling stations. Many of those contracts include prolongation and termination options. Prolongation options or periods after termination options are included in the lease term if it is reasonably certain that the lease is prolonged or not terminated. When determining the lease term the Group takes into account all relevant facts and circumstances that create an economic incentive for shortening or prolonging the lease term using the available options. When assessing the lease term of leases in filling stations for periods covered by prolongation or termination options, the assumption was applied that the lease term will not exceed 20 years.

Optional periods, which have not been taken into account in the measurement of the leases, exist mainly for E&P equipment in Romania, office buildings, a plot of land in Belgium and gas storage caverns in Germany. The prolongation option for the office buildings and the gas storage caverns can only be exercised in the distant future.

m) Non-derivative financial assets

At initial recognition, OMV classifies its financial assets as subsequently measured at amortized cost, fair value through other comprehensive income (OCI) or fair value through profit or loss. The classification depends both on the Group's business model for managing the financial assets as well as the contractual cash flow characteristics of the financial assets. All regular way trades are recognized and derecognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Debt instruments are measured **at amortized cost** if both of the following conditions are met:

- the asset is held within the business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method less any impairment losses. Interest income, impairment losses and gains or losses on derecognition are recognized in profit or loss.

OMV recognizes allowances for expected credit losses (ECLs) for all financial assets measured at amortized costs. The ECL calculation is based on external or internal credit ratings of the counterparty and associated probabilities of default. Available forward-looking information is taken into account, if it has a material impact on the amount of valuation allowance recognized.

ECLs are recognized in two stages. Where there has not been a significant increase in the credit risk since initial recognition, credit losses are measured at 12 month ECLs. The 12 month ECL is the credit loss which results from default events that are possible within the next 12 months. The Group considers a financial asset to have low credit risk when its credit risk rating is equivalent to the definition of 'investment grade'.

Where there has been a significant increase in the credit risk since initial recognition, a loss allowance is required for the lifetime ECL, i.e. the expected credit losses resulting from possible default events over the expected life of a financial asset. For this assessment, OMV considers all reasonable and supportable information that is available without undue cost or effort. Furthermore, OMV assumes that the credit risk on a financial asset has significantly increased if it is more than 30 days past due. If the credit quality improves for a lifetime ECL asset, OMV reverts to recognizing allowances on a 12 month ECL basis. A financial asset is considered to be in default when the financial asset is 90 days past due, unless there is reasonable and supportable information demonstrating that a more lagging default criterion is appropriate. A financial asset is written off when there is no reasonable expectation that the contractual cash flows will be recovered.

For trade receivables and contract assets from contracts with customers a simplified approach is adopted, where the impairment losses are recognized at an amount equal to lifetime expected credit losses. In case there are credit insurances or securities held against the balances outstanding, the ECL calculation is based on the probability of default of the insurer/securer for the insured/secured element of the outstanding balance and for the remaining amount on the probability of default of the counterparty.

Non-derivative financial assets classified as **at fair value through profit or loss (FVTPL)** include trade receivables from sales contracts with provisional pricing and investment funds because the contractual cash flows do not represent solely payments of principal and interest on the principal amount outstanding. Furthermore, this measurement category includes portfolios of trade receivables held with an intention to sell them. These assets are measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

Equity instruments are either measured **at fair value through profit or loss (FVTPL)** or **at fair value through OCI (FVOCI)**. OMV decided irrevocably to classify as investments at FVOCI the majority of its non-listed equity investments which are held for strategic purposes and not trading. Gains and losses on equity investments measured at FVOCI are never recycled to profit or loss and they are not subject to impairment assessment. Dividends are recognized in profit or loss unless they represent a recovery of a part of the cost of an investment.

OMV derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Significant estimates and judgements: Fair value and recoverability of financial assets

The management is periodically assessing the receivable related to expenditure recoverable from the Romanian State related to obligations for decommissioning and restoration costs in OMV Petrom SA. The assessment process is considering inter alia the history of amounts claimed, documentation process related requirements, potential litigation or arbitration proceedings.

Details on the valuation of the investments measured at fair value through profit or loss in the gas field Yuzhno Russkoye and the contractual position towards Gazprom with regard to the reserve redetermination can be found in section 1 of this note.

n) Derivative financial instruments and hedge accounting

Derivative financial instruments are used to hedge risks resulting from changes in currency exchange rates, commodity prices and interest rates. Derivative instruments are recognized at fair value. Unrealized gains and losses are recognized as income or expense, except where hedge accounting according to IFRS 9 is applied.

Those derivatives qualifying and designated as hedges are either

- a fair value hedge when hedging exposure to changes in the fair value of a recognized asset or liability,
- a cash flow hedge when hedging exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction, or
- a net investment hedge when hedging the foreign exchange risk in a net investment in a foreign operation.

For cash flow hedges, the effective part of the changes in fair value is recognized in other comprehensive income, while the ineffective part is recognized immediately in the income statement. Where the hedging of cash flows results in the recognition of a non-financial asset or liability, the carrying value of that item will be adjusted for the accumulated gains or losses recognized directly in OCI.

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in OCI and accumulated in the reserve for currency translation differences. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is disposed of or sold.

The Group applies hedge accounting to hedges which are affected by the interest rate benchmark reform. For the purpose of evaluating whether there is an economic relationship between the hedged items and the hedging instruments, the Group assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

Contracts to buy or sell non-financial items that can be settled net in cash or another financial instrument are accounted for as financial instruments and measured at fair value. Associated gains or losses are recognized in profit or loss. However, contracts that are entered into and continue to be held for the purpose of the receipt or delivery of non-financial items in accordance with the Group’s expected purchase, sale or usage requirements are not accounted for as derivative financial instruments, but as executory contracts.

o) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualified assets are capitalized until these assets are substantially ready for their intended use or sale. All other costs of borrowing are expensed in the period in which they are incurred.

p) Government grants

Government grants are recognized as income or deducted from the carrying amount of the related assets, where it is reasonable to expect that the granting conditions will be met and that the grants will be received.

q) Inventories

Inventories are recognized at the lower of cost and net realizable value. Costs incurred are generally determined based on the individual costs for not interchangeable goods, the average price method for oil and gas inventories or the FIFO method for chemical products. Costs of production comprise directly attributable costs as well as fixed and variable indirect material and production overhead costs. Production-related administrative costs, the costs of company pension schemes and voluntary employee benefits are also included in the cost of production. In refineries, a carrying capacity approach is applied according to which the production costs are allocated to product groups on the basis of their relative market values at the end of the period.

r) Cash and cash equivalents

Cash and cash equivalents include cash balances, bank accounts and highly liquid short-term investments with low realization risk, i.e. negligible short-term exchange and interest risks. The maximum maturity at the time of acquisition for such investments is three months.

s) Provisions

A provision is recorded for present obligations against third parties when it is probable that an obligation will occur and the settlement amount can be estimated reliably. Provisions for individual obligations are based on the best estimate of the amount necessary to settle the obligation, discounted to the present value in the case of long-term obligations.

Decommissioning and environmental obligations: The Group's core activities regularly lead to obligations related to dismantling and removal, asset retirement and soil remediation activities. These decommissioning and restoration obligations are principally of material importance in the E&P segment (oil and gas wells, surface facilities) and in connection with filling stations on third-party property. At the time the obligation arises, it is provided for in full by recognizing the present value of future decommissioning and restoration expenses as a liability. An equivalent amount is capitalized as part of the carrying amount of long-lived assets. Any such obligation is calculated on the basis of best estimates. The unwinding of discounting leads to interest expense or income (in case of a negative discount rate) and accordingly to increased or decreased obligations at each statement of financial position date until decommissioning or restoration. For other environmental risks and measures, provisions are recognized if such obligations are probable and the amount of the obligation can be estimated reliably.

Significant estimates and judgements: Decommissioning provisions

The most significant decommissioning obligations of the Group are related to the plugging of wells, the abandonment of facilities and the removal and disposal of offshore installations. The majority of these activities are planned to occur many years into the future, while decommissioning technologies, costs, regulations and public expectations are constantly changing. Estimates of future restoration costs are based on reports prepared by Group engineers or by partner companies and on past experience. Any significant downward changes in the expected future costs or postponement in the future affect both the provision and the related asset, to the extent that there is sufficient carrying amount. Otherwise the provision is reversed to income. Significant upward revisions trigger the assessment of the recoverability of the underlying asset.

Provisions for decommissioning and restoration costs require estimates of discount and inflation rates, which have material effects on the amounts of the provision. The assumptions used are disclosed in Note 23 – Provisions.

Pensions and similar obligations: OMV has both defined contribution and defined benefit pension plans. In the case of **defined contribution plans**, OMV has no obligations beyond payment of the agreed premiums, and no provision is therefore recognized. The reported expense corresponds to the contributions payable for the period.

In contrast, participants **in defined benefit plans** are entitled to pensions at certain levels and are generally based on years of service and the employee's average compensation. These defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk, inflation risk (as a result of indexation of pension) and market risk. Defined benefit pension obligations are accounted for by recognizing provisions for pensions.

Employees of Austrian Group companies whose service began before December 31, 2002 are entitled to severance payments upon termination of employment or upon reaching the normal retirement age. The entitlements depend on years of service and final compensation levels. Entitlements to severance payments for employees whose service began after December 31, 2002, are covered by defined contribution plans. Similar obligations as entitlement to severance payments also exist in other countries, where the Group provides employment.

Employees in Austria and Germany are entitled to jubilee payments after completion of a given number of years of service. These plans are non-contributory and unfunded.

Provisions for pensions, severance payments and jubilee payments are calculated using the projected unit credit method, which divides the costs of the estimated benefit entitlements over the whole period of employment and thus takes future increases in remuneration into account. Actuarial gains and losses for defined benefit pension and severance payment obligations are recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are not reclassified to profit or loss in subsequent periods. Actuarial gains and losses on obligations for jubilee payments are recognized in profit or loss. Net interest expense is calculated on the basis of the net defined benefit obligation and disclosed as part of the financial result. Differences between the return on plan assets and interest income on plan assets included in the net interest expense is recognized in other comprehensive income.

Provisions for voluntary and mandatory separations under restructuring programs are recognized if a detailed plan has been approved by management and communicated to those affected prior to the statement of financial position date and an irrevocable commitment is thereby established. Expenses related to such restructuring programs are included in the line Other operating expenses in the Consolidated Income Statement. Voluntary modifications to employees' remuneration arrangements are recognized on the basis of the expected number of employees accepting the employing company's offer. Provisions for obligations related to individual separation agreements which lead to fixed payments over a defined period of time are recognized at the present value of the obligation.

Significant estimates and judgements: Pensions and similar obligations

The projected unit credit method calculation of provisions for pensions, severance and jubilee entitlements requires estimates of discount rates, future increases in salaries and future increases in pensions. For current actuarial assumptions for calculating expected defined benefit entitlements and their sensitivity analysis see Note 23 – Provisions.

The biometrical basis for the calculation of provisions for pensions, severance and jubilee entitlements of Austrian Group companies is provided by AVÖ 2018 P – Rechnungsgrundlagen für die Pensionsversicherung (Biometric Tables for Pension Insurance) – Pagler & Pagler, using the variant for salaried employees. In other countries, similar actuarial parameters are used. Employee turnover was computed based on age or years of service, respectively. The expected retirement age used for calculations is based on the relevant country's legislation.

Provision for onerous contracts are recognized for contracts in which the unavoidable costs of meeting a contractual obligation exceed the economic benefits expected to be received under the contract. These provisions are measured at the lower amount of the cost of fulfilling the contract and any potential penalties or compensation arising in the event of non-performance.

Significant estimates and judgements: Provisions for onerous contracts

OMV concluded in the past several long-term, non-cancellable contracts that became onerous due to negative developments of market conditions. This led to the recognition of onerous contract provisions in the Group's financial statements for the unavoidable costs of meeting the contract obligations.

The estimates used for calculating the positive contributions that partly cover the fixed costs were based on external sources and management expectations. For more details see Note 23 – Provisions.

Emission allowances received free of chargefrom governmental authorities (EU Emissions Trading Scheme for greenhouse gas emissions allowances), reduce financial obligations related to CO_2 emissions; provisions are recognized only for shortfalls (see Note 23 – Provisions).

t) Non-derivative financial liabilities

Liabilities are carried at amortized cost, with the exception of derivative financial instruments, which are recognized at fair value. Long-term liabilities are discounted using the effective interest rate method.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently measured at the higher of the amount of the loss allowance determined according to the expected credit losses model and the amount initially recognized less the cumulative income recognized according to IFRS 15.

u) Taxes on income and deferred taxes

In addition to corporate income taxes and trade earnings taxes, typical E&P taxes from oil and gas production like the country's/national oil company's profit share for certain EPSAs (see 2.2f) are disclosed as income taxes. Deferred taxes are recognized for temporary differences.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the unused tax losses, unused tax credits and deductible temporary differences can be utilized.

Significant estimates and judgements: Recoverability of deferred tax assets
The recognition of deferred tax assets requires an assessment of when those assets are likely to reverse, and an evaluation as to whether or not there will be sufficient taxable profits available to offset the assets when they reverse. This assessment of recoverability requires assumptions regarding future taxable profits and is therefore uncertain. In OMV, this assessment is based on detailed tax plannings which covers in E&P entities the life span of field and a five year period in the other entities.

Changes in the assumptions regarding future taxable profits can lead to an increase or decrease of the amount of deferred tax assets recognized which has an impact on the net income in the period in which the change occurs.

Deferred tax assets and liabilities at Group level are shown net, when there is a right of set-off and the taxes relate to matters subject to the same tax jurisdiction.

v) Long Term Incentive (LTI) Plans and Equity Deferral

The fair value of share-based compensation expense arising from the Long-term Incentive Plan (LTIP) – OMV's main equity settled plan – is estimated using a model which is based on the expected target achievements and the expected share prices. For cash-settled awards, a provision based on the fair value of the amount payable is built up over the vesting period, so that by the end of the vesting period the fair value of the bonus shares to be granted is fully provided for. The provision is remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognized in profit or loss. For share settled awards, the grant date fair value is recognized as an expense (including income tax), with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as expense is adjusted to subsequent changes in parameters other than market parameters. In addition, the Equity Deferral part of the annual bonus is settled in shares. Accordingly, the related expense is recognized against equity. For share-based awards, the award is settled net of tax to the participants.

w) Fair value measurement

The fair value is the amount for which an asset or liability could be transferred at the measurement date, based on the assumption that such transfers take place between participants in principal markets and, where applicable, taking highest and best use into account.

Fair values are determined according to the following hierarchy:

Level 1: Quoted prices in active markets for identical assets or liabilities. For OMV Group this category will, in most cases, only be relevant for securities, bonds, investment funds and futures contracts.

Level 2: Valuation technique using directly or indirectly observables inputs. In order to determine the fair value for financial instruments within Level 2, usually forward prices of crude oil or natural gas, interest rates and foreign exchange rates are used as inputs to the valuation model. In addition counterparty credit risk as well as volatility indicators, if applicable, are taken into account.

Level 3: Valuation techniques such as discounted cash flow models using significant unobservable inputs (e.g. long-term price assumptions and reserves estimates).

x) Foreign currency translation

Monetary foreign currency balances are measured at closing rates, and exchange gains and losses accrued at statement of financial position date are recognized in the income statement.
The financial statements of Group companies with functional currencies different from the Group's presentation currency are translated using the closing rate method. Differences arising from statement of financial position items translated at closing rates are disclosed in other comprehensive income. Income statement items are translated at average rates for the period. The use of average rates for the income statement creates additional differences compared to the application of the closing rates in the statement of financial position which are directly adjusted in other comprehensive income.

The main rates applied in translating currencies to EUR were as follows:

Foreign currency translation

	2022		2021	
	Statement of financial position date	Average	Statement of financial position date	Average
Bulgarian lev (BGN)	1.956	1.956	1.956	1.956
Czech crown (CZK)	24.116	24.566	24.858	25.641
Hungarian forint (HUF)	400.870	391.290	369.190	358.520
New Zealand dollar (NZD)	1.680	1.658	1.658	1.672
Norwegian krone (NOK)	10.514	10.103	9.989	10.163
Romanian leu (RON)	4.950	4.931	4.949	4.922
Swedish krona (SEK)	11.122	10.630	10.250	10.147
US dollar (USD)	1.067	1.053	1.133	1.183

3) Changes in accounting policies

The Group has adopted the following amendments to standards from January 1, 2022:

- Amendment to IFRS 3 Business Combinations: Reference to the Conceptual Framework
- Amendment to IAS 16 Property, Plant and Equipment: Proceeds before intended use
- Amendments to IAS 37: Onerous Contracts - Cost of Fulfilling a Contract
- Annual Improvements to IFRS Standards 2018-2020

The amendments did not have any material impact on OMV's group financial statements.

4) New and revised standards not yet mandatory

OMV has not applied the following new or revised IFRSs that have been issued but are not yet effective. They are not expected to have any material effects on the Group's financial statements. EU endorsement is still pending in some cases.

Standards and amendments	IASB effective date
IFRS 17 Insurance Contracts and Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies	January 1, 2023
Amendments to IAS 8: Definition of Accounting Estimates	January 1, 2023
Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
Amendments to IAS 1: Classification of Liabilities as Current and Non-Current	January 1, 2024
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	January 1, 2024
Amendments to IAS 1: Non-current Liabilities with Covenants	January 1, 2024

3 Changes in group structure

A full list of OMV investments as well as changes in consolidated group can be found in Note 38 – Direct and indirect investments of OMV Aktiengesellschaft. Major changes in consolidated Group are described below.

Chemicals & Materials

On June 3, 2022, Borouge PLC has successfully listed on ADX, the Abu Dhabi Securities Exchange. Following the IPO (Initial Public Offering), the shareholding in Borouge PLC has changed to Borealis owning a 36% stake in Borouge PLC and Abu Dhabi National Oil Company owning 54% respectively. For details refer to Note 16 – Equity-accounted investments.

Based on the final offer price of AED 2.45 per share, the IPO has raised gross proceeds of EUR 1.9 bn for the offering of 10% of the company's total issued share capital. This transaction led to a net gain (including FX recycling effects) of EUR 341 mn, which is part of the line "Other operating income" in the consolidated income statement.

Refining & Marketing

On May 1, 2022, OMV closed the transaction to sell its filling station business in Germany to EG Group. The agreed purchase price before customary closing adjustments amounted to EUR 485 mn. The transaction led to a gain of EUR 409 mn recognized in the line "Other operating income" in the consolidated income statement.

Exploration & Production

OMV ceased to fully consolidate JSC GAZPROM YRGM Development (YRGM) and to equity account for OJSC Severneftegazprom (SNGP) and therefore, starting March 1, 2022, the investments in SNGP and YRGM are accounted for at fair value through profit or loss according to IFRS 9. For further details refer to Note 2 – Accounting policies, judgements and estimates, section 'Impact of Russia's invasion of Ukraine and related significant estimates and assumptions'.

Cash flow impact of changes in group structure

Cash flow from investing activities included inflows from the IPO of Borouge PLC in the amount of EUR 745 mn, shown in the line "Proceeds in relation to non-current assets and financial assets".

Furthermore, cash flow from investing activities contained an inflow related to the divestment of the filling station business in Germany in the amount of EUR 432 mn, presented in the line "Proceeds from the sale of subsidiaries and businesses, net of cash disposed" and an outflow of EUR 208 mn related to the loss of control of JSC GAZPROM YRGM Development, included in the line "Cash disposed due to the loss of control." Further details are presented in the following tables:

Cash impact from sale of subsidiaries and businesses and cash disposed due to the loss of control

In EUR mn

	2022
Consideration received	446
Less cash disposed of	(6)
Net cash inflows from disposal of subsidiaries and businesses	**440**
Cash disposed due to the loss of control	**(214)**

Net assets of disposed subsidiaries and businesses and subsidiaries over which control has been lost

In EUR mn

	2022
Non-current assets	681
Current assets	404
Non-current liabilities	245
Current liabilities	179
Net assets	**661**

Segment Reporting

4 Segment Reporting

Changes in segment reporting

Starting with Q1/22 the OMV Group structure was reorganized, which involved the transfer of Gas Marketing Western Europe, which includes Supply, Marketing, Trading and Logistics, from Refining & Marketing to Exploration & Production in order to extract synergies from the entire end-to-end gas value chain. Internal reporting and the relevant information provided to the chief operating decision-maker in order to assess performance and allocate resources has been updated to reflect the current organizational structure.

Business operations and key markets

For business management purposes, OMV is divided into three operating Business Segments: Chemicals & Materials, Refining & Marketing, and Exploration & Production, as well as the segment Corporate and Other (C&O). Each segment represents a strategic unit and operates in different markets. Each Business Segment is managed independently. Strategic business decisions are made by the Executive Board of OMV. With the exception of C&O, the reportable segments of OMV are the same as the operating segments.

The **Chemicals & Materials** (C&M) Business Segment is one of the world's leading providers of advanced and circular polyolefin solutions and a European market leader in base chemicals, fertilizers, and plastics recycling.

OMV Group has a production capacity, including joint ventures, of 7.5 mn t base chemicals, 5.9 mn t polyolefins, 0.4 mn t compounding and 4.3 mn t fertilizers. The majority of production is located in Europe, with two overseas manufacturing facilities in the United States, one in Brazil and one in South Korea. In addition, OMV holds minority stakes in various equity-accounted investments, the most significant ones being Borouge (United Arab Emirates) a Borealis' joint venture with ADNOC that operates the largest petrochemical complex in the world and the Baystar joint venture (Pasadena, United States) which serves the customer base in the North American markets and operates Port Arthur Refinery with the production capacity of 0.5 mn t OMV share.

OMV group is pursuing various initiatives in mechanical and chemical recycling and renewable polyolefins. A new polyethylene plant based on Borstar technology on the site in Pasadena is currently under construction with the target to deliver a broad range of products to meet the growing global demand of sustainable and high energy efficient plastic products.

The **Refining & Marketing** (R&M) Business Segment refines and markets crude oil and other feedstock. It operates the refineries Schwechat (Austria), Burghausen (Germany) and Petrobrazi (Romania) with an annual capacity of 17.8 mn t. In these refineries, crude oil is processed into petroleum products, which are sold to commercial and private customers. The activities of this business segment also cover supply and marketing of gas in Eastern Europe and the Group's power business activities, with one gas-fired power plant in Romania.

OMV has a strong position in the markets located within the areas of its supply, serving commercial customers, and operating a retail business of approximately 1,800 filling stations.

OMV holds minority stakes in various equity-accounted investments, the most significant one is the 15% participation in ADNOC Refining (United Arab Emirates) with annual capacity of 7.1 mn t OMV share.

Exploration & Production (E&P) engages in the business of oil and gas exploration, development and production and focuses on the regions Central and Eastern Europe, North Sea, Middle East and Africa and Asia-Pacific. In addition, E&P is engaged in gas supply, marketing, trading, and logistics in Western Europe.

Group management, financing and insurance activities as well as certain service functions are concentrated in the **Corporate & Other** (C&O) segment.

One of the key measures of operating performance for the Group is Clean CCS Operating Result. Total assets include intangible assets as well as property, plant and equipment. Sales to external customers are split up by geographical areas on the basis of where the risk is transferred to the customers. The net revenues of commodity trading activities within the scope of IFRS 9 and hedging results are reported in the country in which the reporting subsidiary is located. Accounting policies of the operating segments are the same as those described in the summary of significant accounting policies, with certain exceptions for intra-group sales and cost allocations by the parent company, which are determined in accordance with internal OMV policies. Management is of the opinion that the transfer prices of goods and services exchanged between segments correspond to market prices. Business transactions not attributable to operating segments are included in the results of the C&O segment.

The disclosure of special items is considered appropriate in order to facilitate analysis of 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 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 measure in addition to the Operating Result determined according to IFRS.

Segment reporting

In EUR mn

	2022						
	C&M	R&M	E&P	C&O	**Total**	Consolidation	**OMV Group**
Sales revenues[1]	13,450	28,634	30,857	424	**73,365**	(11,067)	**62,298**
Intersegmental sales	(1,181)	(2,818)	(6,661)	(407)	**(11,067)**	11,067	**—**
Sales to third parties	**12,269**	**25,816**	**24,197**	**17**	**62,298**	**—**	**62,298**
Other operating income	548	857	181	58	**1,644**	—	**1,644**
Net income from equity-accounted investments	332	477	60	—	**869**	—	**869**
Depreciation and amortization	533	422	1,478	41	**2,474**	—	**2,474**
Impairment losses (incl. exploration & appraisal)	7	15	825	7	**853**	—	**853**
Write-ups	266	68	327	—	**660**	—	**660**
Operating Result	**2,039**	**3,392**	**6,936**	**(86)**	**12,281**	**(35)**	**12,246**
Special items for personnel restructuring	—	2	1	4	**8**	—	**8**
Special items for unscheduled depreciation and write-ups	(263)	(47)	252	—	**(58)**	—	**(58)**
Special items for asset disposal	(315)	(409)	—	—	**(724)**	—	**(724)**
Other special items	(4)	(321)	207	31	**(87)**	—	**(87)**
Special items	**(582)**	**(774)**	**460**	**36**	**(861)**	**—**	**(861)**
Clean Operating Result	**1,457**	**2,618**	**7,396**	**(50)**	**11,420**	**(35)**	**11,385**
CCS effect	—	(202)	—	—	**(202)**	(8)	**(210)**
Clean CCS Operating Result	**1,457**	**2,415**	**7,396**	**(50)**	**11,218**	**(43)**	**11,175**
Segment assets[2]	5,964	4,223	11,407	234	**21,826**	—	**21,826**
Additions in PPE/IA[3]	1,285	826	1,512	41	**3,664**	—	**3,664**
Equity-accounted investments[4]	5,179	1,765	350	—	**7,294**	—	**7,294**

[1] Including intersegmental sales
[2] Property, plant and equipment (PPE), intangible assets (IA), not including assets reclassified to assets held for sale
[3] Excluding additions in assets reclassified to held for sale and additions to decommissioning assets
[4] Excluding assets held for sale

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 restated after the reorganization and reported in 2021:

Segment reporting

In EUR mn

	2021 restated						
	C&M	R&M	E&P	C&O	**Total**	Consoli-dation	**OMV Group**
Sales revenues[1]	11,618	16,547	14,650	376	**43,191**	(7,636)	**35,555**
Intersegmental sales	(1,109)	(2,452)	(3,713)	(361)	**(7,636)**	7,636	**—**
Sales to third parties	**10,509**	**14,095**	**10,937**	**14**	**35,555**	**—**	**35,555**
Other operating income	249	246	375	63	**933**	—	**933**
Net income from equity-accounted investments	534	10	56	—	**600**	—	**600**
Depreciation and amortization	535	427	1,399	41	**2,401**	—	**2,401**
Impairment losses (incl. exploration & appraisal)	495	717	326	0	**1,538**	—	**1,538**
Write-ups	—	3	0	—	**4**	—	**4**
Operating Result	**1,828**	**451**	**2,910**	**(74)**	**5,115**	**(51)**	**5,065**
Special items for personnel restructuring	—	7	14	9	**30**	—	**30**
Special items for unscheduled depreciation and write-ups	483	713	101	—	**1,297**	—	**1,297**
Special items for asset disposal	—	(7)	(209)	(6)	**(223)**	—	**(223)**
Other special items	(87)	212	75	9	**210**	—	**210**
Special items	**396**	**924**	**(18)**	**12**	**1,315**	**—**	**1,315**
Clean Operating Result	**2,224**	**1,376**	**2,892**	**(62)**	**6,430**	**(51)**	**6,379**
CCS effect	—	(430)	—	—	**(430)**	12	**(418)**
Clean CCS Operating Result	**2,224**	**945**	**2,892**	**(62)**	**5,999**	**(39)**	**5,961**
Segment assets[2]	5,283	3,894	12,312	241	**21,730**	—	**21,730**
Additions in PPE/IA[3]	724	619	1,253	28	**2,624**	—	**2,624**
Equity-accounted investments[4]	5,133	1,320	433	—	**6,887**	—	**6,887**

[1] Including intersegmental sales
[2] Property, plant and equipment (PPE), intangible assets (IA), not including assets reclassified to assets held for sale
[3] Excluding additions in assets reclassified to held for sale and additions to decommissioning assets
[4] Not including assets held for sale

Segment reporting

In EUR mn

	2021 reported						
	C&M	R&M	E&P	C&O	**Total**	Consoli-dation	**OMV Group**
Sales revenues[1]	11,618	25,928	6,712	376	**44,634**	(9,079)	**35,555**
Intrasegmental sales	(1,109)	(2,780)	(4,828)	(361)	**(9,079)**	9,079	**—**
Sales to third parties	**10,509**	**23,148**	**1,884**	**14**	**35,555**	**—**	**35,555**
Other operating income	249	274	347	63	**933**	—	**933**
Net income from equity-accounted invest-ments	534	12	55	—	**600**	—	**600**
Depreciation and amortization	535	429	1,396	41	**2,401**	—	**2,401**
Impairment losses (incl. exploration & appraisal)	495	718	325	0	**1,538**	—	**1,538**
Write-ups	—	3	0	—	**4**	—	**4**
Operating Result	**1,828**	**922**	**2,439**	**(74)**	**5,115**	**(51)**	**5,065**
Special items for personnel restructuring	—	7	14	9	**30**	—	**30**
Special items for unscheduled depreciation and write-ups	483	713	100	—	**1,297**	—	**1,297**
Special items for asset disposal	—	(7)	(209)	(6)	**(223)**	—	**(223)**
Other special items	(87)	(204)	492	9	**210**	—	**210**
Special items	**396**	**509**	**398**	**12**	**1,315**	**—**	**1,315**
Clean Operating Result	**2,224**	**1,431**	**2,837**	**(62)**	**6,430**	**(51)**	**6,379**
CCS effect	—	(430)	—	—	**(430)**	12	**(418)**
Clean CCS Operating Result	**2,224**	**1,001**	**2,837**	**(62)**	**5,999**	**(39)**	**5,961**
Segment assets[2]	5,283	3,989	12,217	241	**21,730**	—	**21,730**
Additions in PPE/IA[3]	724	621	1,251	28	**2,624**	—	**2,624**
Equity-accounted investments[4]	5,133	1,325	429	—	**6,887**	—	**6,887**

[1] Including intersegmental sales
[2] Property, plant and equipment (PPE), intangible assets (IA), not including assets reclassified to assets held for sale
[3] Excluding additions in assets reclassified to held for sale and additions to decommissioning assets
[4] Not including assets held for sale

In 2022 special items for unscheduled depreciation and write-ups were mainly driven by the revaluation of the fertilizer business, partly offset by the non-cash net impairment charges related to E&P assets. For further details on write-ups and impairments see Note 7 – Depreciation, amortization, impairments and write-ups.

Special items for asset disposals were related to the sale of the German filling station business in May 2022 and the Borouge IPO on ADX (the Abu Dhabi Securities Exchange). For further details see Note 6 – Other operating income and net income from equity-accounted investments and Note 16 – Equity-accounted investments.

Other special items mainly consisted of non-cash valuation effects related to the reassessment of reserves redetermination rights of the Yuzhno Russkoye field in Russia and the effects of deconsolidation of the Russian entities. For further details see Note 2 – Accounting policies, judgements and estimates, section 'Impact of Russia's invasion of Ukraine and related significant estimates and assumptions'. In addition, other special items consisted of temporary hedging effects and the release of a provision in the LNG business.

Information on geographical areas

In EUR mn

	2022			2021		
	Sales to third parties	Segment assets[1]	Equity-accounted investments[2]	External sales	Segment assets[1]	Equity-accounted investments[2]
Austria	14,911	4,365	16	5,326	4,207	14
Belgium	987	1,950	45	854	1,247	24
Germany	14,102	1,200	31	8,499	1,061	31
Romania	10,149	5,437	—	4,433	5,628	—
Norway	1,584	1,219	—	1,003	1,508	—
Russia[3]	212	—	—	642	592	117
New Zealand	598	864	—	443	550	—
United Arab Emirates	1,644	1,677	6,073	784	1,671	5,352
Rest of CEE[4]	7,548	554	—	5,246	556	—
Rest of Europe	7,454	1,848	22	5,968	1,893	22
Rest of the world[5]	3,110	2,162	1,107	2,356	2,289	1,328
Allocated	**62,298**	**21,274**	**7,294**	**35,555**	**21,201**	**6,887**
Not allocated assets	—	552	—	—	529	—
Total	**62,298**	**21,826**	**7,294**	**35,555**	**21,730**	**6,887**

[1] Property, plant and equipment (PPE), intangible assets (IA), not including assets reclassified to assets held for sale
[2] Equity-accounted investments are allocated based on the seat of the registered office of the parent company, not including assets held for sale
[3] Sales in 2022 relate to the period before the change in the consolidation method (for further details see Note 2 - Accounting policies, judgements and estimates, section 'Impact of Russia's invasion of Ukraine and related significant estimates and assumptions').
[4] Including Turkey
[5] Rest of the world: Principally Algeria, Argentina, Brazil, Canada, Chile, China, Colombia, Cuba, Egypt, India, Libya, Malaysia, Morocco, Mexico, Nigeria, Peru, Qatar, Saudi Arabia, South Africa, South Korea, Tunisia, United States of America and Yemen

Not allocated assets contained goodwill in amount of EUR 342 mn (2021: EUR 322 mn) related to the cash-generating unit 'Middle East and Africa' and EUR 210 mn (2021: EUR 198 mn) related to the cash generating unit 'SapuraOMV' as these CGUs are operating in more than one geographical area. In 2021, not allocated assets also included goodwill in the amount of EUR 9 mn related to cash generating unit 'Refining West'.

Notes to the Income Statement

5 Sales revenues

Sales revenues

in EUR mn

	2022	2021
Revenues from contracts with customers	53,827	34,792
Revenues from fixed lease payments	18	15
Revenues from variable lease payments	58	65
Revenues from other sources[1]	8,396	683
Sales revenues	**62,298**	**35,555**

[1] The increase in revenues from other sources is mainly driven by commodity trading transactions.

Revenues from contracts with customers

In EUR mn

	Chemicals & Materials	Refining & Marketing	Exploration & Production	Corporate & Other	**OMV Group**
			2022		
Crude Oil, NGL and condensates	—	860	1,519	—	**2,379**
Natural gas and LNG	—	2,389	17,520	—	**19,909**
Fuel, heating oil and other refining products	—	16,390	—	—	**16,390**
Chemical products	12,160	54	—	—	**12,214**
Other goods and services[1]	126	2,625	168	16	**2,935**
Revenues from contracts with customers	**12,286**	**22,318**	**19,208**	**16**	**53,827**
			2021		
Crude Oil, NGL and condensates	—	1,071	1,057	—	**2,128**
Natural gas and LNG	—	915	9,235	—	**10,150**
Fuel, heating oil and other refining products	—	10,460	—	—	**10,460**
Chemical products	10,347	56	—	—	**10,403**
Other goods and services[1]	160	1,278	199	13	**1,651**
Revenues from contracts with customers	**10,507**	**13,780**	**10,491**	**13**	**34,792**

[1] Mainly retail non-oil business and power sales in Refining & Marketing

6 Other operating income and net income from equity-accounted investments

Other operating income and net income from equity-accounted investments

In EUR mn

	2022	2021
Foreign exchange gains from operating activities	298	127
Gains from fair value changes of trading inventories	—	126
Gains from fair value changes of other derivatives	—	191
Gains on the disposal of businesses, subsidiaries, tangible and intangible assets	766	282
Residual other operating income	579	207
Other operating income	**1,644**	**933**
Income from equity-accounted investments	937	638
Expenses from equity-accounted investments	(68)	(38)
Net income from equity-accounted investments	**869**	**600**

Foreign exchange gains from operating activities were mainly impacted in 2022 and 2021 by USD foreign exchange rate development.

Gains from fair value changes of trading inventories in 2021 referred to emissions certificates held for trading in Refining & Marketing and Chemicals & Materials (Austria and Germany).

Gains from fair value changes of other derivatives in 2021 were related to forward contracts of emissions certificates in Refining & Marketing and Chemicals & Materials (Austria and Germany).

Gains on the disposal of businesses, subsidiaries, tangible and intangible assets related mostly to gains on the sale of the filling stations business in Germany and gains on the Borouge PLC IPO.

On May 1, 2022 OMV closed the transaction to sell its filling station business in Germany to EG Group. The agreed sales price before customary closing adjustments amounted to EUR 485 mn and the transaction led to a gain of EUR 409 mn. For further details see Note 3 – Changes in group structure.

On June 3, 2022, Borouge PLC was successfully listed on ADX, the Abu Dhabi Securities Exchange. This transaction led to a gain of EUR 341 mn including FX recycling effects. For further details see Note 16 – Equity-accounted investments.

2021 was mainly impacted by the gains on the sale of Wisting oil filed in Norway of EUR 261 mn.

Residual other operating income contained mostly compensation from the Romanian State for the sale of natural gas and electricity at capped prices as well as the subsidies supporting voluntary price reductions for the sale of diesel and gasoline. These measures were introduced via several Government Emergency Ordinances in order to mitigate the consequences of the energy crisis.

In addition, residual other operating income in 2022 included insurance income of around EUR 200 mn related to the incident at OMV Schwechat refinery in June 2022 and storage income related to Erdöl-Lagergesellschaft m.b.H. of EUR 34 mn.

2021 contained mostly storage income related to Erdöl-Lagergesellschaft m.b.H. (EUR 43 mn) and insurance compensation related to 2020 process safety incident in Borealis cracker in Sweden (EUR 34 mn).

Income from equity-accounted investments was mainly impacted by Abu Dhabi Oil Refining Company and Borouge investments. **Expenses from equity-accounted investments** were predominantly stemming from Bayport Polymers LLC. For further details see Note 16 – Equity-accounted investments.

7 Depreciation, amortization, impairments and write-ups

Impairment losses are part of the income statement line "Depreciation, amortization, impairments and write-ups", except for impairment losses related to exploration and appraisal assets which are shown in "Exploration expenses". The following tables provide a reconciliation to the amounts reported in the income statement.

Depreciation, amortization, impairments (excluding exploration & appraisal) and write-ups

In EUR mn

	2022	2021
Depreciation and amortization	2,474	2,401
Write-ups	(660)	(4)
Impairment losses (excl. exploration & appraisal)	670	1,353
Depreciation, amortization, impairment losses (excluding exploration & appraisal) and write-ups	**2,484**	**3,750**

Impairment losses (including exploration & appraisal)

In EUR mn

	2022	2021
Impairment losses (excl. exploration & appraisal)	670	1,353
Impairment losses (exploration & appraisal)	183	185
Impairment losses (including exploration & appraisal)	**853**	**1,538**

Depreciation, amortization, impairments and write-ups – split per function

In EUR mn

	2022	2021
Depreciation and amortization	**2,474**	**2,401**
attributable to exploration expenses	—	—
attributable to production and operating expenses	2,200	2,144
attributable to selling, distribution and administrative expenses	274	257
Write-ups	**(660)**	**(4)**
attributable to exploration expenses	—	—
attributable to production and operating expenses	(660)	(0)
attributable to selling, distribution and administrative expenses	(0)	(3)
Impairment losses (incl. exploration & appraisal)	**853**	**1,538**
attributable to exploration expenses	183	185
attributable to production and operating expenses	660	1,303
attributable to selling, distribution and administrative expenses	10	49

Impairments and write-ups in Chemicals & Materials

In 2022, a write-up of EUR 266 mn was recognized related to the the sale of the nitrogen business unit of Borealis group including fertilizer, melamine, and technical nitrogen products. The valuation was based on a binding offer from AGROFERT, a.s. as of June 2, 2022 to reflect the fair value less cost to sell. The binding offer received from EuroChem in February 2022 was declined in March 2022 after assessing developments resulting from the war in Ukraine and related sanctions.

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

Impairments and write-ups in Refining & Marketing

In 2022, there was a net write-up of EUR 67 mn of the ADNOC Refining and Trading CGU, mainly related to the impairment testing triggered by the positive near-term margin outlook for refining margins in Middle East.

In 2021, the deterioration in the margin outlook led to a change in price assumptions and triggered impairment testing in the ADNOC Refining and Trading CGU. This led to an impairment of EUR 669 mn due to lower refining margins and production volumes in ADNOC Refining.

Impairments and write-ups in Exploration & Production

In Q4/22, OMV updated its commodity price assumptions. Whereas the European gas prices increased for the near and long-term, the expected production volume of some oil and gas assets in Romania decreased due to higher expected natural decline rates and operating costs increased. These effects led to pre-tax impairments of EUR 117 mn (net of write-ups) of some development and production oil and gas assets, related to assets in Romania, New Zealand and Austria. For more details on price assumptions see Note 2 – Accounting policies, judgements and estimates.

Exploration & Production impairments and write-ups based on impairment testing in Q4/22

In EUR mn

Country	Pre-tax impairments net of write-ups	Value in use of assets impacted	After-tax discount rate
New Zealand	(173)	881	8.93%
Romania	367	1,910	10.28%
Austria	(78)	1,090	8.94%

In 2022 reported impairment losses attributable to exploration and appraisal (EUR 183 mn) were mainly related to unsuccessful exploration wells and exploration licenses in Norway, New Zealand, Romania and Australia.

Additionally, impairments in 2022 included mainly unsuccessful workovers, obsolete or replaced assets in Romania (EUR 84 mn) and a production license in Libya (EUR 70 mn).

The planned sale of OMVs relevant operating entities in Yemen in Q2/22 led to the reclassification to “held for sale”, which triggered a pre-tax impairment of EUR 48 mn. For more details please see Note 20 – Assets and liabilities held for sale.

In 2021 based on impairment testing EUR 111 mn of exploration and appraisal assets were impaired, mainly related to assets in Norway, New Zealand, Mexico and Tunisia. Furthermore, impairment losses in 2021 included impairments of EUR 74 mn mainly related to unsuccessfull exploration wells and exploration licenses in Australia, Norway, Romania and New Zealand.

Other impairments in 2021 were mainly related to unsuccessful workovers and obsolete or replaced assets in Romania (EUR 87 mn).

For further information related to significant judgements and assumptions with regards to impairment testing refer to Note 2 – Accounting Policies, judgements and estimates.

8 Exploration expenses

The following financial information represents the amounts included in the Group totals relating to exploration and appraisal of oil and natural gas resources. All such activities are recorded within the Exploration & Production segment.

Exploration for and appraisal of mineral resources

In EUR mn

	2022	2021
Impairment losses (exploration & appraisal)	183	185
Other exploration expenses	67	95
Exploration expenses	**250**	**280**
Total intangible assets – exploration and appraisal expenditure incl. acquisition of unproved reserves	878	967
Net cash used in operating activities	103	85
Net cash used in investing activities[1]	149	(169)

[1] Overall amount reported in 2021 represents a net cash inflow due to the sale of OMV's 25% stake in the Wisting oil field in Norway leading to a cash inflow of EUR 290 mn.

9 Other operating expenses

Other operating expenses

In EUR mn

	2022	2021
Foreign exchange losses from operating activities	268	121
Losses on disposals of businesses, subsidiaries, tangible and intangible assets	685	48
Losses from fair value changes of financial assets	432	317
Net impairment losses on financial assets measured at amortized cost	43	9
Personnel reduction schemes	3	22
Research and development expenses	65	58
Residual other operating expenses	142	113
Other operating expenses	**1,639**	**688**

Foreign exchange losses from operating activities in 2022 and 2021 were mainly impacted by USD foreign exchange rate development.

Losses on disposals of businesses, subsidiaries, tangible and intangible assets contained mostly losses from deconsolidation of the Russian entities in the amount of EUR 658 mn. For further details see Note 2 – Accounting policies, judgements and estimates, section 'Impact of Russia's invasion of Ukraine and related significant estimates and assumptions'.

Losses from fair value changes of financial assets contained losses related to asset from reserves redetermination rights with respect to the acquisition of interests in the Yuzhno Russkoye field. For further details see Note 2 – Accounting policies, judgements and estimates, section 'Impact of Russia's invasion of Ukraine and related significant estimates and assumptions'. In 2021, these losses related to fair value adjustments of asset from reserves redetermination rights with respect to Yuzhno Russkoye field (EUR 256 mn) and financial assets from the reassessment of contingent consideration from the divestment of the 30% stake in Rosebank and OMV (U.K.) Limited (EUR 61 mn).

Net impairment losses on financial assets measured at amortized cost were mainly related to impairments of receivables in Tunisia amounting to EUR 20 mn (2021: EUR 9 mn).

Further information on **personnel reduction schemes** is included in Note 10 – Personnel expenses.

Residual other operating expenses contained expenses relating to various digitalization initiatives amounting to EUR 40 mn (2021: EUR 45 mn) as well as storage expenses related to Erdöl-Lagergesellschaft m.b.H. in amount of EUR 45 mn (2021: EUR 51 mn).

10 Personnel expenses

Personnel expenses

In EUR mn

	2022	2021
Wages and salaries	1,314	1,273
Costs of defined benefit plans	30	28
Costs of defined contribution plans	77	62
Personnel reduction schemes	3	22
Other employee benefits	275	267
Taxes and social contribution	309	302
Personnel expenses	**2,009**	**1,953**

Higher net expenses for **personnel reduction schemes** in 2021 were mainly related to restructuring expenses from outsourcing activities in Romania.

Share-based payments were part of **other employee benefits**. For further information please refer to Note 32 – Share-based payments.

Additional details on **defined benefit plans** are included in Note 23 – Provisions.

11 Net financial result

Interest income

In EUR mn

	2022	2021
Cash & cash equivalents	193	27
Discounted receivables	5	5
Other financial and non-financial assets	20	9
Loans	51	120
Interest income	**269**	**161**

Interest income on cash and cash equivalents in 2022 was primarily related to interest income on RON, USD and EUR bank deposits.

Interest income from loans included EUR 17 mn (2021: EUR 92 mn) related to the Nord Stream 2 financing agreement and EUR 32 mn (2021: EUR 27 mn) related to loan agreement towards Bayport Polymers LLC. For further details see Note 18 – Financial assets.

Interest expenses

In EUR mn

	2022	2021
Bonds	120	142
Lease liabilities	30	26
Other financial and non-financial liabilities	47	26
Provisions for decommissioning and restoration obligations	196	114
Provisions for jubilee payments, personnel reduction schemes and other employee benefits	3	2
Provisions for pensions and severance payments	14	12
Provisions for onerous contracts	14	17
Other	11	8
Interest expenses, gross	**435**	**348**
Capitalized borrowing costs	(18)	(14)
Interest expenses	**417**	**334**

For further details on **bonds** see Note 24 – Liabilities.

For OMV Petrom SA the **unwinding expenses for decommissioning provision** are included net of the unwinding income for related Romanian State receivables. For further details see Note 18 – Financial assets.

Interest expenses on provisions for decommissioning and restoration obligations in 2022 were impacted by the negative reassessment effects of receivables from the Romanian State amounting to EUR 65 mn (2021: EUR 41 mn). The remaining part of interest expenses on provisions for decommissioning and restoration obligations related entirely to unwinding effects. Both effects increased in 2022 due to the increase in discount rates.

The **interest expenses on pension provisions** were netted against interest income on pension plan assets which amounted to EUR 6 mn (2021: EUR 5 mn).

Provisions for onerous contracts included the unwinding expenses for the Gate LNG obligation and associated transportation commitments of OMV Gas Marketing & Trading GmbH. For further details see Note 23 – Provisions.

Capitalized borrowings costs applied to the carrying value of qualifying assets were mainly related to propane dehydrogenation plant under construction at the Borealis production site in Kallo, Belgium and construction of the ReOil and Bio-Oil plant in Austria.

Other financial income and expense

In EUR mn

	2022	2021
Carrying amount of sold trade receivables	(10,857)	(9,348)
Proceeds on sold trade receivables	10,811	9,315
Financing charges for factoring and securitization	**(46)**	**(33)**
Net foreign exchange gains/(losses)	95	9
Other	(1,393)	(17)
Other financial income and expense	**(1,345)**	**(40)**

In 2022 **net foreign exchange gains** were predominantly impacted by USD and were partly offset by NOK.

The position **Other** was mainly related to impairment of the Nord Stream 2 loan (EUR 1,004 mn) and fair value adjustment of investments in Russia (EUR 370 mn). For further details see Note 2 – Accounting policies, judgements and estimates, section ‘Impact of Russia’s invasion of Ukraine and related significant estimates and assumptions’.

12 Taxes on income and profit

Taxes on income and profit

In EUR mn

	2022	2021
Profit before tax	**10,765**	**4,870**
Current taxes	5,505	2,056
thereof related to previous years	37	6
Deferred taxes	85	10
Taxes on income and profit	**5,590**	**2,066**

Taxes on income and profit accounted for in other comprehensive income

In EUR mn

	2022	2021
Deferred taxes	30	42
Current taxes	—	(8)
Taxes on income and profit accounted for in other comprehensive income	**30**	**33**

Changes in deferred taxes[1]

In EUR mn

	2022	2021
Deferred taxes January 1	(87)	(57)
Deferred taxes December 31	(78)	(87)
Changes in deferred taxes	**9**	**(30)**
Deferred taxes accounted for in OCI or directly in equity	(38)	(42)
Changes in consolidated Group, exchange differences and other changes[2]	132	22
Deferred tax expense per income statement	**(85)**	**(10)**
The deferred taxes per income statement comprise the following elements:		
Change in tax rate	(96)	3
Release of and allocation to valuation allowance for deferred taxes	(327)	88
Adjustments within loss carryforwards (not recognized in prior years, expired loss carryforwards and other adjustments)	9	(40)
Reversal of temporary differences, including additions to and use of loss carryforwards	329	(61)

[1] Deferred tax balances also include deferred tax balances reclassified to held for sale.
[2] In 2022 these effects were mainly related to deconsolidation of JSC GAZPROM YRGM Development (EUR 116 mn).

OMV Aktiengesellschaft forms a **tax group** in accordance with section 9 of the Austrian Corporate Income Tax Act 1988 (KStG), which aggregates the taxable profits and losses of all the Group's main subsidiaries in Austria and possibly arising losses of one foreign subsidiary (OMV AUSTRALIA PTY LTD).

Dividend income from domestic subsidiaries is in general exempt from taxation in Austria. Dividends from EU- and EEA-participations as well as from subsidiaries whose residence state has a comprehensive mutual administrative assistance agreement with Austria are exempt from taxation in Austria if certain conditions are fulfilled. Dividends from other foreign investments that are comparable to Austrian corporations, for which the Group holds a 10% investment share or more for a minimum period of one year, are also excluded from taxation at the level of the Austrian parent company.

Change in valuation allowance of deferred taxes for the Austrian tax group was reported in the income statement, except to the extent that the deferred tax assets arose from transactions or events which were recognized outside profit or loss, i.e. in other comprehensive income or directly in equity.

The **effective tax rate** is the ratio of income tax to profit before tax. The tables hereafter reconcile the effective tax rate and the standard Austrian corporate income tax rate of 25% showing the major influencing factors.

Tax rate reconciliation

	2022		2021	
	In EUR mn	In %	In EUR mn	In %
Theoretical taxes on income based on Austrian income tax rate	**2,691**	**25.0**	**1,218**	25.0
Tax effect of:				
Differing foreign tax rates	2,755	25.6	1,270	26.1
Non-deductible expenses	612	5.7	217	4.4
Non-taxable income and tax incentives	(160)	(1.5)	(346)	(7.1)
Income and expenses related to at-equity accounted investments	(414)	(3.8)	(200)	(4.1)
Change in tax rate	96	0.9	(3)	(0.1)
Permanent effects within tax loss carryforwards	(9)	(0.1)	5	0.1
Tax write-downs and write-ups on investments in subsidiaries	(430)	(4.0)	32	0.7
Change in valuation allowance for deferred taxes	327	3.0	(88)	(1.8)
Taxes related to previous years	60	0.6	32	0.7
Other	61	0.6	(71)	(1.4)
Total taxes on income and profit	**5,590**	**51.9**	**2,066**	42.4

Differing foreign tax rates effects in 2022 mostly relate to subsidiaries operating in tax jurisdictions with high corporate income tax rates (Norway, United Arab Emirates and Libya). Increase in the effects related to differing foreign tax rates as compared to 2021 was mostly due to significant growth in profit before tax of those subsidiaries.

Non-deductible expenses contained mainly losses from fair value changes of financial assets, effects related to deconsolidation of JSC GAZPROM YRGM Development and permanent effects from depreciation, depletion and amortization.

Non-taxable income and tax incentives in 2022 mainly related to non-taxble gains on the sale of the filling station business in Germany. 2021 was predominantly impacted by the gains on the sale of Wisting field and tax incentives in Norway.

Income and expenses related to at-equity accounted investments effects in 2022 were mainly related to share of profit from equity-accounted investments, gains from the sucessful listing of Borouge PLC on ADX (the Abu Dhabi Securities Exchange) and write -up of investment in ADNOC Refining. 2021 was mainly impacted by the share of profit from equity-accounted investments and ADNOC Refining impairment. For further details see Note 16 – Equity-accounted investments.

Effects related to the change in tax rate mainly related to decrease in deferred tax rate for Austrian entities. Based on the Eco Social Tax Reform Act which was adopted by the National Parliament of Austria in January 2022, corporate income tax rate will be decreased from 25% to 24% in 2023 and further to 23% from 2024 onward.

Tax write-downs and write-ups on investments in subsidiaries in 2022 were mainly related to the tax impairment of the investment in JSC GAZPROM YRGM Development.

Change in valuation allowance for deferred taxes was predominately impacted by the increase in valuation allowances on deferred tax assets in Austria. For further details see Note 25 – Deferred Taxes.

Taxes related to previous years in 2022 were mainly related to the effects on the sale of the filling stations business in Germany and effects related to differences between functional currency and tax currency of certain subsidiaries.

Other effects in 2022 included EU solidarity contribution in the amount EUR 90 mn. As a direct consequence to the energy crisis in Europe, regulatory measures like price caps, subsidy schemes and the EU solidarity contribution are being implemented in some of the countries the OMV Group is active in. The Council Regulation (EU) 2022/1854 introduced a solidarity contribution, which was transposed into the local legislation of the Member States by the end of 2022 and is applicable for 2022 and/or 2023. It represents a contribution for surplus profits of companies operating in the crude petroleum, natural gas, coal and refinery sectors and is calculated based on the taxable profits of those companies, as determined under national tax rules, which are above a 20% increase of the average taxable profits generated in the period 2018 to 2021.

Based on the legislation in Austria, it is expected that two Austrian entities of OMV Group will be subject to the solidarity contribution (Energy Crisis Contribution) for the second half of 2022. Romania transposed this regulation via GEO (Government Emergency Ordinance) 186/2022, approved and published in December 2022. This GEO will subsequently follow the Parliamentary approval process, thus may be subject to changes. Based on OMV Petrom 2022 financials and the provisions of this Emergency Ordinance, OMV Petrom is not subject to the EU solidarity contribution for the fiscal year 2022, having less than 75% of its turnover in the defined areas: extraction of crude, extraction of natural gas, extraction of coal and refining business. Also, for OMV Group entities in Germany no solidarity contribution is expected for 2022.

13 Earnings Per Share

Earnings Per Share (EPS)

In EUR mn

	2022			2021		
	Earnings attributable to stockholders of the parent in EUR mn	Weighted average number of shares outstanding	EPS in EUR	Earnings attributable to stockholders of the parent in EUR mn	Weighted average number of shares outstanding	EPS in EUR
Basic	3,634	326,897,763	11.12	2,093	326,854,031	6.40
Diluted	3,634	327,136,798	11.11	2,093	327,272,727	6.40

The calculation of diluted Earnings per Share took into account the weighted average number of shares in issue following the conversion of all potentially diluting ordinary shares. This included 239,035 (2021: 421,342) contingently issuable bonus shares related to Long Term Incentive Plans and the Equity Deferral.

Notes to the Statement of Financial Position

14 Intangible assets

Intangible assets

In EUR mn

	Concessions, software, licenses, rights	Development costs	Oil and gas assets with unproved reserves	Goodwill	Total
			2022		
Development of costs					
January 1	**2,199**	**464**	**1,876**	**562**	**5,101**
Currency translation differences	(236)	—	36	28	**(172)**
Changes in consolidated Group	(662)	—	(36)	—	**(699)**
Additions	31	110	172	—	**313**
Transfers	5	—	(141)	—	**(136)**
Assets held for sale	(0)	—	27	—	**27**
Disposals	(6)	(2)	(122)	(6)	**(136)**
December 31	**1,330**	**572**	**1,811**	**585**	**4,298**
Development of amortization					
January 1	**979**	**52**	**909**	**—**	**1,940**
Currency translation differences	(85)	(0)	25	—	**(60)**
Changes in consolidated Group	(234)	—	(36)	—	**(270)**
Amortization	108	31	0	—	**140**
Impairments	6	3	179	—	**189**
Transfers	(0)	—	(24)	—	**(24)**
Assets held for sale	(1)	—	1	—	**(0)**
Disposals	(5)	(1)	(121)	—	**(127)**
December 31	**769**	**86**	**934**	**—**	**1,788**
Carrying amount January 1	1,220	411	967	562	**3,161**
Carrying amount December 31	**562**	**486**	**878**	**585**	**2,510**
			2021		
Development of costs					
January 1	**2,120**	**389**	**2,195**	**531**	**5,235**
Currency translation differences	53	0	58	31	**142**
Additions	61	61	134	—	**257**
Transfers	9	14	(336)	—	**(313)**
Assets held for sale	(23)	—	(74)	—	**(96)**
Disposals	(22)	—	(101)	—	**(123)**
December 31	**2,199**	**464**	**1,876**	**562**	**5,101**
Development of amortization					
January 1	**850**	**8**	**934**	**—**	**1,792**
Currency translation differences	11	—	33	—	**44**
Amortization	162	29	0	—	**191**
Impairments	0	12	184	—	**196**
Transfers	0	3	(147)	—	**(143)**
Assets held for sale	(22)	—	—	—	**(22)**
Disposals	(22)	—	(95)	—	**(117)**
December 31	**979**	**52**	**909**	**—**	**1,940**
Carrying amount January 1	1,271	381	1,260	531	**3,443**
Carrying amount December 31	**1,220**	**411**	**967**	**562**	**3,161**

Changes in consolidated group in 2022 of EUR 428 mn were related to the deconsolidation of JSC GAZPROM YRGM Development. For details see Note 3 – Changes in group structure and Note 2 – Accounting policies, judgements and estimates, section 'Impact of Russia's invasion of Ukraine and related significant estimates and assumptions'.

Additions to intangible assets in 2022 included EUR 37 mn (2021: EUR 33 mn) additions for internally generated assets mainly related to capitalized development costs.

The **transfers** were mainly related to the shift of Berling project (Norway) to development assets following the final investment decision.

Intangible assets with a total carrying amount of EUR 27 mn were reclassified back from **assets held for sale** to intangible assets, mainly related to OMV's share in the Maari field in New Zealand. For details see Note 20 – Assets and liabilities held for sale. In 2021 the intangible assets transferred to assets held for sale amounted to EUR 74 mn, mainly related to OMV's 25% stake in the Norwegian oil field Wisting, which was sold in Q4/21.

Further details on **impairments and write-ups** can be found in Note 7 – Depreciation, amortization, impairments and write-ups.

Goodwill arising from business combinations has been allocated to the following CGUs and groups of CGUs, for impairment testing:

Goodwill allocation

In EUR mn

	2022	2021
Middle East and Africa	342	322
SapuraOMV	210	198
Goodwill allocated to Exploration & Production	**552**	**520**
Refining West	—	9
Retail Slovakia	7	7
Refining Austria	26	26
Goodwill allocated to Refining & Marketing	**33**	**42**
Goodwill	**585**	**562**

In 2022, the goodwill allocated to Exploration & Production increased due to favorable currency translation differences.

Goodwill impairment tests based on a value in use calculation have been performed and did not lead to any impairments. For the impairment test of the goodwill allocated to Middle East and Africa, an after-tax discount rate of 10.47% (2021: 9.44%) and for goodwill allocated to SapuraOMV an after-tax discount rate of 9.07% (2021: 8.00%) was used.

An after-tax discount rate of 12.67% (2021: 12.73%) related to the goodwill allocated to Middle East and Africa would lead to zero headroom. The increase of 1 percentage in the after-tax discount rate for the goodwill allocated to SapuraOMV would led to an after-tax impairment of EUR 38 mn. For details regarding changes in price assumptions including the impact on goodwill refer to Note 2 – Accounting policies, judgements and estimates.

For details on contractual obligations for the acquisition of intangible assets refer to Note 15 – Property, plant and equipment.

15 Property, plant and equipment

Property, plant and equipment including right-of-use assets

In EUR mn

	Land and buildings	Oil and gas assets with proved reserves	Plant and machinery	Other fixtures, fittings and equipment	Assets under construction	**Total**
			2022			
Development of costs						
January 1	**3,398**	**25,042**	**11,254**	**1,989**	**1,511**	**43,195**
Currency translation differences	(17)	174	(169)	(3)	(4)	**(20)**
Additions	111	1,244	678	51	1,268	**3,352**
New obligations and change in estimates for decommissioning	4	(74)	(21)	0	—	**(90)**
Transfers	69	127	539	88	(690)	**133**
Assets held for sale	(18)	236	(59)	(12)	(10)	**136**
Disposals	(35)	(200)	(220)	(68)	(13)	**(537)**
December 31	**3,512**	**26,549**	**12,002**	**2,043**	**2,061**	**46,168**
Development of depreciation						
January 1	**1,698**	**15,451**	**6,085**	**1,383**	**8**	**24,626**
Currency translation differences	(8)	18	(106)	(3)	0	**(98)**
Depreciation	138	1,390	671	144	—	**2,342**
Impairments	6	595	8	2	8	**619**
Transfers	1	22	(8)	6	2	**24**
Assets held for sale	(6)	241	(55)	(9)	(1)	**170**
Disposals	(24)	(195)	(211)	(66)	(9)	**(505)**
Write-ups	(0)	(317)	(7)	—	(2)	**(327)**
December 31	**1,805**	**17,205**	**6,378**	**1,457**	**6**	**26,851**
Carrying amount January 1	1,700	9,591	5,169	606	1,503	**18,569**
Carrying amount December 31	**1,706**	**9,344**	**5,624**	**586**	**2,055**	**19,317**

Property, plant and equipment including right-of-use assets

In EUR mn

	Land and buildings	Oil and gas assets with proved reserves	Plant and machinery	Other fixtures, fittings and equipment	Assets under construction	**Total**
			2021			
Development of costs						
January 1	**3,584**	**23,445**	**11,483**	**1,967**	**1,081**	**41,560**
Currency translation differences	(2)	660	(50)	(5)	(1)	**603**
Additions	85	1,047	172	69	994	**2,367**
New obligations and change in estimates for decommissioning	2	(335)	30	—	—	**(303)**
Transfers	39	334	320	91	(468)	**316**
Assets held for sale	(282)	(1)	(493)	(51)	(91)	**(919)**
Disposals	(28)	(107)	(208)	(84)	(4)	**(430)**
December 31	**3,398**	**25,042**	**11,254**	**1,989**	**1,511**	**43,195**
Development of depreciation						
January 1	**1,669**	**13,695**	**5,640**	**1,346**	**7**	**22,358**
Currency translation differences	0	364	(20)	(3)	0	**342**
Depreciation	145	1,255	674	143	—	**2,218**
Impairments	0	93	41	1	1	**137**
Transfers	(2)	148	(3)	4	—	**147**
Assets held for sale	(96)	0	(49)	(28)	(0)	**(173)**
Disposals	(17)	(105)	(200)	(80)	(0)	**(402)**
December 31	**1,698**	**15,451**	**6,085**	**1,383**	**8**	**24,626**
Carrying amount January 1	1,915	9,750	5,843	622	1,073	**19,203**
Carrying amount December 31	**1,700**	**9,591**	**5,169**	**606**	**1,503**	**18,569**

The **transfers** were mainly related to the shift of Berling project (Norway) from intangible assets to development assets following the final investment decision.

Property, plant and equipment with a total carrying amount of EUR 34 mn (2021: EUR 745 mn) were transferred to **assets held for sale**, mainly related to OMV's relevant operating entities in Yemen, the Avanti retail business in Germany and the planned sale of Borealis' share of Rosier fertilizer business. For more details see Note 20 – Assets and liabilities held for sale.

Further details on **impairments and write-ups** can be found in Note 7 – Depreciation, amortization, impairments and write-ups.

Contractual obligations for acquisitions

In EUR mn

	2022	2021
Intangible assets	326	326
Property, plant and equipment	1,410	1,149
Contractual obligations	**1,736**	**1,474**

In 2022 the contractual commitments for acquisitions of fixed assets were mainly related to activities in Exploration & Production and Chemicals & Materials. The increase of contractual obligations in 2022 was mainly related to commitments in Norway and Romania.

OMV as a lessee

The increase in right of use assets is mainly driven by new leasing contracts for storage infrastructure related to the propane dehydrogenation plant (PDH) in Kallo, Belgium.

Additionally, right-of-use assets included mainly leases of filling station sites and buildings, other land, vessels, pipelines and office buildings. In addition, OMV leases mainly a hydrogen plant at Petrobrazi refinery in Romania, technical equipment and vehicles.

Right-of-use assets with a total carrying amount of EUR 7 mn (2021: EUR 53 mn) were transferred to assets held for sale, mainly related to the planned sale of the Avanti retail business in Germany and are represented in the line other movements.

Leases not yet commenced in 2022 but committed amounted to EUR 10 mn (2021: EUR 26 mn).

Right-of-use assets recognized under IFRS 16

In EUR mn

	Land and buildings	Plant and machinery	Other fixtures, fittings and equipment	Total
		2022		
January 1	**555**	**42**	**174**	**771**
Additions	102	498	40	**640**
Depreciation	(63)	(35)	(64)	**(162)**
Other movements	(13)	(1)	(2)	**(16)**
December 31	**581**	**504**	**149**	**1,233**
		2021		
January 1	**593**	**48**	**194**	**836**
Additions	72	18	57	**147**
Depreciation	(67)	(17)	(62)	**(146)**
Other movements	(43)	(7)	(15)	**(66)**
December 31	**555**	**42**	**174**	**771**

Amounts recognized in the consolidated income statement

In EUR mn

	2022	2021
Reported in operating result		
Short-term lease expenses	37	35
thereof capitalized short-term lease expenses	10	11
Reported in net financial result		
Interest expense from lease liabilities	30	26

For information on lease liabilities see Note 24 – Liabilities.

16 Equity-accounted investments

Material associates and joint ventures

Following the Initial Public Offering (IPO) on June 3, 2022 the shareholding in **Borouge PLC** (PLC) has changed to Borealis owning a 36% stake in Borouge PLC and Abu Dhabi National Oil Company owning 54% respectively. The Borouge 4 project, which is currently being executed, has not been part of the offering. It is intended to recontribute Borouge 4 at a later point in time. PLC is registered in Abu Dhabi and is the holding company for its 100% interest in **Abu Dhabi Polymers Company Limited (Borouge)** (ADP) and its 84.75% interest in **Borouge Pte. Ltd.** (PTE). Before the IPO OMV held a 40% stake in ADP, which also included the Borouge 4 project, and a 50% stake in PTE. In 2022, OMV's share in PTE changed, following the IPO, from a 50% (direct) share in 2021 to a 45.76% share (15.25% direct share and 30.51% indirect share through PLC). For the impact on the consolidated income and cash flow statement refer to Note 3 – Changes in group structure.

As of December 31, 2022, the fair value of the Group's interest in PLC, which is listed on the Abu Dhabi Securities Exchange of United Arab Emirates (UAE), was EUR 6,989 mn, based on the quoted market price available on the stock exchange of UAE. The corresponding book value of PLC was EUR 3,944 mn as of December 31, 2022.

The **"Borouge investments" (representing total OMV share in PLC, ADP, PTE)** are a leading provider of innovative, value-creating plastic solutions for energy, infrastructure, automotive, healthcare and agriculture industries as well as advanced packaging applications and also responsible for marketing and sales of the products produced.

Due to the restructuring of the Borouge entities triggered by the IPO in 2022 the previous control assessment was revised. Given the fact that no Board Reserved Matters, which are affecting all relevant activities, can be decided without an affirmative vote of Borealis, OMV has joint control over the three investments. Furthermore, it was concluded that already in previous years joint control was exercised and therefore the presentation within this Note was adjusted accordingly (included in below tables as 'joint venture' instead of 'associate').

Bayport Polymers LLC, registered in Pasadena (incorporated in Wilmington), successfully started its operations of the new one million ton-per-year ethane cracker at the Port Arthur Refinery and is currently building a polyethylene unit in Pasadena with the target to deliver a broad range of products to meet the growing global demand of sustainable and high energy efficient plastic products. As OMV has joint control over Bayport Polymers LLC (50/50 share split) and rights to the net assets, it therefore accounts the company as joint venture.

OMV also holds a 15% (2021: 15%) interest **in Abu Dhabi Oil Refining Company**, registered in Abu Dhabi, which runs a refinery hub with integrated petrochemicals. According to the contractual agreement between the shareholders, OMV has strong participation rights which represent significant influence as per IAS 28 definition. In 2022, a net write-up of EUR 67 mn was recognized in ADNOC Refining and Trading CGU (in 2021 impairment of EUR 669 mn). For further details please refer to Note 7 – Depreciation, amortization, impairments and write-ups.

The tables below contain summarized financial information for the material associates and joint ventures.

Statement of comprehensive income

In EUR mn

	2022			2021		
	Associate	**Joint Ventures**		Associate	Joint Ventures	
	Abu Dhabi Oil Refining Company	Borouge investments	Bayport Polymers LLC	Abu Dhabi Oil Refining Company	Abu Dhabi Polymers Company Limited (Borouge)[1]	Bayport Polymers LLC
Sales revenue	36,241	12,027	601	21,760	4,630	588
Net income for the year	2,054	1,055	(116)	(233)	1,139	73
Other comprehensive income	2	20	—	—	1	—
Total comprehensive income	2,056	1,075	(116)	(233)	1,140	73
Group's share of comprehensive income	308	407	(58)	(35)	456	36

[1] Included 40% stake in the Borouge 4 project, which was transferred in 2022 to the newly founded company Borouge 4 LLC (included in 2022 in individually immaterial joint ventures)

Statement of financial position

In EUR mn

	2022			2021		
	Associate	**Joint Ventures**		Associate	Joint Ventures	
	Abu Dhabi Oil Refining Company	Borouge investments	Bayport Polymers LLC	Abu Dhabi Oil Refining Company	Abu Dhabi Polymers Company Limited (Borouge)[1]	Bayport Polymers LLC
Non-current assets	17,084	6,901	4,002	17,905	6,696	3,379
Current assets	3,888	3,924	194	2,979	1,826	163
Non-current liabilities	6,363	4,107	2,635	6,100	3,603	1,913
Current liabilities	628	2,021	166	1,093	558	206
Equity	13,982	4,698	1,396	13,691	4,361	1,423
Group's share	2,097	1,704	698	2,054	1,744	711
Goodwill	—	2,058	—	—	1,917	—
OMV Group adjustments	(573)	268	(24)	(873)	400	(23)
Carrying amount of investment	**1,524**	**4,030**	**674**	**1,181**	**4,061**	**688**

[1] Included 40% stake in the Borouge 4 project, which was transferred in 2022 to the newly founded Borouge 4 LLC (included in 2022 in individually immaterial joint ventures)

Carrying amount reconciliation

In EUR mn

	2022			2021		
	Associate	Joint Ventures		Associate	Joint Ventures	
	Abu Dhabi Oil Refining Company	Borouge investments	Bayport Polymers LLC	Abu Dhabi Oil Refining Company	Abu Dhabi Polymers Company Limited (Borouge)[1]	Bayport Polymers LLC
January 1	**1,181**	**4,061**	**688**	**1,747**	**5,062**	**620**
Currency translation differences	83	248	44	138	419	53
Transfer[2]	—	337	—	—	—	—
Net income	308	400	(58)	(35)	456	36
Other comprehensive income	0	7	—	—	0	—
Dividends distributed	(116)	(592)	—	—	(1,876)	(21)
Write-up (Impairment)	67	—	—	(669)	—	—
Other changes	—	(430)[3]	—	—	—	—
December 31	**1,524**	**4,030**	**674**	**1,181**	**4,061**	**688**

[1] Included 40% stake in the Borouge 4 project, which was transferred in 2022 to newly founded Borouge 4 LLC (included in 2022 in individually immaterial joint ventures)

[2] Mainly comprises the transfer of the direct share in PTE, which is part of “Borouge investments” and therefore included in material joint ventures from 2022 onwards

[3] Refers to the partial disposal of ADP and PTE as a result of ADX listing in 2022. For details refer to the description above.

Individually immaterial associates and joint ventures

OMV holds 55.6% (2021: 55.6%) of **Erdöl-Lagergesellschaft m.b.H** (ELG), registered in Lannach, which is holding the major part of the emergency stock of crude and petroleum products in Austria. In spite of holding the majority of voting rights in the general assembly, OMV does not have control over ELG. The significant decisions on the financial and operating policies are delegated to the standing shareholder’s committee in which a quorum of two thirds of the share capital is required for decisions.

Since March 2022, OMV has 40% interest through Borealis in **Borouge 4 LLC**, registered in Abu Dhabi. The company executes the ongoing Borouge 4 project by developing an ethane-based steam cracker, two polyolefin plants, a 1-Hexene unit, a cross-linked polyethylene plant (XPLE) and an in-depth study for carbon capture unit. It was previously part of the 40% direct interest in ADP but scoped out of the IPO in June 2022, as described above, and therefore transferred to this newly founded company. However, it is intended to recontribute Borouge 4 at a later point. Given the fact that no Board Reserved Matters, which are affecting all relevant activities can be decided without an affirmative vote by Borealis, OMV has joint control over Borouge 4 LLC and accounts for it as joint venture.

OMV exercises joint control over **Abu Dhabi Petroleum Investments LLC** (ADPINV, OMV’s interest 25%, 2021: 25%), registered in Abu Dhabi, and **Pak-Arab Refinery Limited** (PARCO; indirect interest of OMV amounts to 10%, 2021: 10%), registered in Karachi, and accounts both investments at-equity. ADPINV is a holding company for its 40% interest in PARCO. As unanimous consent of the parties is required for decisions about relevant activities and OMV has rights to the net assets based on the legal structure, OMV classified the companies as joint ventures according to IFRS 11.

In June 2021, OMV subscribed through Borealis to a new share issue, thus acquiring 10% in **Renasci N.V.**, a company incorporated in Belgium. On November 9, 2022 as a result of the debt conversion into newly issued shares, OMV has increased its stake in Renasci N.V. from 10% to 27.42%. The nominal amount of the loan converted was EUR 24 mn. Renasci N.V. is principally engaged in the development of the proprietary processes and know-how about various technologies regarding waste treatment and recycling. Through the shareholder agreement, Borealis is guaranteed two seats on the board of Renasci N.V. and participates in major significant financial and operating decisions. The Group has therefore determined that it has significant influence over this entity. Therefore, the investment is accounted for as an associated company.

Furthermore, OMV has a 10% interest (2021: 10%) in Pearl Petroleum Company Limited, registered in Road Town, British Virgin Islands, which is involved in exploration and production of hydrocarbons in the Kurdistan Region of Iraq. According to the contractual agreement between OMV and Pearl Petroleum Company Limited (Pearl), OMV has significant influence within the meaning of IAS 28, as unanimous consent is required for some strategic decisions. Therefore, Pearl is accounted for using the equity method although OMV's share is just 10%.

For further details, please refer to Note 38 – Direct and indirect investments of OMV Aktiengesellschaft.

Statement of comprehensive income for individually immaterial associates and joint ventures – Group's share[1]

In EUR mn

	2022		2021	
	Associates	Joint ventures	Associates	Joint ventures
Sales revenue	5,889	461	3,314	5,516
Net income for the year	189	30	86	58
Other comprehensive income	0	(2)	—	1
Total comprehensive income	190	27	86	58

[1] The presentation within this table was adjusted for 2021 due to control re-assessment for PTE: included as 'joint venture' instead of 'associate'

Carrying amount reconciliation for individually immaterial associates and joint ventures[1]

In EUR mn

	2022		2021	
	Associates[2]	Joint ventures	Associates[2]	Joint ventures
January 1	**541**	**416**	**501**	**391**
Currency translation differences	(8)	(13)	33	24
Changes in consolidated group[3]	(89)	—	25	(15)
Transfer[4]	—	(337)	—	—
Additions and other changes	24	409[5]	—	—
Net income	189	30	86	58
Other comprehensive income	0	(2)	—	1
Disposals and other changes	(1)	—	(55)	—
Dividends distributed	(88)	(5)	(50)	(42)
December 31	**568**	**498**	**541**	**416**

[1] The presentation within this table was adjusted for 2021 due to control re-assessment for PTE: included as 'joint venture' instead of 'associate'

[2] Includes associated companies accounted at-cost

[3] Changes in consolidated group represent the deconsolidation of OJSC Severneftegazprom. For further details refer to Note 2 – Accounting policies, judgements and estimates, section 'Impact of Russia's invasion of Ukraine and related significant estimates and assumptions'.

[4] Mainly comprises the transfer of the direct share in PTE, which is part of "Borouge investments" and therefore included in material joint ventures from 2022 onwards (for details refer to the description above).

[5] Refers mainly to the capital contribution to Borouge 4 LLC

17 Inventories

Inventories

In EUR mn

	2022	2021
Crude oil	824	673
Natural gas	936	204
Other raw materials	677	537
Work in progress	231	146
Finished petroleum products	1,112	645
Other finished products[1]	1,053	945
Inventories	**4,834**	**3,150**

[1] The balance of other finished products is mainly attributable to the finished products of Borealis Group, i.e. polyolefins and base chemicals.

Purchases (net of inventory variation)

In EUR mn

	2022	2021
Costs of goods and materials	34,811	16,610
Inventory changes[1]	4,047	3,615
Write-downs to net realizable value and write-offs of inventories	466	41
Reversal of inventories write-downs	(25)	(9)
Purchases (net of inventory variation)	**39,298**	**20,257**

[1] Mainly related to petrochemical products

In 2022 the line ‘write-downs to net realizable value and write-offs of inventories’ was mainly related to gas in storage.

18 Financial assets

Financial assets[1]

In EUR mn

	Valued at fair value through profit or loss	Valued at fair value through other comprehen-sive income	Valued at amortized cost	**Total carrying amount**	thereof short-term	thereof long-term
				2022		
Trade receivables from contracts with customers	136	—	3,351	**3,487**	3,487	—
Other trade receivables	—	—	735	**735**	735	—
Total trade receivables	**136**	**—**	**4,086**	**4,222**	**4,222**	**—**
Investments in other companies	24	19	—	**42**	—	42
Investment funds	26	—	—	**26**	—	26
Bonds	—	—	52	**52**	32	20
Derivatives designated and effective as hedging instruments	10	370	—	**380**	263	116
Other derivatives	2,867	—	—	**2,867**	2,114	753
Loans	—	—	711	**711**	82	628
Other sundry financial assets	—	—	1,850	**1,850**	1,437	412
Total other financial assets	**2,927**	**389**	**2,612**	**5,928**	**3,929**	**1,999**
Financial assets	**3,063**	**389**	**6,699**	**10,150**	**8,151**	**1,999**
				2021		
Trade receivables from contracts with customers	258	—	3,671	**3,929**	3,929	—
Other trade receivables	—	—	589	**589**	589	—
Total trade receivables	**258**	**—**	**4,260**	**4,518**	**4,518**	**—**
Investments in other companies	1	16	—	**17**	—	17
Investment funds	30	—	—	**30**	—	30
Bonds	—	—	63	**63**	24	40
Derivatives designated and effective as hedging instruments	—	398	—	**398**	312	87
Other derivatives	4,220	—	—	**4,220**	3,425	795
Loans	—	—	2,015	**2,015**	115	1,900
Other sundry financial assets	432	—	1,703	**2,135**	1,272	862
Total other financial assets	**4,683**	**415**	**3,781**	**8,879**	**5,148**	**3,730**
Financial assets	**4,941**	**415**	**8,041**	**13,397**	**9,667**	**3,730**

[1] Excluding financial assets that were reclassified to assets held for sale, which are described in Note 20 – Assets and liabilities held for sale.

The carrying amount of **financial assets at fair value through profit or loss** as of December 31, 2022, was EUR 3,063 mn (2021: EUR 4,941 mn). These mainly consisted of financial assets held for trading.

In 2021 it included also an acquired contractual position towards Gazprom with regard to the reserves redetermination in amount of EUR 432 mn in connection with the acquisition of interests in the Yuzhno Russkoye field. As OMV no longer expects the contractual position towards Gazprom to be recoverable, a fair value loss of EUR 432 mn was recognized in other operating expenses which reduced the fair value of this position to zero. For further details refer to Note 2 – Accounting policies, judgements and estimates, section ‘Impact of Russia’s invasion of Ukraine and related significant estimates and assumptions’.

In 2021, the position **loans** included drawdowns and the related accrued interests under the financing agreements for the Nord Stream 2 pipeline project in amount of EUR 987 mn. The total outstanding amount of EUR 1 bn including accrued interest as of March 5, 2022, was fully impaired, negatively impacting the financial result. For further details refer to Note 2 – Accounting policies, judgements and estimates, section ‘Impact of Russia’s invasion of Ukraine and related significant estimates and assumptions’.

The position **loans** in 2022 included drawdowns and the related accrued interests under a member loan agreement towards Bayport Polymers LLC in amount of EUR 657 mn (2021: EUR 987 mn). During 2022 the loan was partially repaid in amount of EUR 602 mn, partly offset by additional drawdowns made amounting to EUR 227 mn (2021: EUR 183 mn). For further details see Note 35 – Related Parties as well as Note 28 – Risk Management.

Other sundry financial assets included expenditure recoverable from Romanian State amounting to EUR 326 mn (2021: EUR 372 mn) related to obligations for decommissioning and environmental costs in OMV Petrom SA. The receivables consisted of EUR 318 mn (2021: EUR 352 mn) for costs relating to decommissioning and EUR 8 mn (2021: EUR 20 mn) for costs relating to environmental cleanup.

On March 7, 2017, OMV Aktiengesellschaft, as party in the OMV Petrom privatization agreement, initiated arbitration proceedings against the Romanian Ministry of Environment, in accordance with the International Chamber of Commerce Rules, regarding certain claims unpaid by this ministry for costs incurred by OMV Petrom relating to well decommissioning and environmental remediation works, amounting to EUR 58 mn. On July 9, 2020, the Arbitral Tribunal issued the Final Award on the arbitration and requested the Romanian Ministry of Environment to reimburse to OMV Petrom almost entirely the amount claimed and related interest. The amount of EUR 58 mn representing the principal and the amount of EUR 17 mn representing default interest were collected in 2021 and 2022, respectively.

On October 2, 2020, OMV Aktiengesellschaft, as party in the privatization agreement, initiated arbitration proceedings against the Romanian Ministry of Environment in accordance with the International Chamber of Commerce Rules, regarding certain claims unpaid by the Romanian Ministry of Environment in relation to well decommissioning and environmental restoration obligations amounting to EUR 31 mn. On August 30, 2022, the Arbitral Tribunal issued the Final Award on the arbitration and requested the Ministry of Environment to reimburse to OMV Petrom the amount of EUR 31 mn and related interest. In October 2022, the Ministry of Environment challenged the award in front of Paris Court of Appeal, procedure which is ongoing as of December 31, 2022.

Furthermore, in Q4/22, OMV Aktiengesellschaft, as party in the privatization agreement, initiated two other arbitration proceedings against the Romanian Ministry of Environment, in accordance with the International Chamber of Commerce Rules, regarding certain claims unpaid by this ministry in relation to well decommissioning and environmental remediation works amounting to EUR 47 mn. As of December 31, 2022, the arbitration procedure is ongoing.

Moreover, in 2022 this position included receivables related to insurance proceeds of around EUR 200 mn with regards to the incident at the crude distillation unit at the Schwechat refinery in June 2022.

Additionally, other sundry financial assets contained receivables towards partners in the Exploration & Production business as well as seller participation notes and complementary notes in Carnuntum DAC (see Note 36 – Unconsolidated structured entities – for further details).

Equity investments measured at FVOCI

In EUR mn

	2022			2021		
Investment	Fair value	Fair value adjustment through OCI	Dividend recognized as income	Fair value	Fair value adjustment through OCI	Dividend recognized as income
APK Pensionskasse AG	2	(0)	0	2	(0)	0
Wiener Börse AG	7	3	1	4	(0)	1
FSH Flughafen-Schwechat-Hydranten-Gesellschaft GmbH & Co OG	2	—	0	2	—	—
WAV Wärme Austria VertriebsgmbH	2	—	0	2	—	0
Bockatech Ltd.	3	—	—	3	—	—
Oil Insurance Limited	0	—	4	0	—	4
Other	2	—	0	2	—	4
Equity investments measured at FVOCI	**19**	**2**	**6**	**16**	**(1)**	**9**

Probability of default

	Equivalent to external credit rating	Probability of default	
		2022	2021
Risk Class 1	AAA, AA+, AA, AA-, A+, A, A-	0.13%	0.07%
Risk Class 2	BBB+, BBB, BBB-	0.44%	0.24%
Risk Class 3	BB+, BB, BB-	1.18%	1.21%
Risk Class 4[1]	B+, B, B-	8.52%	10.37%
Risk Class 5[1]	CCC/C	29.54%	10.37%
Risk Class 6	SD/D	100.00%	100.00%

[1] In 2022 the previous Risk Class 4 with the equivalent external ratings B+, B, B- and CCC/C was split into two different risk classes (Risk Class 4 and 5) in order to provide a more transparent view on the credit risk position of the group. Former Risk Class 5 became the new Risk Class 6.

For further details on the credit risk management see Note 28 – Risk Management.

Impairments of trade receivables

In EUR mn

	2022	2021
January 1	**51**	**61**
Amounts written off	(4)	(2)
Net remeasurement of expected credit losses	23	(6)
Currency translation differences	0	(0)
Reclassification to assets held for sale	(4)	(1)
Changes in consolidated group	(1)	—
December 31	**65**	**51**

Net remeasurement of expected credit losses was mainly related to the trade receivables from contracts with customers.

Credit quality of trade receivables

In EUR mn

	2022	2021
Risk Class 1	1,457	1,653
Risk Class 2	1,239	1,133
Risk Class 3	927	944
Risk Class 4	333	375
Risk Class 5	153	163
Risk Class 6	42	43
Total gross carrying amount	**4,151**	**4,311**
Expected credit loss	(65)	(51)
Total	**4,086**	**4,260**

Impairments of other financial assets at amortized cost

In EUR mn

	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
		2022		
January 1	**9**	**31**	**211**	**251**
Amounts written off	0	—	(5)	**(5)**
Net remeasurement of expected credit losses[1]	2	12	1,100	**1,114**
Currency translation differences	0	2	4	**6**
December 31[2]	**10**	**44**	**1,311**	**1,365**
		2021		
January 1	**7**	**26**	**202**	**235**
Amounts written off	(0)	—	(2)	**(2)**
Net remeasurement of expected credit losses	2	0	13	**15**
Currency translation differences	0	4	1	**5**
Reclassification to assets held for sale	—	—	(2)	**(2)**
December 31[2]	**9**	**31**	**211**	**251**

[1] "Lifetime ECL credit impaired" includes fully impaired gross carrying amount of loan receivables including accrued interests related to the financing agreements for the Nord Stream 2 pipeline project in amount of EUR 1.1 bn.

[2] "12-month ECL" included an amount of EUR 1 mn (2021: EUR 1 mn) and "Lifetime ECL credit impaired" an amount of EUR 9 mn (2021: EUR 10 mn) related to expenditure recoverable from Romanian State, which are outside the scope of IFRS 9.

Credit Quality other financial assets at amortized cost

In EUR mn

	12-month ECL	Lifetime ECL not credit im-paired	Lifetime ECL credit impaired	Total	12-month ECL	Lifetime ECL not credit im-paired	Lifetime ECL credit impaired	Total
	2022				2021			
Risk Class 1	1,014	86	80	**1,180**	2,069	65	68	**2,202**
Risk Class 2[1]	702	—	9	**710**	1,464	—	10	**1,473**
Risk Class 3	826	—	2	**827**	209	—	2	**210**
Risk Class 4	4	—	—	**4**	9	—	—	**9**
Risk Class 5[2]	35	—	1,112	**1,147**	5	—	22	**27**
Risk Class 6	0	—	109	**109**	0	—	111	**111**
Total gross carrying amount	**2,580**	**86**	**1,311**	**3,977**	**3,756**	**65**	**211**	**4,032**
Expected credit loss[3]	(10)	(44)	(1,311)	**(1,365)**	(9)	(31)	(211)	**(251)**
Total	**2,570**	**42**	**—**	**2,612**	**3,747**	**34**	**—**	**3,781**

[1] “12-month ECL” included an amount of EUR 327 mn (2021: EUR 373 mn) and “Lifetime ECL credit impaired” an amount of EUR 9 mn (2021: EUR 10 mn) related to expenditure recoverable from Romanian State, which are outside the scope of IFRS 9.

[2] “Lifetime ECL credit impaired” includes fully impaired gross carrying amount of loan receivables including accrued interests related to the financing agreements for the Nord Stream 2 pipeline project in amount of EUR 1.1 bn.

[3] “12-month ECL” included an amount of EUR 1 mn (2021: EUR 1 mn) and “Lifetime ECL credit impaired” an amount of EUR 9 mn (2021: EUR 10 mn) related to expenditure recoverable from Romanian State, which are outside the scope of IFRS 9.

19 Other assets

Other assets

In EUR mn

	2022		2021	
	Short-term	Long-term	Short-term	Long-term
Prepaid expenses	84	15	60	18
Advance payments on fixed assets	72	14	83	14
Other payments on account	194	16	107	22
Receivables from other taxes and social security	395	40	185	39
Contract assets	—	8	8	8
Emission rights[1]	223	—	58	—
Emission rights to be received from customers[1]	36	—	99	—
Other non-financial assets	194	22	21	12
Other assets	**1,198**	**115**	**621**	**113**

[1] For further details refer to Note 23 – Provisions.

The increase in ‘Other non-financial assets’ is driven by the receivables from Romanian authorities in relation to the compensations for the natural gas sales at cap prices to clients allocated to the Company as Supplier of Last Resort and for electricity sales at capped prices, as well as receivables in relation with the subsidies supporting half of the 0.50 RON per liter voluntary price reduction for the sale of diesel and gasoline in Romania.

20 Assets and liabilities held for sale

Assets and liabilities held for sale

In EUR mn

	Nitrogen business unit	Rosier	Total	OMV retail business Slovenia	Other	Total			
		C&M			**R&M**		**E&P**	**C&O**	**OMV Group**
					2022				
Intangible assets	3	0	3	0	0	0	—	—	3
Property, plant and equipment	658	4	662	121	13	134	20	3	819
At-equity accounted investments	6	—	6	—	—	—	—	—	6
Other assets incl. deferred taxes	27	1	28	0	4	4	—	—	32
Non-current assets	**694**	**5**	**699**	**121**	**17**	**139**	**20**	**3**	**860**
Inventories	275	33	308	46	1	48	16	—	371
Trade receivables	150	8	159	63	—	63	0	—	221
Other assets	151	2	153	6	—	6	30	—	189
Cash in hand and at bank	12	4	16	5	—	5	14	—	35
Current assets	**588**	**47**	**635**	**120**	**1**	**121**	**59**	**—**	**816**
Total assets	**1,282**	**52**	**1,334**	**241**	**19**	**260**	**79**	**3**	**1,676**
Provision for pensions and similar obligations	49	—	49	0	—	0	14	—	63
Lease liabilities	7	1	8	27	—	27	—	—	35
Provisions for decommissioning and restoration obligations	11	—	11	0	1	1	—	—	13
Other liabilities incl. provisions and deferred taxes	37	1	38	1	—	1	20	—	59
Non-current liabilities	**105**	**1**	**106**	**29**	**1**	**30**	**34**	**—**	**170**
Trade payables	229	9	238	22	—	22	12	—	272
Other liabilities incl. provisions	124	3	127	43	1	44	13	—	184
Current liabilities	**353**	**12**	**365**	**65**	**1**	**66**	**25**	**—**	**456**
Total liabilities	**458**	**13**	**471**	**94**	**2**	**96**	**59**	**—**	**626**

Assets and liabilities held for sale

In EUR mn

	Nitrogen business unit	OMV retail business Germany	OMV retail business Slovenia	Total			
	C&M	**R&M**			**E&P**	**C&O**	**OMV Group**
			2021				
Intangible assets	1	10	0	10	27	—	38
Property, plant and equipment	260	247	119	366	32	3	661
At-equity accounted investments	6	—	—	—	—	—	6
Other assets incl. deferred taxes	27	44	0	44	—	—	71
Non-current assets	**294**	**301**	**119**	**420**	**58**	**3**	**776**
Inventories	221	24	52	76	10	—	308
Trade receivables	222	43	51	93	1	—	316
Other assets	62	0	1	1	2	—	65
Cash in hand and at bank	11	0	2	2	1	—	14
Current assets	**516**	**67**	**106**	**173**	**14**	**—**	**703**
Total assets	**810**	**368**	**225**	**593**	**73**	**3**	**1,479**
Provision for pensions and similar obligations	62	0	0	0	—	—	63
Lease liabilities	5	114	35	149	—	—	154
Provisions for decommissioning and restoration obligations	12	23	—	23	85	—	120
Other liabilities incl. provisions and deferred taxes	41	52	2	54	—	—	95
Non-current liabilities	**120**	**189**	**37**	**227**	**85**	**—**	**432**
Trade payables	236	40	39	79	10	—	325
Other liabilities incl. provisions	78	28	47	75	—	—	153
Current liabilities	**314**	**67**	**86**	**153**	**10**	**—**	**477**
Total liabilities	**434**	**257**	**123**	**380**	**95**	**—**	**909**

Chemicals & Materials

As of December 31, 2022, assets held for sale and liabilities associated with assets held for sale in Chemicals & Materials were related mostly to the nitrogen business unit of Borealis Group.

During 2021 OMV decided to sell the nitrogen business unit in Borealis Group (75% held by OMV) including fertilizer, technical nitrogen and melamine products. This led to the reclassification of the disposal group to assets and liabilities held for sale without having an impact on the income statement at that time. The Borealis Group's share in fertilizer production sites in the Netherlands and Belgium ("Rosier") was not considered as part of the potential sales process at that time and its assets and related liabilities do not belong to the Borealis nitrogen business unit held for sale.

The period to complete the sale was extended by events and circumstances beyond OMV's control. The developments resulting from the war in Ukraine and related sanctions caused Borealis to decline a binding offer received from EuroChem in February 2022 and to consider other options. On July 28, 2022, Borealis accepted a new binding offer from AGROFERT, a.s. which was received on June 2, 2022, after the mandatory information and consultation procedures with employee representatives were finalized. On the same date, both companies entered into an agreement to sell and transfer all shares in the legal entities included in the scope of the transaction. The transaction itself remains subject to certain closing conditions and regulatory approvals.

In 2022 a write-up was recognized based on the offer received from AGROFERT, a.s. while in 2021 impairment loss was recognized based on the binding offer from EuroChem. For further details see Note 7 – Depreciation, amortization, impairments and write-ups.

OMV determines the net position of emission certificates for the Group. As of December 31, 2022, an obligation to surrender 2,133,124 emission certificates (market value: EUR 179 mn) related to the nitrogen business unit was not included in the balance sheet line "Liabilities associated with assets held for sale", due to the net presentation policy.

As of December 31, 2022, the remaining part of assets held for sale and liabilites associated with asset held for sale in Chemicals & Materials was related to Rosier. On September 26, 2022, a binding agreement for the acquisition of Borealis' shares in Rosier S.A. was signed with the YILDIRIM Group's YILFERT Holding. This led to the reclassification of Rosier to assets and liabilities held for sale without having material impact on the income statement at that time.

Refining & Marketing

On May 1, 2022, OMV finalized the sale of the filling station business in Germany to EG Group (285 filling stations in southern Germany, with a focus on Bavaria and Baden-Württemberg). For further details regarding the effects of the sale please refer to Note 6 – Other operating income and net income from equity accounted investments.

As of December 31, 2022, assets held for sale and liabilities associated with assets held for sale in Refining & Marketing related mostly to OMV retail business in Slovenia.

During 2021 OMV decided to sell its retail business in Slovenia (120 filling stations) which led to the reclassification to assets and liabilities to held for sale. This reclassification did not lead to an impairment loss. On June 8, 2021 OMV and MOL Group reached an agreement for MOL Group to acquire OMV Slovenia. The transaction is subject to required regulatory approvals and closing is expected in 2023.

Other assets and liabilities held for sale in Refining & Marketing related mostly to 17 Avanti filling stations in Germany. During 2022, OMV decided to sell the filling stations in Germany held under "Avanti" brand which led to the reclassification to assets and liabilities to held for sale. This reclassification did not have an impact on the income statement. Closing of the transaction is expected in 2023.

Exploration & Production

As of December 31, 2022, assets held for sale and liabilities associated with assets held for sale in Exploration & Production were entirely related to Yemen operating entities. During 2022, OMV decided to sell its relevant operating entities in Yemen and signed the sales agreement, which led to the reclassification to assets and liabilities to held for sale. As of the date of reclassification, the result of the measurement at fair value less cost of disposal has led to an impairment (see Note 7 – Depreciation, amortization, impairments and write-ups).

As of December 31, 2021, assets held for sale and liabilities associated with assets held for sale in Exploration & Production entirely consisted of a 69% interest in Maari field, located in New Zealand's offshore Taranaki Basin. After ongoing engagement with Jadestone Energy as a potential buyer, a mutual decision has been made to no longer pursue the transaction. Therefore, assets and liabilites related to Maari field were reclassified back from the assets held for sale and liabilities associated with asset held for sale.

21 Equity of stockholders of the parent

Capital stock

The **capital stock** of OMV Aktiengesellschaft consists of 327,272,727 (2021: 327,272,727) fully paid no par value shares with a total nominal value of EUR 327,272,727 (2021: EUR 327,272,727). There are no different classes of shares and no shares with special rights of control. All shares are entitled to dividends for the financial year 2022, with the exception of treasury shares held by OMV Aktiengesellschaft.

As the authorized capital granted by the Annual General Meeting on May 14, 2014 expired on May 14, 2019, the Annual General Meeting decided upon a new authorized capital on September 29, 2020. Specifically, it authorized the Executive Board until September 29, 2025 to increase the share capital of OMV with the consent of the Supervisory Board – at once or in several tranches – by an amount of up to EUR 32,727,272 by issuing up to 32,727,272 new no-par value common voting shares in bearer form in return for contributions in cash. The capital increase can also be implemented by way of indirect offer for subscription after taking over by one or several credit institutions according to Section 153 Paragraph 6 Austrian Stock Corporation Act. The issue price and the conditions of issuance can be determined by the Executive Board with the consent of the Supervisory Board.

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

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

Capital reserves

Capital reserves have been formed by the contribution of funds into OMV Aktiengesellschaft by its shareholders over and above the capital stock, on the basis of their ownership relationship.

Hybrid capital

The **hybrid capital** recognized in equity in the amount of EUR 2,483 mn consists of perpetual, subordinated hybrid notes. According to IFRS, the net proceeds of the hybrid notes are fully treated as equity because the repayment of the principal and the payments of interest are solely at the discretion of OMV.

On December 7, 2015, OMV issued hybrid notes with an aggregate principal amount of EUR 1,500 mn, in two tranches of EUR 750 mn:

- The hybrid notes of tranche 1, with the first call date in 2021, were called and redeemed at their principal amount (plus interest accrued) on November 30, 2021.
- The hybrid notes of tranche 2 bear a fixed interest rate of 6.250% per annum until, but excluding, December 9, 2025, which is the first call date of tranche 2. From December 9, 2025 (including), tranche 2 will bear an interest rate per annum at the relevant five-year swap rate for the relevant interest period plus a specified margin and a step-up of 100 basis points.

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

On June 19, 2018 OMV issued a hybrid bond with a principal amount of EUR 500 mn. The hybrid bond bears a fixed interest rate of 2.875% per annum until, but excluding, June 19, 2024. From June 19, 2024 (including), until, but excluding, June 19, 2028, the hybrid notes will bear interest at a rate corresponding to the relevant five-year swap rate plus a specified margin. From June 19, 2028 (including), the notes will bear an interest rate per annum at the relevant five-year swap rate for the relevant interest period plus a specified margin and a step-up of 100 basis points. Interest is due and payable annually in arrears on June 19 of each year, unless OMV elects to defer the relevant interest payments. The outstanding deferred interest must be paid under certain circumstances, in particular, if the Annual General Meeting of OMV resolves upon a dividend payment on OMV shares.

On September 1, 2020, OMV issued hybrid notes with an aggregate principal amount of EUR 1,250 mn, in two tranches (Tranche 1: EUR 750 mn; Tranche 2: EUR 500 mn) with the following interest payable:

- The hybrid notes of tranche 1 bear a fixed interest rate of 2.500% per annum until, but excluding September 1, 2026, which is the first reset date of tranche 1. From the first reset date (including), until, but excluding, September 1, 2030, the hybrid notes of tranche 1 will bear interest per annum at a reset interest rate which is determined according to the relevant five-year swap rate plus a specified margin. From September 1, 2030 (including), the hybrid notes of tranche 1 will bear an interest rate per annum at the relevant five-year swap rate for each interest period thereafter plus a specified margin and a step-up of 100 basis points.

- The hybrid notes of tranche 2 bear a fixed interest rate of 2.875% per annum until, but excluding September 1, 2029, which is the first reset date of tranche 2. From the first reset date (including), until, but excluding, September 1, 2030, the hybrid notes of tranche 2 will bear interest per annum at a reset interest rate which is determined according to the relevant five-year swap rate plus a specified margin. From September 1, 2030 (including), the hybrid notes of tranche 2 will bear an interest rate per annum at the relevant five-year swap rate for each interest period thereafter plus a specified margin and a step-up of 100 basis points.

Interest is due and payable annually in arrears on September 1 of each year, unless OMV elects to defer the relevant interest payments. The outstanding deferred interest must be paid under certain circumstances, in particular, if the Annual General Meeting of OMV resolves upon a dividend payment on OMV shares.

The hybrid notes outstanding as of December 31, 2022, do not have a scheduled maturity date and they may be redeemed at the option of OMV under certain circumstances. OMV has, in particular, the right to repay the hybrid notes at certain call dates. Any accrued unpaid interest becomes payable when the notes are redeemed. In the case of a change of control, for example, OMV may call the hybrid notes for redemption or else the applicable interest rate will be subject to an increase according to the terms and conditions of the hybrid notes.

Revenue reserves

The Group's **revenue reserves** included the net income and losses of consolidated subsidiaries and equity accounted investments, as adjusted for the purposes of consolidation.

Treasury shares

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

On June 2, 2021 the Annual General Meeting authorized the Executive Board for a period of five years from the adoption of the resolution, therefore, until and including June 1, 2026, subject to the approval of the Supervisory Board, to dispose of or utilize repurchased treasury shares or treasury shares already held by the Company to grant to employees, executive employees and/or members of the Executive Board/management boards of the Company or its affiliates including for purposes of share transfer programs, in particular long term incentive plans including equity deferrals or other stock ownership plans, and to thereby exclude the general purchasing right of shareholders (exclusion of subscription rights). The authorization can be exercised as a whole or in parts or even in several tranches by the Company, by a subsidiary (Section 189a number 7 Austrian Commercial Code) or by third parties for the account of the Company.

The **gains and losses recognized directly in other comprehensive income and their related tax effects** were as follows:

Tax effects relating to each component of other comprehensive income

In EUR mn

	2022			2021		
	Before-tax (expense) income	Tax (expense) benefit[1]	Net-of-tax (expense) income	Before-tax (expense) income	Tax (expense) benefit[1]	Net-of-tax (expense) income
Currency translation differences	603	(2)	602	946	13	959
Gains/(losses) on hedges	40	(3)	37	210	(54)	155
Remeasurement gains/(losses) on defined benefit plans	263	(35)	228	53	11	64
Gains/(losses) on equity investments	2	1	3	(1)	0	(0)
Gains/(losses) on hedges that are subsequently transferred to the carrying amount of the hedged item	(67)	8	(58)	17	(3)	14
Share of other comprehensive income of equity-accounted investments	6[2]	n.a.	6	0[2]	n.a.	0
Other comprehensive income for the year	**847**	**(30)**	**817**	**1,225**	**(33)**	**1,192**

[1] Includes valuation allowances for deferred tax assets for the Austrian tax group. For further details please refer to Note 12 – Taxes on income and profit.
[2] Represent net-of-tax amounts

For the financial year 2022, the Executive Board of OMV Aktiengesellschaft proposed a regular dividend of EUR 2.80 per eligible share, as well as a special dividend of EUR 2.25 per eligible share, which are subject to confirmation by the Annual General Meeting in 2023. The dividend for 2021 was paid in June 2022 and amounted to EUR 752 mn (EUR 2.30 per share). In 2021, dividend payment amounted to EUR 605 mn (EUR 1.85 per share). The interest paid for hybrid bonds in 2022 amounted to EUR 94 mn (2021: EUR 94 mn).

Treasury shares

	Number of shares	in EUR mn
January 1, 2021	**297,846**	**3.3**
Disposals	(36,520)	(0.4)
December 31, 2021	**261,326**	**2.9**
Disposals	(59,652)	(0.7)
December 31, 2022	**201,674**	**2.2**

Development of number of shares in issue

	Number of shares	Treasury shares	Shares in issue
January 1, 2021	**327,272,727**	**297,846**	**326,974,881**
Used for share-based compensations	—	(36,520)	36,520
December 31, 2021	**327,272,727**	**261,326**	**327,011,401**
Used for share-based compensations	—	(59,652)	59,652
December 31, 2022	**327,272,727**	**201,674**	**327,071,053**

22 Non-controlling interests

Subgroups with material NCI

In EUR mn

	2022			2021		
Subgroups	% NCI	Net income allocated to NCI	Accumulated NCI	% NCI	Net income allocated to NCI	Accumulated NCI
OMV Petrom Group	49%	1,023	3,980	49%	294	3,364
Borealis Group	25%	424	3,212	25%	307	2,876
SapuraOMV Group	50%	21	274	50%	(8)	238
Other subsidiaries	n.a.	1	13	n.a.	24	13
OMV Group	**n.a.**	**1,470**	**7,478**	**n.a.**	**617**	**6,491**

The proportion of ownership corresponds to the proportion of voting rights of the non-controlling interests (NCI) in all cases.

The main activities of the **OMV Petrom Group** are exploration and production of hydrocarbons (in Romania), refining of crudes (in Romania), marketing of petroleum products (in Romania, Bulgaria, Serbia and Moldova) and of natural gas as well as production and the sale of electricity (in Romania). On November 3, 2022, OMV Petrom SA completed the share capital increase, as a result the non-controlling interests in OMV Petrom Group increased by EUR 39 mn. The cash received from third party shareholders amounted to EUR 30 mn and is shown in the consolidated Statement of Cash flows in the line item “Increase in non-controlling interest”.

Borealis Group is one of the world’s leading providers of advanced and circular polyolefin solutions and a European market leader in base chemicals, fertilizers, and plastics recycling. The majority of Borealis’ production is located in Europe, with two overseas manufacturing facilities in the United States, one in Brazil and one in South Korea.

SapuraOMV group is an oil and gas company based in Malaysia with strong growth prospects consisting of sizeable discovered resources and a strong portfolio of exploration prospects. Apart from Malaysia, it has access to exploration blocks in New Zealand, Australia and Mexico.

The following tables summarize the financial information of the subgroups with material non-controlling interests:

Statement of comprehensive income of subgroups with material NCI[1]

In EUR mn

	2022		2021	
	OMV Petrom Group	Borealis Group	OMV Petrom Group	Borealis Group
Sales revenue	12,440	11,686	5,285	9,862
Net income for the year	2,089	1,690	582	1,256
Total comprehensive income	2,079	1,941	596	1,882
Attributable to NCI	1,019	488	292	463
Dividends paid to NCI	436	175	172	38

[1] Figures refer to subgroup level, i.e. including at-equity consolidation and after elimination of intercompany transactions and balances within the subgroup.

Statement of financial position as of December 31 of subgroups with material NCI[1]

In EUR mn

	2022		2021	
	OMV Petrom Group	Borealis Group	OMV Petrom Group	Borealis Group
Non-current assets	6,509	11,043	6,598	10,933
Current assets	5,109	5,177	3,496	4,655
Assets held for sale	3	1,334	3	810
Non-current liabilities	1,647	2,782	1,528	2,553
Current liabilities	1,791	1,472	1,655	1,892
Liabilities associated with assets held for sale	—	471	—	434

[1] Figures refer to subgroup level, i.e. including at-equity consolidation and after elimination of intercompany transactions and balances within the subgroup.

Statement of cash flows of subgroups with material NCI[1]

In EUR mn

	2022		2021	
	OMV Petrom Group	Borealis Group	OMV Petrom Group	Borealis Group
Operating cash flow	2,299	1,572	1,422	2,916
Investing cash flow	(629)	(58)	(458)	(1,086)
Financing cash flow	(872)	(824)	(389)	(355)
Net increase /(decrease) in cash and cash equivalents	795	691	577	1,475

[1] Figures refer to subgroup level, i.e. including at-equity consolidation and after elimination of intercompany transactions and balances within the subgroup.

23 Provisions

Provisions

In EUR mn

	Pensions and similar obligations	Decom-missioning and restoration obligations	Other provisions	Total
January 1, 2022	**1,299**	**3,756**	**1,003**	**6,057**
Currency translation differences	(10)	0	0	**(9)**
Changes in consolidated group	—	—	(1)	**(1)**
Usage and releases	(314)	(449)	(698)	**(1,461)**
Payments to funds	(18)	—	—	**(18)**
Allocations	55	400	582	**1,037**
Transfers	(10)	(0)	10	**(0)**
Reclassified to liabilities associated with assets held for sale	(5)	89	(13)	**71**
December 31, 2022	**997**	**3,796**	**882**	**5,676**
thereof short-term as of December 31, 2022	—	82	505	**587**
thereof short-term as of January 1, 2022	—	72	360	**432**

Pensions and similar obligations include mainly provisions for pensions, severances and anniversary bonuses. More information on material IAS 19 employee benefits is included in chapter Provisions for pensions and similar obligations.

Decommissioning and restoration details are included in chapter Provisions for decommissioning and restoration obligations.

Other provisions include mainly provisions for onerous contracts, provisions for shortfall of emission certificates and other personnel provisions. More information is provided in chapter Other provisions.

Provisions for pensions and similar obligations accounted for according to IAS 19

Following tables include details on funded and unfunded pension plans (mainly Austria, Germany, Sweden and Belgium) as well as severance plans (mainly in Austria) and medical plans (in Belgium).

The majority of pension commitments of several OMV companies were transferred to country-specific external pension funds. Pension commitments were calculated based on country- and plan-specific assumptions. Refer to Note 2 – Accounting policies, judgments and estimates – for more details.

Pensions and similar obligations

In EUR mn

	2022	2021
Present value of funded pension obligations	832	1,053
Fair value of plan assets	(526)	(595)
Provision for funded pension obligations	**305**	**458**
Present value of unfunded pension obligations	470	586
Present value of obligations for severance and other plans	135	150
Provision for pensions, severance and other plans	**910**	**1,194**
Present value of obligations for other long-term benefits	87	105
Total provision for pensions and similar obligations	**997**	**1,299**

Present value of obligations

In EUR mn

	2022		2021	
	Pensions	Severance and other plans	Pensions	Severance and other plans
Present value of obligation as of January 1	**1,639**	**150**	**1,722**	**197**
Current service cost	24	10	26	6
Past service cost	—	—	—	(2)[1]
Interest cost	18	2	15	2
Amounts recognised in the income statement	**42**	**12**	**41**	**5**
Adjustments due to changes in demographic assumptions	(0)	1	(1)	—
Adjustments due to changes in financial assumptions	(334)	(16)	1	—
Experience adjustments	56	3	(9)	(3)
Total remeasurements of the period (OCI)	**(279)**	**(12)**	**(9)**	**(3)**
Actual benefit payments	(91)	(10)	(85)	(14)
Currency translation differences	(10)	0	(2)	(1)
Reclassification to liabilities associated with assets held for sale	—	(5)	(27)	(34)
Present value of obligation as of December 31	**1,302**	**135**	**1,639**	**150**

[1] Mainly related to outsourcing activities in Romania

Fair value of plan assets

In EUR mn

	2022	2021
Fair value of plan assets as of January 1	595	589
Interest income	6	5
Return on plan assets (OCI)	(39)	40
Actual benefit payments	(54)	(52)
Actual employer contributions	18	22
Currency translation differences	(0)	1
Reclassification to liabilities associated with assets held for sale	—	(10)
Fair value of plan assets as of December 31	**526**	**595**

The majority of pension commitments are attributable to plans in Austria and Belgium and were transferred to external pension funds managed by APK Pensionskasse AG in Austria as well as Vivium and KBC Asset Management in Belgium. The investment of plan assets in Austria is governed by section 25 Austrian Pension Fund Act and the Investment Fund Act. In addition to these regulations, the investment guidelines of APK-Pensionskasse AG regulate the spread of asset allocation, the use of umbrella funds and the selection of fund managers. The investment plans in Belgium follow the investment strategy of the respective insurance company as well as local legal regulations.

The allocation of plan assets was mainly in debt securities and insurance contracts. Except for the insurance contracts, which are not quoted, the majority of plan assets are invested in liquid active markets for which quoted prices are available.

Expected contributions to post-employment benefit plans for the year 2023 are EUR 23 mn. Moreover, in 2023, defined benefit related contributions related to 2022 to external pension funds of EUR 55 mn are estimated.

Provisions and expenses

In EUR mn

	2022		2021	
	Pensions	Severance and other plans	Pensions	Severance and other plans
Provision as of January 1	**1,044**	**150**	**1,135**	**197**
Current service cost	24	10	26	6
Past service cost	—	—	—	(2)[1]
Net interest cost	12	2	10	2
Amounts recognised in the income statement	**36**	**12**	**36**	**5**
Adjustments due to changes in demographic assumptions	(0)	1	(1)	—
Adjustments due to changes in financial assumptions	(334)	(16)	1	(3)
Experience adjustments	56	3	(9)	—
Return on plan assets	39	—	(40)	—
Total remeasurements of the period (OCI)	**(240)**	**(12)**	**(50)**	**(3)**
Actual benefit payments	(37)	(10)	(33)	(14)
Actual employer contributions	(18)	—	(22)	—
Currency translation differences	(10)	0	(3)	(1)
Reclassification to liabilities associated with assets held for sale	—	(5)	(20)	(34)
Provision as of December 31	**775**	**135**	**1,044**	**150**

[1] Mainly related to outsourcing activities in Romania

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

	2022		2021	
	Pensions	Severance and other plans	Pensions	Severance and other plans
Capital market interest rate	3.20-5.40%	3.50-8.00%	1.00-2.60%	0.80-5.22%
Future increases in salaries	3.40-5.00%	3.40-4.90%	2.50-5.00%	2.50-3.50%
Future increase in pensions	2.25-3.50%	—	1.70-2.25%	—

The following actuarial assumptions for calculating pension expenses and expected defined benefit entitlements are considered as material and are stress tested within the following ranges. The increase or decrease compared to the values accounted for defined benefit obligations in relative deviation terms and in absolute values are as follows:

Sensitivities - percentage change

	2022					
	Capital market interest rate		Future increases in salaries		Future increases in pensions	
	+0.50%	(0.50)%	+0.25%	(0.25)%	+0.25%	(0.25)%
Pensions	(5.25)%	5.77%	0.86%	(0.81)%	2.56%	(2.44)%
Severance and other plans	(4.21)%	4.56%	2.06%	(1.97)%	—	—

Sensitivities - absolute change

In EUR mn

	2022					
	Capital market interest rate		Future increases in salaries		Future increases in pensions	
	+0.50%	(0.50)%	+0.25%	(0.25)%	+0.25%	(0.25)%
Pensions	(69)	76	11	(11)	34	(32)
Severance and other plans	(7)	7	3	(3)	—	—

Duration profiles and average duration of defined benefit obligations as of December 31

In EUR mn

	2022			
	Duration profiles			Duration
	1–5 years	6–10 years	>10 years	in years
Pensions	363	338	599	11
Severance and other plans	47	47	40	9

Allocation of plan assets as of December 31

	2022	2021
Asset category		
Equity securities	15%	18%
Debt securities	29%	35%
Cash and money market investments	5%	4%
Insurance contracts	36%	30%
Other	15%	12%
Total	**100%**	**100%**

Provisions for decommissioning and restoration obligations

The production facilities and properties of all Group companies are subject to a variety of environmental protection laws and regulations in the countries where they operate. The estimated cost of known environmental obligations has been provided in accordance with the Group's accounting policies. Provisions for decommissioning and restoration are recognized if an obligation exists at the statement of financial position date.

Management believes that compliance with current laws and regulations and future more stringent laws and regulations will not have a material negative impact on the Group's results, financial position or cash flows in the near future.

Provisions for decommissioning and restoration obligations

In EUR mn

	Carrying amount
January 1, 2022	**3,756**
New obligations	53
Increase arising from revisions in estimates	198
Reduction arising from revisions in estimates	(332)
Unwinding of discounting	150
Reclassification to liabilities associated with assets held for sale	89
Usage, disposals and other changes	(117)
December 31, 2022	**3,796**
thereof short-term as of December 31, 2022	82
thereof short-term as of January 1, 2022	72

The **reduction arising from revisions in estimates** was mainly driven by increased real interest rates for USD and EUR compared to 2021.

The decommissioning provision related to OMV's share in the Maari field in New Zealand was reclassified back from **liabilities associated with assets held for sale**. For details see Note 20 – Assets and liabilities held for sale.

Main assumptions for calculating decommissioning and restoration obligations as of December 31[1]

	2022		
	Discount rate	Inflation rate	Real discount rate
Eurozone (EUR)	2.36-2.55%	2.35%	0.01-0.20%
New Zealand (NZD)	4.53-4.73%	2.61%	1.92-2.13%
Norway (NOK)	3.09-3.13%	2.31%	0.78-0.82%
Romania (RON)	8.35%	4.56%	3.79%
United States (USD)	3.88-4.15%	2.51%	1.37-1.64%

[1] Based on the main currencies of the underlying obligations. Multiple discount rates per currency arise due to different maturities.

Estimation of maturities and cash outflows of decommissioning and restoration obligations[1]

In EUR mn

	2022	
	Carrying amount	Undiscounted real costs
≤1 year	82	86
1 – 10 years	899	1,320
11 – 20 years	2,138	5,174
21 – 30 years	481	1,776
>30 years	196	747
Total	**3,796**	**9,102**

[1] Mainly related to decommissioning and restoration obligations in Exploration & Production business segment

A decrease of 1 percentage point in the real discount rates used to calculate the decommissioning provisions, would lead to an additional provision of EUR 612 mn, in an opposite case provision would decrease by EUR 504 mn.

The provision for decommissioning and restoration costs included obligations in respect of OMV Petrom SA amounting to EUR 1,397 mn (2021: EUR 1,260 mn). Part of the obligations is to be recovered from the Romanian State in accordance with the privatization agreement. As of December 31, 2022, OMV Petrom SA held receivables from the Romanian state related to decommissioning and restoration costs amounting to EUR 326 mn (2021:EUR 352 mn).

Other provisions

Other provisions

In EUR mn

	2022		2021	
	Short-term	Long-term	Short-term	Long-term
Environmental costs	11	77	14	77
Onerous contracts	64	176	24	431
Other personnel provisions	149	18	148	16
Emissions certificates	35	—	113	—
Residual other provisions	247	105	60	120
Other provisions	**505**	**377**	**360**	**643**

As at December 31, 2022, the **provision for environmental costs** included EUR 52 mn referring to the provision for soil remediation in relation to the Arpechim refinery site in Romania.

The **provisions for onerous contracts** were mainly related to the Gate LNG obligation and associated transportation commitments of OMV Gas Marketing & Trading GmbH.

The provision for the Gate LNG obligation is related to a long-term, non-cancellable contract for regasification capacity and storage that became onerous due to the negative development of market conditions for LNG terminal capacities in Europe. The present value of the provision as at December 31, 2022, was EUR 32 mn (2021: EUR 390 mn). This steep decrease in provision reflects the change in LNG market condititions with higher realized LNG volumes and margins experienced in 2022, which is expected to persist to a certain extent also in the near future. The provision represents the unavoidable costs of meeting the contractual obligations. Thereby, income and costs from future purchases and sales of LNG are taken into account, since the regasification of LNG and subsequent sale of the gas positively contributes to the coverage of the fixed costs. The volume assumptions are based on management's best estimates of available LNG volumes in the future. The prices are based on forward rates, where available. If no forward prices are available, the prices represent management's best estimate of future prices, derived from current market prices or forward rates of the preceding period. The calculation is based on an interest rate of 2.53% (2021: 4.51%).

As per end of 2022, the provision for the related non-cancellable transportation commitments of OMV Gas Marketing & Trading GmbH amounted to EUR 188 mn (2021: EUR 65 mn). The increase in provision is mainly driven by additional transport capacities which were booked in order to secure alternative supply routes for Austria. The calculation is based on the difference between the fixed costs for using the capacities and the net profit from usage expected to be generated by using the capacities. The discount rate applied is 2.53% (2021: 4.51%). Besides the discount rate, the key assumptions are the gas prices at the relevant gas hubs which are based on forward rates or on management's best estimates of future prices.

Other personnel provisions included short-term provisions related to personnel reduction schemes of EUR 13 mn (2021: EUR 17 mn).The remaining amount was mainly related to boni provisions.

Residual other provisions increased in 2022 mainly in connection with other risks assessed by the Group in the area of gas and power taxation in Romania.

Emissions certificates

Directive 2003/87/EC of the European Parliament and of the European Council established a greenhouse gas emissions trading scheme, requiring member states to draw up national plans to allocate emissions certificates. Under this scheme, affected OMV Group companies are entitled to yearly allocation of free emissions certificates.

The New Zealand Government established a greenhouse gas emissions trading scheme under the Climate

Change Response Act 2002. Under this scheme New Zealand companies are not entitled to receive free emission certificates. OMV has purchased certificates to meet its own use liability. Apart from purchased certificates, each sale of gas to domestic customers in New Zealand creates an obligation for OMV. OMV receives units of emission certificates from customers to meet this obligation.

In Germany, the fuel emissions trading act (BEHG; Brennstoffemissionshandelsgesetz) came into force on December 20, 2019, and is the basis for German national certificate trading scheme for emissions from fossil fuels. It obliges the distributors - suppliers who deliver to end customers and/or who take the fuel from the pipeline network (origin of energy tax) - of fuels to acquire CO2 emission certificates from January 1, 2021 onwards. According to Section 38 (2) of the Energy Tax Act, the tax debtor is the supplier; therefore, all companies in possession of an energy tax supplier's certificate are to be considered as distributors. Unlike under European Trading Scheme, certificates under BEHG are not eligible for trading and are not freely allocated, but have to be purchased from the German Emissions Trading Authority (DEHSt; Deutsche Emissionshandelsstelle).

In 2023 OMV expects to surrender 9,859 thousand emissions certificates from European Trading Scheme, 3,531 thousand BEHG certificates and 2,292 thousand NZ certificates for (not yet externally verified) emissions, out of which 2,187 thousand emissions certificates are expected to be transferred to OMV from customers in New Zealand.

Emissions certificates

Number of certificates, in thousands

	2022			2021		
	European Trading Scheme	NZ Trading Scheme	DE Trading Scheme	European Trading Scheme	NZ Trading Scheme	DE Trading Scheme
Certificates held as of January 1	**11,731**	**252**	**3,617**	**12,210**	**112**	**—**
Free allocation for the year	7,742	—	—	5,891	—	—
Certificates surrendered[1]	(10,792)	(2,567)	(3,833)	(10,795)	(2,884)	—
Net purchases and sales during the year	4,889	293	3,398	4,424	1,150	3,617
Certificates received from customers	—	3,924	—	—	1,873	—
Certificates held as of December 31	**13,569**	**1,901**	**3,183**	**11,731**	**252**	**3,617**

[1] According to verified emissions for the prior year

24 Liabilities

Liabilities[1]

In EUR mn

	2022			2021		
	Short-term	Long-term	**Total**	Short-term	Long-term	**Total**
Bonds	1,290	6,030	**7,320**	795	7,275	**8,070**
Other interest-bearing debts	128	1,359	**1,487**	350	1,415	**1,765**
Lease liabilities	155	1,322	**1,476**	131	887	**1,018**
Trade payables	5,259	—	**5,259**	4,860	—	**4,860**
Other financial liabilities	2,172	489	**2,662**	4,367	587	**4,955**
Other liabilities	1,527	124	**1,652**	1,440	118	**1,558**
Liabilities	**10,531**	**9,325**	**19,856**	**11,943**	**10,282**	**22,225**

[1] Excluding liabilities associated with assets held for sale, which are described in Note 20 – Assets and Liabilities held for sale.

Other interest-bearing debts predominately referred to bank loans, but also included private placements and other funding instruments.

Lease liabilities increased mainly due to the new leasing contracts for storage infrastructure related to the propane dehydrogenation plant (PDH) in Kallo, Belgium. For further details on lease contracts please refer to Note 15 – Property, plant and equipment.

For further details on cash and non-cash effective changes in bonds, other interest-bearing debts as well as lease liabilities please refer to Note 26 – Statement of cash flows.

OMV participates in several supplier finance programs under which its suppliers may elect to receive early payment of their invoice from a bank by factoring their receivable from the Group to the bank. Under the arrangement, the bank agrees to pay amounts to a supplier participating in the program in respect of invoices owed by the Group and receives settlement from OMV later. The principal purpose of those programs is to facilitate efficient payment processing and enable the consenting suppliers to sell their receivables due from OMV to a bank before their maturity. The Group has not derecognized the majority of original liabilities to which the arrangement applies because neither legal release was obtained nor the original liability was substantially modified while entering into the arrangement. Most liabilities remain within trade payables and other financial liabilities until payment. From OMV's perspective, these arrangements do not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating in the programs. Consequently, cash effects are included in the cashflow from operating activities.

Bonds

International corporate bonds

In EUR mn

Nominal	Coupon	Repayment	2022 Carrying amount December 31	2021 Carrying amount December 31
EUR 750,000,000	2.625% fixed	09/27/2022	—	754
EUR 750,000,000	0.00% fixed	06/16/2023	749	747
EUR 500,000,000	0.75% fixed	12/04/2023	500	499
EUR 500,000,000	1.50% fixed	04/09/2024	504	503
EUR 500,000,000	0.00% fixed	07/03/2025	498	497
EUR 300,000,000	1.75% fixed	12/10/2025	315	319
EUR 1,000,000,000	1.00% fixed	12/14/2026	996	994
EUR 750,000,000	3.50% fixed	09/27/2027	752	751
EUR 500,000,000	2.00% fixed	04/09/2028	506	505
EUR 500,000,000	1.875% fixed	12/04/2028	499	499
EUR 750,000,000	0.75% fixed	06/16/2030	748	748
EUR 750,000,000	2.375% fixed	04/09/2032	758	758
EUR 500,000,000	1.00% fixed	07/03/2034	496	496
International corporate bonds			**7,320**	**8,070**

Bonds and other interest-bearing debts

As at December 31, 2022, OMV Group was in compliance with all financial covenants stipulated by the loan agreements.

Bonds and other interest-bearing debts

In EUR mn

	2022	2021
Short-term loan financing	65	254
Short-term component of long-term financing	1,353	891
Total short-term	**1,417**	**1,145**
Maturities of long-term financing		
2023/2022 (short-term component of long-term financing)	1,353	891
2024/2023	823	1,277
2025/2024	1,149	822
2026/2025	1,185	1,174
2027/2026	871	1,183
2028/2027 and subsequent years	3,360	4,233
Total for 2023/2022 onwards	**8,742**	**9,581**

Breakdown of bonds and other interest-bearing debts

In EUR mn

		2022		2021	
			Weighted average interest rate		Weighted average interest rate
Bonds and other long-term interest-bearing debts[1]					
Fixed rates	EUR	8,187	1.34%	8,959	1.45%
	USD	279	4.24%	312	4.27%
Total		**8,466**	**1.44%**	**9,271**	**1.54%**
Variable rates[2]	EUR	50	3.13%	77	0.77%
	USD	190	5.04%	194	1.24%
	Other currencies	36	0.45%	38	0.46%
Total		**276**	**4.10%**	**310**	**1.02%**
Other short-term interest-bearing debts					
EUR		65	0.07%	250	(0.22)%
USD		—	—	4	—
Total		**65**	**0.07%**	**254**	**(0.22)%**

[1] Including short-term components of long-term debts
[2] Rates as of year-end

Other financial liabilities

Other financial liabilities

In EUR mn

	Short-term	Long-term	Total
		2022	
Derivative financial liabilities	1,263	353	**1,615**
Liabilities on derivatives designated and effective as hedging instruments	41	4	**44**
Liabilities on other derivatives	1,222	349	**1,571**
Other sundry financial liabilities	910	137	**1,047**
Other financial liabilities	**2,172**	**489**	**2,662**
		2021	
Derivative financial liabilities	3,607	471	**4,079**
Liabilities on derivatives designated and effective as hedging instruments	102	—	**102**
Liabilities on other derivatives	3,506	471	**3,977**
Other sundry financial liabilities	760	116	**876**
Other financial liabilities	**4,367**	**587**	**4,955**

The table hereafter summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows:

Financial liabilities (undiscounted cash flows)

In EUR mn

	≤1 year	1 – 5 years	>5 years	Total
		2022		
Bonds	1,351	3,394	3,160	**7,905**
Other interest-bearing debt	141	1,018	393	**1,552**
Lease liabilities	186	514	1,131	**1,831**
Trade payables	5,259	—	—	**5,259**
Derivative financial liabilities	1,260	350	—	**1,610**
Other sundry financial liabilities[1]	910	100	102	**1,111**
Financial liabilities (undiscounted cash flows)	**9,107**	**5,375**	**4,786**	**19,268**
		2021		
Bonds	870	3,921	3,984	**8,775**
Other interest bearing debts	373	940	511	**1,824**
Lease liabilties	155	420	739	**1,314**
Trade payables	4,860	—	—	**4,860**
Derivative financial liabilities	3,608	471	—	**4,079**
Other sundry financial liabilities	761	22	151	**934**
Financial liabilities (undiscounted cash flows)	**10,627**	**5,774**	**5,385**	**21,786**

[1] Includes the book value of the financial guarantee issued by Borealis to Bayport Polymers LLC, allocated to ≤ 1year maturity; for further details on the guarantees as well as the maximum exposure related to it please refer to Note 28 – Risk management.

Other liabilities

In EUR mn

	Short-term	Long-term	Total
		2022	
Other taxes and social security liabilities	1,040	0	**1,040**
Payments received in advance	57	14	**71**
Contract liabilities	148	79	**227**
Other sundry liabilities	282	32	**314**
Other liabilities	**1,527**	**124**	**1,652**
		2021	
Other taxes and social security liabilities	1,027	—	**1,027**
Payments received in advance	128	16	**144**
Contract liabilities	129	98	**228**
Other sundry liabilities	155	4	**159**
Other liabilities	**1,440**	**118**	**1,558**

The increase in **other sundry liabilities** was mainly impacted by non-financial liabilities related to oil product exchange contracts concluded between OMV Group and national stockholding companies in Germany and Slovakia. For more details please refer to Note 28 – Risk management.

Contract liabilities

In EUR mn

	2022	2021
January 1	**228**	**214**
Currency translation differences	(0)	1
Revenue recognized that was included in the contract liability balance at the beginning of the period	(126)	(80)
Increases due to cash received, excluding amounts recognized as revenue during the period	125	95
Other changes	—	(1)
December 31	**227**	**228**

The **contract liabilities** consisted mainly of non-refundable prepayments of storage fees received from Erdöl-Lagergesellschaft m.b.H., Lannach on the basis of long-term service contracts.

25 Deferred taxes

Deferred taxes

In EUR mn

	Deferred tax assets total	Deferred tax assets not recognized	Deferred tax assets recognized	Deferred tax liabilities
		2022		
Intangible assets	159	—	159	244
Property, plant and equipment	120	3	117	2,564
Inventories	38	—	38	56
Derivatives	226	—	226	683
Receivables and other assets	85	20	65	297
Deferred taxes reclassified to assets and liabilities associated with assets held for sale	153	135	18	52
Provisions for pensions and similar obligations	204	89	116	107
Provisions for decommissioning, restoration obligations and environmental costs	1,217	14	1,203	0
Other provisions	112	—	112	32
Liabilities	350	0	350	16
Tax impairments according section 12 (3)/2 of the Austrian Corporate Income Tax Act (KStG)	684	—	684	—
Tax loss carryforwards	1,635	816	819	—
Outside basis differences	120	—	120	54
Total	**5,103**	**1,076**	**4,027**	**4,105**
Netting (same tax jurisdictions)			(2,877)	(2,877)
Deferred taxes reclassified to assets and liabilities associated with assets held for sale			1	35
Deferred taxes as per statement of financial position			**1,150**	**1,194**
		2021		
Intangible assets	197	22	175	446
Property, plant and equipment	163	86	77	2,456
Inventories	38	—	38	67
Derivatives	667	—	667	1,086
Receivables and other assets	88	15	73	50
Deferred taxes reclassified to assets and liabilities associated with assets held for sale	39	—	39	82
Provisions for pensions and similar obligations	263	128	135	106
Provisions for decommissioning, restoration obligations and environmental costs	1,307	15	1,292	0
Other provisions	125	—	125	46
Liabilities	259	0	259	7
Tax impairments according section 12 (3)/2 of the Austrian Corporate Income Tax Act (KStG)	115	—	115	—
Tax loss carryforwards	1,546	706	840	—
Outside basis differences	433	—	433	10
Total	**5,240**	**972**	**4,268**	**4,356**
Netting (same tax jurisdictions)			(2,965)	(2,965)
Deferred taxes reclassified to assets and liabilities associated with assets held for sale			39	82
Deferred taxes as per statement of financial position			**1,265**	**1,309**

Deferred taxes were mainly related to different valuation methods, differences in impairments, write-offs, write-ups and depreciation and amortization as well as different definition of costs.

Decrease in deferred tax liabilities (DTL) related to intangible assets was mainly driven by deconsolidation of JSC GAZPROM YRGM Development. For further details see Note 2 - Accounting policies, judgements and estimates, section ‘Impact of Russia’s invasion of Ukraine and related significant estimates and assumptions’.

Increase in deferred tax assets (DTA) related to tax impairments was mainly drived by the impairment of investment in JSC GAZPROM YRGM Development. For further details see Note 12 – Taxes on income and profit.

The overall net DTA position of tax jurisdictions which suffered a tax loss either in current or preceding year amounted to EUR 682 mn, thereof EUR 522 mn is attributable to the Austrian tax group (2021: EUR 901 mn, thereof Austrian tax group EUR 658 mn).

In 2022 as well as in the previous year, a valuation allowance for DTA for the Austrian tax group was recognized. DTA recognized for the AT Tax Group as of December 31, 2022 reflects the expected utilization of deductible temporary differences of balance sheet items and tax losses carried forward based on the mid term plan for the period 2023 - 2027. Limitation to the usage of tax losses of 75%, as stipulated by the Austrian Corporate Income Tax Act, was considered in the assessment of the recoverable DTA within the planning period. Remaining DTL after the planning period are mainly expected to be offset with DTA from temporary differences. Any remaining DTL after netting is assumed to be offset with DTA from tax losses, therefore the limitation to the usage of tax losses have not been considered after the planning period. This is also supported by the fact that tax losses can be carried forward for an unlimited period of time.

As of December 31, 2022, OMV recognized **tax losses carryforward** of EUR 6,758 mn before allowances (2021: EUR 5,839 mn), thereof EUR 3,460 mn (2021: EUR 3,202 mn) are considered recoverable for calculation of deferred taxes.

Eligibility of losses for carryforward expires as follows:

Tax losses carryforward[1]

In EUR mn

	2022		2021	
	Base amount (before allowances)	thereof not recognized	Base amount (before allowances)	thereof not recognized
2022	—	—	30	30
2023	18	18	18	18
2024	2	2	2	2
2025	11	11	11	11
2026	3	3	3	3
2027	3	3	0	0
After 2027/2026	55	0	0	0
Unlimited	6,666	3,261	5,774	2,573
Tax losses carryforward	**6,758**	**3,298**	**5,839**	**2,637**

[1] Tax losses carryforward related to disposal groups reclassified to held for sale are excluded.

The majority of **tax losses carryforward not recognized** referred to the Austrian Tax Group and France.

As of December 31, 2022, the aggregate amount of temporary differences associated with fully consolidated and equity-accounted investments for which deferred tax liabilities have not been recognized amounted to EUR 10,123 mn (2021: EUR 7,475 mn). Capital gains on disposals of investments may be realized on various levels of the Group depending on the structuring of potential divestments. Due to the complexity of the group and the associated tax implications simplifying assumptions for the calculation have been made that aim to diminish cascade effects.

Supplementary Information on the Financial Position

26 Statement of cash flows

Cash and cash equivalents

In EUR mn

	2022	2021
Cash at banks and on hand	808	997
Short-term deposits	7,316	4,067
Cash and cash equivalents	**8,124**	**5,064**

Significant non-cash items

The line “Other changes” of the consolidated statement of cash flows for 2022 included non-cash effects related to the impairment of the Nord Stream 2 loan. Moreover the line contained impacts from the deconsolidation of JSC GAZPROM YRGM Development (YRGM) and OJSC Severneftegazprom (SNGP) as well as the fair value changes related to the investments in YRGM and SNGP and the contractual position towards Gazprom from the redetermination of the reserves of the Yuzhno Russkoye gas field. For further details please refer to Note 2 – Accounting policies, judgements and estimates, section ‘Impact of Russia’s invasion of Ukraine and related significant estimates and assumptions’.

In 2022 non-cash additions to fixed assets included mainly effects from new lease contracts as well as the reassessment of decommissioning and restoration obligations.

Cash flow from investing activities

For details about the cash flow effect from divestments of subsidiaries and businesses, the loss of control of YRGM and the Initial Public Offering of Borouge PLC please refer to Note 3 – Changes in group structure.

Cash flow from financing activities

The line “Repayments of long-term borrowings” comprised the repayment of a bond with a nominal value of EUR 750 mn.

Changes in liabilities arising from financing activities (incl. liabilities associated with assets held for sale)

In EUR mn

	2022			
	Bonds	Other interest-bearing debts	Lease liabilities	**Total**
January 1	**8,070**	**1,765**	**1,191**	**11,026**
Increase in long-term borrowings	—	0	—	**0**
Repayments of long-term borrowings	(750)	(114)	(183)	**(1,047)**
Increase/(decrease) in short-term borrowings	—	(184)	—	**(184)**
Total cash flows related to financing activities	**(750)**	**(298)**	**(183)**	**(1,230)**
Currency translation differences	—	31	2	**33**
Changes in consolidated group	—	—	(123)	**(123)**
Difference interest expenses and interest paid	0	(11)	1	**(11)**
Other changes	—	—	636[1]	**636**
Total non-cash changes	**0**	**20**	**515**	**535**
December 31	**7,320**	**1,487**	**1,524**	**10,331**

[1] Mainly related to new lease agreements

Changes in liabilities arising from financing activities (incl. liabilities associated with assets held for sale)

In EUR mn

	2021			
	Bonds	Other interest-bearing debts	Lease liabilities	**Total**
January 1	**8,869**	**2,130**	**1,217**	**12,216**
Increase in long-term borrowings	—	250	—	**250**
Repayments of long-term borrowings	(1,550)	(563)	(174)	**(2,287)**
Increase/(decrease) in short-term borrowings	—	61	—	**61**
Total cash flows related to financing activities	**(1,550)**	**(251)**	**(174)**	**(1,975)**
Currency translation differences	—	48	5	**53**
Changes in consolidated group	—	(148)	(6)	**(154)**
Reclassification of hybrid bond from equity to financial liabilities	789	—	—	**789**
Difference interest expenses and interest paid	(4)	(15)	1	**(18)**
Other changes	—	—	149[1]	**149**
Total non-cash changes	**784**	**(114)**	**149**	**819**
Coupon payment from hybrid bond before reclassification from equity [2]	(33)	—	—	**(33)**
December 31	**8,070**	**1,765**	**1,191**	**11,026**

[1] Mainly related to new lease agreements

[2] Shown in the line "Dividends paid to stockholders of the parent (incl. hybrid coupons)" in the Statement of Cash Flows

The total cash outflow related to lease liabilities amounted to EUR 212 mn (2021: EUR 199 mn).

As of December 31, 2022, the Group had available EUR 5,291 mn of undrawn committed borrowing facilities that can be used for future activities without any restrictions (December 31, 2021: EUR 4,415 mn).

Financing commitments provided to related parties are detailed in Note 35 – Related parties.

27 Contingent liabilities

OMV recognizes provisions for litigations if these are more likely than not to result in obligations. Management is of the opinion that litigations, to the extent not covered by provisions or insurance, there is either no present obligation and/or the outflow is remote and/or they will not materially affect the Group's financial position.

OMV entered into guarantees as part of the ordinary course of the group's business, mainly under credit facilities granted by banks, without cash collateral. No material losses are likely to arise from such. Further information on financial guarantees are included in Note 28 – Risk Management.

OMV holds a 10% share in Pearl Petroleum Company Ltd. (Pearl) following an acquisition through a Share Sales Agreement of May 2009 (SSA). OMV was faced with a pending arbitration proceeding since 2020 (under the London Court of International Arbitration (LCIA) rules) launched by Crescent and Dana in respect of certain reserve-based contingent payments and alleged unjustified enrichment based on the SSA. In a final binding arbitral award of February 2023 the LCIA tribunal ruled in favor of OMV rejecting those claims and stating that there is no entitlement of Dana and Crescent of a contingent payment by OMV.

On April 16, 2020, the Bulgarian Commission for Protection of Competition announced the initiation of an investigation regarding the determination of the prices on fuel market. OMV Bulgaria EOOD is subject to this investigation, among other major manufacturers and retailers on Bulgarian market. During 2020 two requests of providing information were received from authorities and the responses were submitted in due time. There were no additional requests from authorities in 2021 and 2022, but the investigation is not yet finalized. The sanctions for antitrust infringements are up to 10% of the total company's turnover of the respective undertaking for the financial year prior to the sanctioning decision. At the date of these financial statements,OMV is not able to evaluate the outcome of the investigation and no provision was recorded in this respect.

As of December 31, 2022, one other proceeding was pending against OMV related to local service contractors in one of the subsidiaries. OMV's share of claimed amount is around USD 330 mn. Management currently does not believe that any of the alleged matters will have a material effect on the financial position or results of operations. However, this assessment is based on assumptions deemed reasonable by management including those about future events and uncertainties. The outcome of these matters is ultimately uncertain, such that unanticipated events and circumstances might occur that might cause management to change those assumptions and give rise to a material adverse effect on our financial position in the future.

28 Risk management

Capital risk

OMV's financial steering framework is built upon the principles of operational efficiency, capital efficiency, financing efficiency and sustainable portfolio management. With the focus on strengthening OMV's balance sheet, delivering a positive free cash flow and growing its profitability, the financial steering framework represents sustainable, risk-monitored and future-oriented value creation for OMV and its stakeholders.

OMV manages its capital structure to safeguard its capital base in order to preserve investor, creditor and capital market confidence, as well as to provide a sustainable financial foundation for the future operational development of the Group. OMV's financing strategy focuses on cash flow and financial stability. Principal targets are a positive free cash flow after dividends and a strong investment grade credit rating on the basis of a healthy balance sheet and a long-term leverage ratio (defined as net debt including leases / (equity + net debt including leases) of below 30%.

Capital Management – key performance measures

In EUR mn (unless otherwise stated)

	2022	2021
Bonds	7,320	8,070
Lease liabilities[1]	1,524	1,191
Other interest-bearing debts[1]	1,487	1,765
Debt including leases	**10,331**	**11,026**
Cash and cash equivalents[1]	8,124	5,064
Net Debt including leases	**2,207**	**5,962**
Equity	**26,628**	**21,996**
Leverage ratio including leases in %	**8**	**21**

[1] Including items that were reclassified to assets or liabilities held for sale

Liquidity risk

For the purpose of assessing liquidity risk, yearly budgeted operating and financial cash flows of the Group are monitored and analyzed on a monthly basis. Thus, every month the Group generates a forecasted net change in liquidity, which is then compared to the total month end balances of money market deposits and loans, as well as to maturities of the current portfolio and the available liquidity reserves of the same month. This analysis provides the basis for financing decisions and capital commitments.

To ensure that OMV Group remains solvent at all times and retains the necessary financial flexibility, liquidity reserves in the form of committed credit lines and short term uncommitted money market lines are maintained. As of December 31, 2022, the average weighted maturity of the Group's debt portfolio (excluding lease liabilities) has been 4.6 years (as of December 31, 2021: 5.1 years).

OMV Group's operational liquidity management is mainly handled via cash pooling systems, which enable optimum use of existing cash and liquidity reserves to the benefit of every individual member of cash pooling system and the Group as a whole.

Details of OMV Group's financial liabilities are shown in Note 24 – Liabilities.

Financial Guarantee Contracts

On April 19, 2022, Bayport Polymers LLC, which is accounted for using the equity method, partially re-paid the loan to the Group in the amount of EUR 602 mn. The repayment was financed from the two tranches of senior notes in the amount of EUR 324 mn and EUR 278 mn, which mature in 2027 and 2032, respectively. Senior notes issued by Bayport Polymers LLC are fully guaranteed by Borealis AG. For further details see chapter 'Credit Risk Management'.

Market risk

Derivative and non-derivative instruments are used to manage market price risks resulting from changes in commodity prices, foreign exchange rates and interest rates, which could have a negative effect on assets, liabilities or expected future cash flows.

For the purpose of mitigating market price risks, the Group enters into derivative financial instruments such as OTC swaps, options, futures and forwards.

Swaps do not involve an investment at the time the contracts are concluded; settlement normally takes place at the end of the quarter or month. The premiums on purchased options are payable when the contract is concluded; where options are exercised, payment of the difference between strike price and average market price for the period takes place at contract expiration.

Commodity price risk management refers to analysis, assessment, reporting and hedging of market price risk exposure arising from non-trading and trading activities, covering refining (refinery margin, inventories up to a defined threshold) as well as oil and gas marketing activities (marketing margin, inventories up to a defined threshold) and producing power (spark spreads) in addition to proprietary trading positions.

Limited proprietary trading activities may be performed for the purpose of creating market access within the oil, power and gas markets up to a defined threshold.

Hedges are generally placed in the legal entities where the underlying exposure exists. When certain conditions are met, the Group may elect to apply IFRS 9 hedge accounting principles in order to recognize the offsetting effects on profit or loss of changes in the fair value of the hedging instruments at the same time as the hedged items.

Derivatives are mostly used for economic hedging purposes and not as speculative investments. However, where derivatives are not designated as hedging instruments (i.e. hedge accounting is not applied), they are valued through profit or loss for accounting purposes.

The tables hereafter show the fair values of derivative financial instruments together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of the transactions outstanding at the year-end and are not indicative of either the market risk or the credit risk.

Nominal and fair value of open derivative financial instruments

In EUR mn

	2022			2021		
	Nominal	Fair value assets	Fair value liabilities	Nominal	Fair value assets	Fair value liabilities
Commodity price risk						
Oil incl. oil products	1,337	47	(35)	536	20	(35)
Gas	10	—	(3)	101	1	(57)
Power	351	320	(2)	252	377	(1)
Commodity hedges (designated in hedge relationship)[1]	**1,697**	**367**	**(41)**	**889**	**398**	**(93)**
Oil incl. oil products	7,808	5	(22)	5,233	2	(50)
Gas	17,730	2,365	(1,374)	32,640	3,586	(3,418)
Power	779	282	(133)	849	260	(492)
Other[2]	220	209	(2)	285	364	(0)
Commodity hedges (valued at fair value through profit or loss)	**26,537**	**2,862**	**(1,531)**	**39,008**	**4,213**	**(3,960)**
Foreign currency risk						
USD	266	7	(0)	183	—	(6)
SEK	157	—	(4)	161	0	(2)
Foreign currency hedges (designated in hedge relationship)[1]	**423**	**7**	**(4)**	**344**	**0**	**(8)**
USD	1,207	4	(10)	1,685	3	(5)
NOK	2,493	1	(26)	1,163	6	(11)
NZD	8	—	(0)	—	—	—
SEK	26	0	(0)	—	—	—
Other	238	1	(3)	169	0	(1)
Foreign currency hedges (valued at fair value through profit or loss)	**3,972**	**5**	**(39)**	**3,017**	**9**	**(17)**
Interest rate risk						
Interest rate hedges (designated in hedge relationship)[1]	103	6	—	109	—	(1)

[1] Including ineffective part of hedges designated in a hedging relationship
[2] Includes derivatives for European Emission Allowances

From 2022 onwards, the amounts reclassified from the cash flow hedge reserve to the income statement related to cash flow hedges of power and gas used in production were shown in line item ‘Production and operating expenses’. Corresponding amounts in 2021 were included in line item ‘Purchases (net of inventory variation)’. Restatements according to IAS 8.42 compared to the presentation in the previous years were not made due to immateriality of amounts.

The Group's hedging reserve disclosed in the Consolidated Statement of Changes in Equity relates to the following hedging instruments:

Cash flow hedging – Impact of hedge accounting

In EUR mn

	Forecast purchases	Forecast sales	Foreign currency, other	Interest rate	Total
	Commodity price risk		**Foreign currency risk**	**Interest rate risk**	
			2022		
Cash flow hedge reserve as of January 1 (net of tax)	243	(9)	(6)	2	**230**
Gains/(losses) of the period recognized in OCI	360	(40)	(16)	7	**310**
Amounts reclassified to the income statement	(422)	63	21	—	**(338)**
Amounts reclassified to balance sheet	57	—	6	—	**63**
Tax effects	8	(5)	(3)	(2)	**(2)**
Cash flow hedge reserve as of December 31 (net of tax)	**245**	**8**	**3**	**7**	**264**
Hedge ineffectiveness recognized in the income statement	(1)	1	—	—	**(1)**
			2021		
Cash flow hedge reserve as of January 1 (net of tax)	26	31	8	0	**65**
Gains/(losses) of the period recognized in OCI	531	(115)	(14)	2	**403**
Amounts reclassified to the income statement	(237)	65	(3)	—	**(176)**
Amounts reclassified to balance sheet	(5)	—	0	—	**(5)**
Tax effects	(72)	11	4	(0)	**(57)**
Cash flow hedge reserve as of December 31 (net of tax)	**243**	**(9)**	**(6)**	**2**	**230**
Hedge ineffectiveness recognized in the income statement	1	(10)	—	—	**(9)**

Reserve for unrealized exchange gains(losses) for net investment hedge[1]

In EUR mn

	Foreign currency risk	
	2022	2021
Reserve as of January 1 (net of tax)	**(5)**	**7**
Valuation of the USD loans	(13)	(16)
Amounts reclassified to the income statement	2	—
Tax effects	3	4
Reserve as of December 31 (net of tax)	**(13)**	**(5)**

[1] Included in currency translation differences within other comprehensive income

At December 31, 2022 (December 31, 2021: nil), the Group held the following items designated in a fair value hedge relationship:

Impact of fair value hedge accounting on the income statement and statement of financial positions

In EUR mn

Hedged Item	Carrying amount	Cumulative amount of fair value hedge adjustment included in the carrying amount of the hedged item	Effective gains(losses) of the period recognized in the income statement	Line item in the statement of financial positions
	Liabilities			
		2022		
Non-financial liability	132	2	(6)	Other liabilities

At December 31, 2022 and December 31, 2021, the Group held the following cash flow, fair value and net investment hedging relationships. The table shows the profile of the timing (maturity) of the nominal amount of the hedging instruments.

Impact of hedge accounting on the statement of financial positions

In EUR mn

	Forecast purchases	Forecast sales	Recognized liability	Net investment hedge	Foreign currency, other	Interest hedges	
	Commodity price risk			**Foreign currency risk**		**Interest rate risk**	**Total**
				2022			
Nominal Value	1,168	385	145	150	423	103	**2,374**
Below one year	999	385	145	38	423	—	**1,989**
More than one year	169	—	—	113	—	103	**385**
Fair value – assets	357		10	n.a.	7	6	**380**
Fair value – liabilities	37		4	n.a.	4	—	**44**
				2021			
Nominal Value	713	176	—	191	344	109	**1,533**
Below one year	608	176	—	—	344	12	**1,139**
More than one year	106	—	—	191	—	97	**394**
Fair value – assets	398		—	n.a.	0	—	**398**
Fair value – liabilities	93		—	n.a.	8	1	**102**

Above shown fair value assets and liabilities are presented in line item ‘Other financial assets’ and ‘Other financial liabilities’ in OMV’s Consolidated statement of financial position.

Commodity price risk

European Emission Allowances

All OMV’s business segments are exposed to fluctuation in the price of carbon under the EU Emission Trading Scheme (ETS). European Emission Allowance purchases are always executed in due time and it is OMV’s highest priority to fulfill all legal obligations under the ETS. OMV monitors price risks from emission allowances and manages it using derivative instruments (spots and forwards) traded bilaterally on the secondary market (so-called over-the-counter or OTC transactions).

Chemicals & Materials

For the petrochemical production, some of the forecasted cracker feedstock purchases and finished product sales are hedged through refined oil products swaps. Cash flow hedge accounting is applied to those derivatives, except for the derivatives that are used to limit the price risk on the inventory held for immediate consumption. Contracts not designated as cash flow hedges are classified as fair value through profit or loss and stated at fair value.

Borealis hedges its forecasted electricity purchases using electricity swaps.

Refining & Marketing

Refining & Marketing is exposed to market price risks arising from trading and non-trading activities, covering production, refining and marketing activities associated with crude oil, oil products, gas and electricity, in addition to limited proprietary trading positions aiming to create market access within oil and oil product markets.

In Refining & Marketing, derivative instruments are used for both hedging selected product sales and reducing exposure to price risks on inventory fluctuations. Crude oil and product swaps are used to hedge the refining margin (crack spread), which is the difference between crude oil prices and bulk product prices.

Furthermore, exchange-traded oil futures as well as OTC contracts (contracts for difference and swaps) are used to hedge short-term purchase and sales market price risks.

Exploration & Production

In order to protect the Group's result and cash flow from the potential negative impact of falling oil and gas prices as well as to ensure sufficient liquidity headroom in order to enable the Group’s growth strategy, OMV uses financial derivatives to secure favorable oil and gas prices from time to time. When doing so, OMV enters into derivative positions selling forward parts of its future production, thereby locking in future oil and gas prices and reducing exposure to market prices in the periods for which the hedges are concluded. OMV Group adopts a flexible approach to monetize hedges prior to their maturity with the aim to generate a positive contribution to the results.

Furthermore, operational commodity price risk management in Exploration & Production includes hedging of market price risk exposure arising from non-trading and trading activities of gas marketing (hedge of the price risk on inventory fluctuations and the differences in terms and conditions of purchases and sales) as well as limited proprietary trading positions for the purpose of creating market access within the gas markets.

For all these derivative instruments no hedge accounting was applied.

Hedge Accounting in Chemicals & Materials and Refining & Marketing

In the Chemical & Materials and Refining & Marketing Business, OMV is especially exposed to volatile refining margins and inventory risks. In order to mitigate those risks corresponding hedging activities are taken, which include margin hedges, stock hedges, feedstock and commodity hedges. Additionally, cash flow hedge accounting is applied to forecast electricity purchases and forecast natural gas purchases. Also, a part of the hedges done for future sales and purchases of the crackers has been designated as cash flow hedge.

The risk management objective is to harmonize the pricing of product sales and purchases in order to remain within an approved range of priced stocks at all times, by means of undertaking stock hedges so as to mitigate the price exposure. The range is a defined maximum deviation from the target stock level, as defined in the Annual Plan for hedging activities.

In respect of refinery margin hedges, crude oil and products are hedged separately, with the aim to protect future margins. Endorsed mandates are documented and defined within the Annual plan for hedging activities.

In case of refinery margin hedges only the product crack spread is designated as the hedged item, buying Brent Crude Oil on a fixed basis and selling the product on a fixed basis. The crack spread for different products is a separately identifiable component and can therefore represent the specific risk component designated as hedged item. There are limits set for the volume of planned hedged sales to avoid over-hedging.

For refinery margin hedges, hedge accounting is applied to a limited extent.

In 2022, physical oil product exchange contracts have been concluded between OMV Group and national stockholding companies in Austria, Germany and Slovakia. In order to reduce the risk of market price fluctuations between the withdrawal and return of products, derivative swap deals (sell fix, buy floating at the time of withdrawal and buy fix, sell floating at the time of return) were concluded and designated in a fair value hedge relationship (hedge of a recognized liability). As of December 31, 2022, the product exchange transaction with the Austrian national stockholding company was fully completed.

Stock hedges are used to mitigate price exposure whenever actual priced stock levels deviate from target levels. Forecast sales for oil products and forecast purchase transactions for crude oil and oil products are designated as the hedged item. Historically, Brent crude oil has formed the largest risk component of the stock price, however in some cases also oil products are used for stock hedges. In such cases, Platts / Argus product price is used as the risk component. Other components like product crack spreads and other local market cost components are not hedged.The hedging relationships are established with a hedge ratio of 1:1 as the underlying risk of the commodity derivatives are identical to the hedged risk components. Hedge ineffectiveness can arise from timing differential between derivative and hedged item delivery and pricing differentials (derivatives are valued on the future monthly average price (or other periods) and sales/purchases on the pricing at the date of transaction/delivery).

For ‘Forecast purchases’ as well as the ‘Hedge of a recognized liability’ the hedge ineffectiveness is included in line item ‘Purchases (net of inventory variation)’ in OMV’s Consolidated income statement. The hedge ineffectiveness and recycling of ‘Forecast sales’ for hedges where a risk component of the non-financial item is designated as the hedged item in the hedging relationship, is shown in line item ‘Sales revenues’ in OMV’s Consolidated income statement.

Foreign exchange risk management

OMV operates in many countries and currencies, therefore industry-specific activities and the corresponding foreign exchange rate risks need to be analyzed precisely. The USD represents OMV’s biggest risk exposure, in the form of movement of the USD against the EUR and also against other main OMV Group currencies (RON, NOK, NZD and SEK). Movements of these currencies against the EUR are also important sources of risk. Other currencies have only a limited impact on cash flow and Operating result. The transaction risk on foreign currency cash flows is monitored on an ongoing basis. The Group’s long and short net position is reviewed at least on a semiannual basis and the sensitivity is calculated. This analysis provides the basis for management of transaction risks on currencies. Since OMV produces commodities that are mainly traded in USD, OMV Group has an economic USD long position.

FX options, forwards and swaps are mainly used to hedge foreign exchange rate risks on outstanding receivables and payables. The market value of these instruments will move in the opposite direction to the value of the underlying receivable or liability if the relevant foreign exchange rate changes. When certain conditions are met, the Group may elect to apply IFRS 9 hedge accounting principles in order to recognize the offsetting effects on profit or loss of changes in the fair value of the hedging instruments at the same time as and the hedged items. Certain hedges, which refer to a forecasted currency position are therefore classified as cash flow hedges and stated at fair value through other comprehensive income.

Translation risk is also monitored on an ongoing basis at Group level and the risk position is evaluated. Translation risk arises on the consolidation of subsidiaries with functional currencies different from EUR. The largest exposures result from changes in RON, USD, NOK and SEK denominated assets against the EUR.

A foreign currency exposure arises from the Group’s long-term net investment in its subsidiaries, associated companies and joint ventures in foreign currencies. Foreign exchange translation differences relating to these net investments are recognized in other comprehensive income.

Borealis has hedged part of its investment in a joint venture which has USD as its functional currency, by designating certain external loans in USD as hedges of the Group’s investments in its foreign operations. The hedged risk in the net investment hedge is the risk of a weakening USD against the EUR that will result in a reduction in the carrying amount of the Group’s net investment in the joint venture in USD. The EUR/USD impact on the measurement of the loans is recognized in other comprehensive income.

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the carrying amount of the debt, that is attributable to a change in the spot rate, with changes in the investment in the foreign operation due to movements in the spot rate (the dollar-offset method). The Group’s policy is to hedge the net investment only to the extent of the debt principal.

There is an economic relationship between the hedged item and the hedging instrument, as the net investment creates a translation risk that will match the foreign exchange risk on the USD borrowing. The Group has established a hedge ratio of 1:1 as the underlying risk of the hedging instrument is identical to the hedged risk component. Hedge ineffectiveness will arise when the amount of the investment in the foreign joint venture becomes lower than the amount of the borrowing.

Interest rate management

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

Interest rate swaps can be used to convert fixed rate debt into floating rate debt and vice versa. In the year 2022 the impact of interest rate swaps has not been material (2021: no material impact).

The hedge ineffectiveness and recycling of interest rate swaps are both shown in line item 'interest expenses' in OMV's Consolidated income statement.

Interest rate benchmark reform (IBOR Reform)

The Group continuously evaluates contractual terms in respect of the London Inter-Bank Offered Rate (LIBOR) transition exposures. Where necessary, agreements will be amended to provide for alternative benchmark rates, which will be in accordance with Loan Market Association (LMA) standard at the time, to apply in relation to the affected currencies. Where applicable, the Group will transition USD LIBOR agreements during the first half of 2023.

As per end of December 31, 2022, for the EUR 1 bn (2021: EUR 1 bn) multicurrency Revolving Credit Facility (RCF) a drawdown waiver is in place for currencies where IBOR rates were discontinued as a Screen Rate from December 31, 2021 (CHF, GBP, JPY). The RCF drawdown waiver will cease to have effect if the Facility is amended to provide for alternative benchmark rates, which will be in accordance with LMA standard at a time.

In addition, a JPY loan tranche of EUR 36 mn (2021: EUR 38 mn) has been successfully transitioned to Tokyo Overnight Average Rate (TONAR).

The Group considers that it is, in principle, exposed to uncertainties resulting from the interest rate benchmark reform in respect of its hedges of (3 month) USD LIBOR interest risks related to the existence of two outstanding USD interest rate swaps, with a nominal amount of EUR 103 mn (2021: EUR 97 mn) in total and a cross currency interest rate swap of EUR 36 mn (2021: EUR 38 mn). Their hedging period spans beyond 2022 when uncertainties about the existence of the USD LIBOR rates arise. OMV Group expects that the hedging instrument and the hedged risk of the hedged item will not change as a result of the reform. However, any hedge ineffectiveness would be accounted for in the income statement.

Impact of Interest Rate Benchmark Reform

In EUR mn

	Benchmark	Carrying Value (notional amount for derivatives)	
		2022	2021
Non-derivative financial assets			
Loan receivable	USD LIBOR	657	987
Non-derivative financial liabilities			
Loan liabilities	USD LIBOR	190	189
Loan liabilities[1]	JPY LIBOR	36	38
Derivatives			
Interest rate swap (designated in a hedge relationship)	USD LIBOR	47	44
Interest rate swap (designated in a hedge relationship)	USD LIBOR	56	53
Cross currency interest rate swap (valued at fair value through profit or loss)	JPY LIBOR to USD LIBOR	36	38

[1] JPY LIBOR has been successfully transitioned to Tokyo Over-night Average Rate (TONAR).

Impact of Interest Rate Benchmark Reform

In EUR mn

		2022	2021
Undrawn commitments			
Financing commitments provided	USD LIBOR	46	251
Committed borrowing facilities - available RCF	Multicurrency	1,000	1,000

Sensitivity analysis

For open hedging contracts, sensitivity analysis is performed to determine the effect of market price fluctuations (+/–10%) on market value. The sensitivity of OMV Group’s overall earnings differs from the sensitivity shown below, since the contracts concluded are used to hedge operational exposures.

The effect of market price fluctuations on the income statement or other comprehensive income depends on the type of derivative used and on whether hedge accounting is applied. Market price sensitivity for derivatives to which cash flow hedge accounting is applied is shown in the sensitivity table for other comprehensive income. Sensitivity to market price fluctuations for all other open derivatives is shown in the sensitivity tables for profit before tax.

Sensitivity analysis for open commodity derivatives affecting profit before tax

In EUR mn

	2022		2021	
	Market price +10%	Market price (10)%	Market price +10%	Market price (10)%
Oil incl. oil products	4	(4)	(25)	25
Oil incl. oil products - designated in a hedge relationship[1]	14	(14)	—	—
Gas	10	(10)	(2)	2
Power	13	(13)	(43)	43
Other[2]	43	(43)	65	(65)
Total	**83**	**(83)**	**(4)**	**5**

[1] Includes hedging instruments designated in a fair value hedge relationship related to product swaps with national stockholding companies in Germany and Slovakia. For further details see chapter ‘Hedge Accounting in Chemicals & Materials and Refining & Marketing’

[2] Includes derivatives for European Emission Allowances

Sensitivity analysis for open commodity derivatives affecting other comprehensive income

In EUR mn

	2022		2021	
	Market price +10%	Market price (10)%	Market price +10%	Market price (10)%
Oil incl. oil products	(39)	39	3	(3)
Gas	5	(5)	3	(3)
Power	48	(48)	57	(57)
Commodity hedges (designated in a hedge relationship)	**15**	**(15)**	**64**	**(64)**

For financial instruments, sensitivity analysis is performed for changes in foreign exchange rates of currencies material to the Group. On Group level, the EUR-RON sensitivity not only includes the net RON exposure versus the EUR but also the net RON exposure versus the USD, since the USD-RON exposure can be split into a EUR-RON and EUR-USD exposure. The same is true for the EUR-NOK, EUR-SEK and EUR-NZD exposure.

Sensitivity analysis for financial instruments affecting profit before tax[1]

In EUR mn

	2022		2021	
	10% appreciation of the EUR	10% depreciation of the EUR	10% appreciation of the EUR	10% depreciation of the EUR
EUR-RON	8	(8)	(2)	2
EUR-USD	8	(8)	(114)	114
EUR-NZD	(2)	2	(4)	4
EUR-NOK	23	(23)	23	(23)
EUR-SEK	(3)	3	(6)	6

[1] Refers only to financial instruments and is not the same as the Group's overall foreign exchange rate sensitivity in terms of operating result

Sensitivity analysis for financial instruments affecting other comprehensive income[1]

In EUR mn

	2022		2021	
	10% appreciation of the EUR	10% depreciation of the EUR	10% appreciation of the EUR	10% depreciation of the EUR
EUR-USD	43	(43)	39	(39)
EUR-SEK	(16)	16	(16)	16

[1] Including sensitivity of the net investment hedge

OMV regularly analyzes the impact of interest rate changes on interest income and expense from floating rate deposits and borrowings. Currently the effects of changes in interest rates are not considered to be a material risk.

Credit risk management

The main counterparty credit risks are assessed and monitored at Group and Segment level using predetermined criteria and limits for all counterparties, banks and security providers. On the basis of a risk assessment, counterparties, banks and security providers are assigned a credit limit, an internal risk class and a specific limit validity. The risk assessments are reviewed at least annually or on an ad-hoc basis. The credit risk processes are governed by guidelines at OMV Group level stipulating the group-wide minimum requirements. The main counterparties with contracts involving derivative financial instruments have investment grade credit ratings. OMV uses commercial trade insurance for parts of its receivables in some business areas to mitigate credit risk. Based on the high economic uncertainty resulting from current geopolitical situation, special attention is paid to early warning signals like changes in payment behavior.

Credit risk is the risk that OMV Group's counterparties will not meet their obligation under a financial instrument or customer contract, leading to a financial loss.

Credit risk exists in relation to the financial guarantee issued by Borealis to Bayport Polymers LLC, which is accounted for using the equity method, where the maximum outstanding exposure for Borealis amounts to EUR 623 mn (2021: nil). For further details refer to chapter 'Liquidity Risk'.

The guarantee terminates earliest upon payment and/or termination of the obligation in 2027 and 2032, respectively and could be called at any time. Generally, a payment under the guarantee agreement is triggered by the non-performance by the guaranteed party of the obligation covered by the guarantee. Therefore, a financial liability initially measured at fair value was recognized.

The Group is exposed to additional credit risks arising from credit exposures with customer accounts receivables (see Note 18 – Financial assets), from its operating activities as well as from its financial activities such as financial investments, including deposits with banks and financial institutions (see Note 26 – Statement of cash flows), foreign exchange transactions and other financial instruments (see Note 18 – Financial assets).

29 Fair value hierarchy

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

In EUR mn

	Carrying amount			Fair value level			
	Valued at amortized cost	Valued at fair value	**Total**	Level 1	Level 2	Level 3	**Total**
				2022			
Trade receivables	4,086	136	**4,222**	—	136	—	**136**
Investments in other companies[2]	—	42	**42**	—	—	42	**42**
Investment funds	—	26	**26**	26	—	—	**26**
Bonds	52	—	**52**	—	—	—	**—**
Derivatives designated and effective as hedging instruments	—	380	**380**	—	380	—	**380**
Other derivatives	—	2,867	**2,867**	14	2,853	—	**2,867**
Loans	711	—	**711**	—	—	—	**—**
Other sundry financial assets[3]	1,850	—	**1,850**	—	—	—	**—**
Net amount of assets and liabilities associated with assets held for sale	n.a.	882	**882**	—	58	824	**882**
Total	**6,699**	**4,334**	**11,032**	**40**	**3,427**	**866**	**4,334**
				2021			
Trade receivables	4,260	258	**4,518**	—	258	—	**258**
Investments in other companies	—	17	**17**	—	—	17	**17**
Investment funds	—	30	**30**	30	—	—	**30**
Bonds	63	—	**63**	—	—	—	**—**
Derivatives designated and effective as hedging instruments	—	398	**398**	—	398	—	**398**
Other derivatives	—	4,220	**4,220**	40	4,180	—	**4,220**
Loans	2,015	—	**2,015**	—	—	—	**—**
Other sundry financial assets[3]	1,703	432	**2,135**	—	—	432	**432**
Net amount of assets and liabilities associated with assets held for sale	n.a.	354	**354**	—	(23)	377	**354**
Total	**8,041**	**5,709**	**13,751**	**70**	**4,814**	**826**	**5,709**

[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. For further details please refer to Note 2 – Accounting policies, judgements and estimates, section 'Impact of Russia's invasion of Ukraine and related significant estimates and assumptions'.

[3] 2021 included an asset from reserves redetermination rights related to the acquisition of interests in the Yuzhno-Russkoye field. For further details please refer to Note 2 – Accounting policies, judgements and estimates, section 'Impact of Russia's invasion of Ukraine and related significant estimates and assumptions'.

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

In EUR mn

	Carrying amount			Fair value level			
	Valued at amortized cost	Valued at fair value	Total	Level 1	Level 2	Level 3	Total
			2022				
Trade payables	5,259	—	**5,259**	—	—	—	**—**
Bonds	7,320	—	**7,320**	—	—	—	**—**
Lease liabilities	1,476	—	**1,476**	—	—	—	**—**
Other interest bearing debt	1,487	—	**1,487**	—	—	—	**—**
Liabilities on derivatives designated and effective as hedging instruments	—	44	**44**	—	44	—	**44**
Liabilities on other derivatives	—	1,571	**1,571**	0	1,571	—	**1,571**
Other sundry financial liabilities	1,047	—	**1,047**	—	—	—	**—**
Other liabilities at fair value[2]	—	132	**132**	—	132	—	**132**
Total	**16,589**	**1,747**	**18,336**	**0**	**1,747**	**—**	**1,747**
			2021				
Trade payables	4,860	—	**4,860**	—	—	—	**—**
Bonds	8,070	—	**8,070**	—	—	—	**—**
Lease liabilities	1,018	—	**1,018**	—	—	—	**—**
Other interest bearing debt	1,765	—	**1,765**	—	—	—	**—**
Liabilities on derivatives designated and effective as hedging instruments	—	102	**102**	17	85	—	**102**
Liabilities on other derivatives	—	3,977	**3,977**	42	3,935	—	**3,977**
Other sundry financial liabilities	876	—	**876**	—	—	—	**—**
Total	**16,588**	**4,079**	**20,667**	**59**	**4,019**	**—**	**4,079**

[1] Excluding liabilities associated with assets held for sale

[2] Includes hedged items designated in fair value hedge relationships related to product swaps with national stockholding companies in Germany and Slovakia.

Financial assets and liabilities for which fair values are disclosed[1]

In EUR mn

	Fair Value	Fair value level		
		Level 1	Level 2	Level 3
		2022		
Bonds	52	—	52	—
Financial assets	**52**	**—**	**52**	**—**
Bonds	6,747	6,747	—	—
Other interest bearing debt	1,320	—	1,320	—
Financial liabilities	**8,067**	**6,747**	**1,320**	**—**
		2021		
Bonds	63	—	63	—
Financial assets	**63**	**—**	**63**	**—**
Bonds	8,586	8,586	—	—
Other interest bearing debt	1,742	—	1,742	—
Financial liabilities	**10,328**	**8,586**	**1,742**	**—**

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

30 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset only when the Group has a current and legally enforceable right to set-off the recognized amounts and when there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

OMV enters in the normal course of business into various master netting arrangements in the form of International Swaps and Derivatives Association (ISDA) agreements or European Federation of Energy Traders (EFET) agreements or other similar arrangements.

The tables hereafter show the carrying amounts of recognized financial assets and financial liabilities that are subject to various netting arrangements. The net column would be on the Group's statement of financial position, if all set-off rights were exercised.

Offsetting of financial assets

In EUR mn

	Note	Financial instruments (gross)	Amounts set off in the statement of financial position	**Financial instruments in the statement of financial position (net)**	Liabilities with right of set-off (not offset)	**Net**
				2022		
Derivative financial instruments	18	13,466	(10,219)	**3,247**	(547)	**2,700**
Trade receivables	18	6,086	(1,864)	**4,222**	(106)	**4,116**
Other sundry financial assets	18	1,892	(42)	**1,850**	(1)	**1,849**
Total		**21,444**	**(12,125)**	9,318	**(654)**	8,664
				2021		
Derivative financial instruments	18	21,462	(16,844)	**4,619**	(1,421)	**3,197**
Trade receivables	18	6,998	(2,480)	**4,518**	(107)	**4,411**
Other sundry financial assets	18	2,231	(97)	**2,135**	(104)	**2,031**
Total		**30,691**	**(19,420)**	**11,271**	**(1,633)**	**9,639**

Offsetting of financial liabilities

In EUR mn

	Note	Financial instruments (gross)	Amounts set off in the statement of financial position	**Financial instruments in the statement of financial position (net)**	Assets with right of set-off (not offset)	**Net**
				2022		
Derivative financial instruments	24	11,835	(10,219)	**1,615**	(547)	**1,068**
Trade payables	24	7,123	(1,864)	**5,259**	(106)	**5,153**
Other sundry financial liabilities	24	1,089	(42)	**1,047**	(1)	**1,046**
Total		**20,046**	**(12,125)**	**7,921**	**(654)**	**7,267**
				2021		
Derivative financial instruments	24	20,922	(16,844)	**4,079**	(1,421)	**2,657**
Trade payables	24	7,340	(2,480)	**4,860**	(107)	**4,753**
Other sundry financial liabilities	24	973	(97)	**876**	(104)	**772**
Total		**29,235**	**(19,420)**	**9,815**	**(1,633)**	**8,182**

31 Result on financial instruments

Result on financial instruments

In EUR mn

	Amount	Financial instruments at fair value through profit or loss	Equity instruments designated as measured at fair value through other comprehensive income	Financial assets at amortized cost	Financial liabilities at amortized cost
			2022		
Fair value changes of financial assets and derivatives	**1,029**	1,029	—	—	—
Net impairment losses on financial assets	**(43)**	—	—	(43)	—
Result on financial instruments within operating result	**986**	**1,029**	**—**	**(43)**	**—**
Dividend income	**11**	—	11	—	—
Interest income	**269**	—	—	269	—
Interest expense	**(417)**	(4)	—	—	(161)
Fair value changes of financial instruments	**(374)**	(374)	—	—	—
Fair value changes of FX derivatives	**(186)**	(186)	—	—	—
Financial charges for factoring and securitization	**(46)**	(46)	—	—	—
Impairments of financial instruments, net	**(1,007)**	—	—	(1,007)	—
Other	**(12)**	0	0	0	(12)
Result on financial instruments within financial result	**(1,761)**	**(609)**	**11**	**(739)**	**(173)**
			2021		
Fair value changes of financial assets and derivatives	**(1,050)**	(1,050)	—	—	—
Net impairment losses on financial assets	**(9)**	—	—	(9)	—
Result on financial instruments within operating result	**(1,059)**	**(1,050)**	**—**	**(9)**	**—**
Dividend income	**19**	—	19	—	—
Interest income	**161**	—	—	160	—
Interest expense	**(334)**	(4)	—	—	(172)
Fair value changes of FX derivatives	**15**	15	—	—	—
Financial charges for factoring and securitization	**(33)**	(33)	—	—	—
Impairments of financial instruments, net	**(1)**	—	—	(0)	—
Other	**(16)**	—	—	—	(16)
Result on financial instruments within financial result	**(189)**	**(22)**	**19**	**159**	**(188)**

The **interest expense** not allocated mainly referred to the unwinding of provisions. For further details see Note 11 – Net financial result.

32 Share based payments

Long Term Incentive (LTI) plans

LTI plans with similar conditions are granted annually to the Executive Board and selected senior managers in the Group. At vesting date, shares will be granted to the participants. The number of shares is determined depending on the achievement of defined performance criteria. The defined performance criteria may not be amended during the performance period of the LTI plans. However – in order to maintain the incentivizing character of the program – the Remuneration Committee will have discretion (until LTI Plan 2020 for the Executive Board) to adjust the threshold/ target/ maximum levels of the free cash flow, in case of material changes in external factors such as oil and gas prices. The adjustment is possible in both directions and will be determined by the Remuneration Committee. The Executive Board has the discretion to adjust the thresholds/ targets/ maximum levels of the free cash flow for Senior Managers accordingly. Disbursement is made in cash or in shares. From 2022 onwards OMV Petrom LTIP payment is made in shares only. Executive Board members and senior managers as active participants of the plans are required to build up an appropriate volume of shares and to hold those shares until retirement or departure from the company. For senior managers, if the LTIP eligibility lapses, but they are still in an active employment with the company, the shareholding requirement expires when the last LTIP is paid out. The shareholding requirement is defined as a percentage of the annual gross base salary, for the Executive Board, and as a percentage of the respective Target Long Term Incentive for the senior managers. Executive Board members have to fulfill the shareholding requirement within five years after the initial respective appointment. Until fulfillment of the shareholding requirement, the disbursement is in form of shares whilst thereafter the plan participants can decide between cash or share settlement. As long as the shareholding requirements are not fulfilled the granted shares after deduction of taxes are transferred to a trustee deposit, managed by the Company.

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

In 2021 Borealis introduced a LTI plan, which is harmonized with the above described LTI Plan. The shareholding requirement is only applicable to the Executive Board members of Borealis and not to senior managers.

Long Term Incentive Plans

	2022 plan	2021 plan	2020 plan	2019 plan
Start of plan	01/01/2022	01/01/2021	01/01/2020	01/01/2019
End of performance period	12/31/2024	12/31/2023	12/31/2022	12/31/2021
Vesting date	03/31/2025	03/31/2024	03/31/2023	03/31/2022
Shareholding requirement				
Executive Board Chairman	200% of annual gross base salary	200% of annual gross base salary	200% of annual gross base salary	200% of annual gross base salary
Executive Board Deputy Chairman	175% of annual gross base salary	175% of annual gross base salary	175% of annual gross base salary	175% of annual gross base salary
Other Executive Board members	150% of annual gross base salary	150% of annual gross base salary	150% of annual gross base salary	150% of annual gross base salary
Senior managers	75% of the respective Target Long Term Incentive	75% of the respective Target Long Term Incentive	75% of the respective Target Long Term Incentive	75% of the respective Target Long Term Incentive
Expected shares as of December 31, 2022	**314,218**	**601,126**	**245,060**	**—**
Maximum shares as of December 31, 2022	**708,987**	**847,200**	**452,909**	**—**
Fair value of plan (in EUR mn) as of December 31, 2022[1]	**15**	**29**	**12**	**—**
Provision (in EUR mn) as of December 31, 2022[1]	**3**	**14**	**9**	**—**

[1] Excluding incidental wage costs

Equity Deferral

The Equity Deferral serves as a long-term compensation instrument for the members of the Executive Board, that promotes retention and shareholder alignment in OMV, combining the interests of management and shareholders via a long-term investment in restricted shares. The holding period of the Equity Deferral is three years from vesting. The plan also seeks to prevent inadequate risk-taking.

The Annual Bonus is capped at 180% of the target Annual Bonus. A minimum of one third of the Annual Bonus is granted in shares. The determined bonus achievement is settled per March 31 following the period end whereby at the statement of financial position date the target achievements and the share price is estimated (the latter on basis of market quotes).

Given the volatility of commodity prices and market conditions inherent to the industry, the variable remuneration plans give the Remuneration Committee the authority (in line with general practices in the Oil and Gas industry) to adjust the threshold, target, and maximum levels based on actual oil/gas prices and EUR/USD exchange rates compared with assumptions at the time the targets were set. Adjustments are applied in both directions. They are determined by the Remuneration Committee and published in the Remuneration Report. The granted shares after deduction of taxes are transferred to a trustee deposit, managed by the Company, to be held for three years.

In 2022 expenses amounting to EUR 3 mn were recorded with a corresponding increase in equity (2021: EUR 3 mn).

Personal investment held in shares[1]

	12/31/2022
Active Executive Board members	
Stern	17,158
Pleininger[2]	58,227
Florey	46,068
van Koten	1,084
Former Executive Board members	
Seele[3]	16,157
Skvortsova[4]	3,335
Gangl[5]	16,680
Total — Executive Board	**158,709**
Other senior managers	237,825
Total personal investment	**396,534**

[1] Personal investment held in shares refer to open LTI plans as well as to Equity Deferral if shares are held in the OMV trustee deposit.
[2] Johann Pleininger resigned from the Executive Board effectively December 31, 2022.
[3] Rainer Seele resigned from the Executive Board effectively August 31, 2021.
[4] Elena Skvortsova resigned from the Executive Board effectively October 31, 2022.
[5] Thomas Gangl took part in 2019 in LTIP as both senior manager as well as Executive Board member. In LTIP 2020 he took part as Executive Board member. In 2021 he took part as both Executive Board member as well as senior manager. He resigned from the Executive Board effectively March 31, 2021.

Total Expense

In 2021 Borealis implemented a transitional LTI plan for 2021 and 2022 in order to bridge the cash gaps, that arise from migrating to the new three year plan, mentioned in the section ‘Long Term Incentive (LTI) plans’. Transitional LTIP allowances for 2021 and 2022 are measuring similar KPI’s as the three year plan for that specific year only and are settled in cash.

Expenses related to all share based payment transactions are summarized in the below table.

Expenses related to share based payment transactions[1]

In EUR mn

	2022	2021
Cash settled	15	28
Equity settled	7	10
Total expenses arising from share based payment transactions	**22**	**38**

[1] Excluding incidental wage costs

Other Information

33 Average number of employees

Average number of employees[1]

	2022	2021
OMV Group excluding OMV Petrom Group and Borealis Group	6,664	6,939
OMV Petrom Group	7,837	8,852
Borealis Group	7,833	7,753
OMV Group	**22,334**	**23,544**

[1] Calculated as the average of the month's end numbers of employees during the year

The decrease in the number of employees in the OMV Group, excluding OMV Petrom Group and Borealis Group, was impacted by the sale of Gas Connect Austria in 2021.

The decrease related to OMV Petrom Group was a result of divestments, outsourced activities and of reorganization and restructuring programs as a consequence of process optimization and cost efficiency measures.

34 Expenses Group auditor

Expenses for services rendered by the Group auditor (including the international network in terms of section 271b UGB) comprised the following:

Expenses for services rendered by the Group auditor (including the international network)

In EUR mn

	2022		2021	
	Group auditor	thereof Ernst&Young Wirtschafts-prüfungsgesell-schaft m.b.H	Group auditor	thereof Ernst&Young Wirtschafts-prüfungsgesell-schaft m.b.H
Audit of Group accounts and year-end audit	3.47	1.58	3.55	1.51
Other assurance services	0.60	0.48	0.53	0.31
Tax advisory services	0.19	—	0.56	—
Other services	0.40	0.01	0.07	0.01
Total	**4.65**	**2.07**	**4.70**	**1.84**

35 Related parties

Under IAS 24, details of relationships with related parties and related enterprises not included in consolidation must be disclosed. Enterprises and individuals are considered to be related if one party is able to control or exercise significant influence over the business of the other. Österreichische Beteiligungs AG (ÖBAG), Vienna, holds an interest of 31.5% and Mubadala Petroleum and Petrochemicals Holding Company L.L.C., (MPPH) Abu Dhabi, holds an interest of 24.9% in OMV Aktiengesellschaft; both are related parties under IAS 24.

In 2022, there were following arm's-length supplies of goods and services (including the granting of licences for the use of technologies of the Group) between the Group and equity-accounted companies, except for gas purchases from OJSC Severneftegazprom, which were not based on market prices but on cost plus defined margin.

Transactions with equity-accounted investments – Sales and Receivables

In EUR mn

	2022		2021	
	Sales and other income	Trade receivables	Sales and other income	Trade receivables
Abu Dhabi Oil Refining Company	2	2	3	2
ADNOC Global Trading LTD	3	1	3	1
Bayport Polymers LLC	8	3	6	1
Borouge investments[1]	677	151	439	111
EEX CEGH Gas Exchange Services GmbH	1	0	1	0
Erdöl-Lagergesellschaft m.b.H.	119	59	43	0
GENOL Gesellschaft m.b.H.	141	22	124	17
Kilpilahden Voimalaitos Oy	8	0	4	0
Société d'Intérêt Collectif Agricole par Actions Simplifiée de Gouaix (SICA de Gouaix)[2]	—	—	1	—
Société d'Intérêt Collectif Agricole Laignes Agrifluides (SICA Laignes Agrifluides)[2]	5	—	7	1
Trans Austria Gasleitung GmbH[3]	—	—	4	—
Total	**963**	**237**	**635**	**134**

[1] Includes Borouge PLC, Abu Dhabi Polymers Company Limited (Borouge) and Borouge Pte. Ltd. For more details see Note 16 – Equity-accounted investments.
[2] Was reclassified to held for sale as part of the nitrogen business unit disposal group of Borealis
[3] Trans Austria Gasleitung GmbH was sold as of May 31, 2021, as part of the Gas Connect Austria disposal group.

Additional sales transactions in the amount of EUR 293 mn took place with Erdöl-Lagergesellschaft m.b.H., which are not disclosed in the above table as netting with expenses was applied in the income statement.

Transactions with equity-accounted investments – Purchases and Payables

In EUR mn

	2022		2021	
	Purchases and services received	Trade payables	Purchases and services received	Trade payables
ADNOC Global Trading LTD	32	—	—	—
Borouge investments[1]	416	88	501	108
Chemiepark Linz Betriebsfeuerwehr GmbH[2]	3	0	4	0
Deutsche Transalpine Oelleitung GmbH	48	7	29	2
EPS Ethylen-Pipeline-Süd GmbH & Co KG	3	—	3	—
Erdöl-Lagergesellschaft m.b.H.	208	27	81	63
GENOL Gesellschaft m.b.H.	10	2	0	—
Kilpilahden Voimalaitos Oy	116	—	74	—
Neochim AD[2]	5	—	10	0
OJSC Severneftegazprom[3]	24	—	127	14
PetroPort Holding AB	4	0	3	0
Società Italiana per l'Oleodotto Transalpino S.p.A.	2	0	—	—
Trans Austria Gasleitung GmbH[4]	—	—	11	—
Total	**873**	**124**	**843**	**188**

[1] Includes Borouge PLC, Abu Dhabi Polymers Company Limited (Borouge) and Borouge Pte. Ltd. For more details see Note 16 – Equity-accounted investments.
[2] Was reclassified to held for sale as part of the nitrogen business unit disposal group of Borealis
[3] OJSC Severneftegazprom was deconsolidated as of March 1, 2022, and reclassified to other investments at fair value through profit or loss (FVTPL).
[4] Trans Austria Gasleitung GmbH was sold as of May 31, 2021, as part of the Gas Connect Austria disposal group.

Dividends distributed from equity-accounted investments

In EUR mn

	2022	2021
Abu Dhabi Oil Refining Company	116	—
Abu Dhabi Petroleum Investments LLC	5	—
ADNOC Global Trading LTD	43	—
Bayport Polymers LLC	—	21
Borouge investments[1]	592	1,918
Deutsche Transalpine Oelleitung GmbH	1	1
EEX CEGH Gas Exchange Services GmbH	1	1
Neochim AD[2]	1	0
OJSC Severneftegazprom[3]	—	17
Pearl Petroleum Company Limited	41	30
Società Italiana per l'Oleodotto Transalpino S.p.A.	1	1
Transalpine Ölleitung in Österreich Gesellschaft m.b.H.	1	0
Trans Austria Gasleitung GmbH[4]	—	9
Dividend distributed from equity-accounted investments	**803**	**1,999**

[1] Includes Borouge PLC, Abu Dhabi Polymers Company Limited (Borouge) and Borouge Pte. Ltd. For more details see Note 16 – Equity-accounted investments.
[2] Was reclassified to held for sale as part of the nitrogen business unit disposal group of Borealis
[3] OJSC Severneftegazprom was deconsolidated as of March 1, 2022, and reclassified to other investments at fair value through profit or loss (FVTPL).
[4] Trans Austria Gasleitung GmbH was sold as of May 31, 2021, as part of the Gas Connect Austria Disposal Group.

Other balances with equity-accounted investments

In EUR mn

	2022	2021
Kilpilahden Voimalaitos Oy	40	18
Bayport Polymers LLC	657	987
Renasci N.V.	—	12
Loan receivables	**697**	**1,017**
Bayport Polymers LLC	29	—
Freya Bunde-Etzel GmbH & Co. KG	8	8
Other financial receivables	**37**	**8**
Borouge investments[1]	8	8
Bayport Polymers LLC	—	7
Contract assets	**8**	**16**
Kilpilahden Voimalaitos Oy	11	12
Renasci N.V.	10	10
Advance payments	**21**	**22**
C2PAT GmbH & Co KG	1	1
Bayport Polymers LLC	28	—
Other financial liabilities	**29**	**1**
Erdöl-Lagergesellschaft m.b.H.	100	120
Contract liabilities	**100**	**120**
Erdöl-Lagergesellschaft m.b.H.	27	—
Other non-financial liabilities	**27**	**—**

[1] Includes Borouge PLC, Abu Dhabi Polymers Company Limited (Borouge) and Borouge Pte. Ltd. For more details see Note 16 – Equity-accounted investments.

The loan receivables (including the related accrued interests) towards Bayport Polymers LLC stemmed from drawdowns under a member loan agreement with a total value of EUR 1,313 mn (2021: EUR 1,236 mn). On April 19, 2022, Bayport Polymers LLC, which is accounted for using the equity method, partially repaid the loan towards the Group in the amount of EUR 602 mn. The repayment was financed from the two tranches of senior notes in the amount of EUR 324 mn and EUR 278 mn, which mature in 2027 and 2032 respectively. Senior notes issued by Bayport Polymers LLC are guaranteed by Borealis AG and therefore a financial liability in the amount of EUR 28 mn was recognized for the financial guarantee. For more details see Note 28 – Risk management, section ‘Credit risk management’. The undrawn financing commitments provided to Bayport Polymers LLC amounted to EUR 46 mn as of December 31, 2022 (December 31, 2021: EUR 251 mn).

A further decrease in the position loan receivables was mainly related to debt conversion into newly issued shares of Renasci N.V. in 2022. At year end 2021, the Group had further financing commitments to grant a convertible loan towards Renasci N.V. amounting to EUR 12 mn. Due to the debt conversion the total amount was completely drawn in 2022. For more details see Note 16 – Equity-accounted investments.

Furthermore, a capital contribution amounting to EUR 408 mn was paid to Borouge 4 LLC in 2022.

At the reporting date, financing commitments towards Kilpilahden Voimalaitos Oy amounted to EUR 10 mn (December 31, 2021: EUR 16 mn). The entitlements are dependent on the fulfilment of specific events, as defined in the underlying contracts.

Other non-financial liabilities in 2022 towards Erdöl-Lagergesellschaft m.b.H. refer to product swaps. The contract liabilities towards Erdöl-Lagergesellschaft m.b.H. are related to a long-term contract for rendering of services.

Government-related entities

Based on the OMV ownership structure, the Republic of Austria has an indirect relationship with OMV via ÖBAG and is therefore, together with companies under the control of the Republic of Austria, considered a related party. OMV has transactions at arm´s length in the normal course of business mainly with Österreichische Post Aktiengesellschaft, VERBUND AG, Österreichische Bundesbahnen-Holding Aktiengesellschaft, Bundesbeschaffung GmbH and their subsidiaries.

In July 2022, the strategic energy cooperation between OMV and VERBUND has commissioned the expansion of the ground-mounted photovoltaic plant in Schönkirchen-Reyersdorf, Austria, with equal stakes of both parties in the joint project. Furthermore, OMV and VERBUND AG have a cooperation agreement related to the photovoltaic plant in Lobau, Austria, which OMV has started up in 2022.

In 2021, OMV closed the transaction to sell its 51% stake in Gas Connect Austria to VERBUND AG. Moreover, OMV finalized in 2021 the sale of its 40% share in SMATRICS GmbH & Co KG and its 40% share in E-Mobility Provider Austria GmbH to VERBUND AG. Furthermore, OMV founded in 2021 together with Lafarge Perlmooser GmbH and VERBUND Energy4Business GmbH a joint venture for the joint planning and construction of a full-scale plant by 2030 to capture CO_2 and process it into synthetic fuels, plastics and other chemicals.

Via MPPH, OMV has an indirect relationship with the Emirate of Abu Dhabi, which is, together with the companies under control of Abu Dhabi also considered a related party. In 2022, there were supplies of goods and services for instance to Compañía Española de Petróleos, S.A. (CEPSA), Abu Dhabi Company for Offshore Petroleum Operations Ltd, NOVA Chemicals Corporation (NOVA), Abu Dhabi National Oil Company (ADNOC) and ADNOC Trading Limited. Furthermore, OMV cooperates with ADNOC in several Exploration & Production arrangements and closed strategic equity partnerships with ADNOC, covering both the ADNOC Refining business and a Trading Joint Venture. In 2022 OMV and ADNOC signed a Memorandum of Understanding to explore new partnerships in delivieries of liquefied natural gas.

Key management personnel compensation

Remuneration received by the Executive Board

In EUR mn

	2022								
	active members of the Executive Board as of December 31, 2022				former members of the Executive Board				
	Stern	Pleininger[2]	Florey	van Koten	Skvortsova[4]	Seele[6]	Gangl[7]	Leitner[9]	Total
Short-term benefits	**1.59**	**1.47**	**1.55**	**0.85**	**1.16**	**1.57**	**0.12**	**—**	**8.32**
Fixed (base salary)	0.99	0.75	0.81	0.58	0.58	0.55	—	—	**4.25**
Variable (cash bonus)[1]	0.59	0.71	0.69	0.25	0.50	1.02	0.12	—	**3.87**
Benefits in kind	0.01	0.01	0.05[3]	0.03	0.09[5]	0.01	—	—	**0.20**
Post employment benefits	**0.25**	**0.19**	**0.20**	**0.14**	**0.14**	**0.14**	**—**	**—**	**1.06**
Pension fund contributions	0.25	0.19	0.20	0.14	0.14	0.14	—	—	**1.06**
Share based benefits	**0.29**	**1.33**	**1.03**	**0.10**	**0.21**	**3.13**	**0.37**	**0.70**	**7.16**
Variable (Equity Deferral 2021)	0.29	0.44	0.34	0.10	0.21	0.43	0.05	—	**1.85**
Variable (LTIP 2019)	—	0.90	0.70	—	—	2.70	0.32[8]	0.70	**5.31**
Remuneration received by the Executive Board	**2.12**	**3.00**	**2.78**	**1.10**	**1.51**	**4.84**	**0.49**	**0.70**	**16.54**

[1] The variable components relate to target achievement in 2021, for which bonuses were paid in 2022.
[2] Johann Pleininger resigned from the Executive Board effectively December 31, 2022 and his contract ends on April 30, 2023.
[3] Including schooling costs and related taxes
[4] Elena Skvortsova resigned from the Executive Board effectively October 31, 2022 and her contract ends on June 14, 2023.
[5] Including rental and storage costs and related taxes.
[6] Rainer Seele resigned from the Executive Board effectively August 31, 2021 and his contract ended on June 30, 2022.
[7] Thomas Gangl resigned from the Executive Board effectively March 31, 2021.
[8] Thomas Gangl received additionally a cash payment in the amount of EUR 0.08 mn based on the Senior Manager LTIP 2019.
[9] Manfred Leitner resigned from the Executive Board effectively June 30, 2019.

Remuneration received by the Executive Board

In EUR mn

	2021								
	active members of the Executive Board as of December 31, 2021					former members of the Executive Board			
	Stern[3]	Pleininger	Florey	Skvortsova	van Koten[7]	Seele[8]	Gangl[9]	Leitner[12]	Total
Short-term benefits	**0.69**	**1.77**	**1.77**	**1.38**	**0.30**	**2.55**	**0.65**	**—**	**9.12**
Fixed (base salary)	0.69	0.75	0.76	0.58	0.29	1.10	0.14	—	**4.30**
Fixed (one-off payment)	—	—	—	0.54[5]	—	—	—	—	**0.54**
Variable (cash bonus)[1]	—	1.01	0.97	0.16	—	1.44	0.50	—	**4.09**
Benefits in kind	0.01	0.01	0.05[4]	0.10[6]	0.01	0.01	0.00	—	**0.20**
Post employment benefits	**0.18**	**0.19**	**0.19**	**0.14**	**0.07**	**0.28**	**0.03**	**—**	**1.08**
Pension fund contributions	0.18	0.19	0.19	0.14	0.07	0.28	0.03	—	**1.08**
Termination benefits	**—**	**—**	**—**	**—**	**—**	**—**	**0.02[10]**	**—**	**0.02**
Share based benefits	**—**	**1.09**	**0.90**	**0.11**	**—**	**2.48**	**0.20**	**0.41**	**5.17**
Variable (Equity Deferral 2020)	—	0.32	0.27	0.11	—	0.40	0.20	—	**1.30**
Variable (LTIP 2018)[2]	—	0.76	0.63	—	—	2.08	—[11]	0.41	**3.88**
Remuneration received by the Executive Board	**0.87**	**3.05**	**2.86**	**1.63**	**0.37**	**5.31**	**0.90**	**0.41**	**15.39**

[1] The variable component relates to target achievement in 2020, for which bonuses were paid out in 2021 and included 50% of the cash payments due in 2020 under the Annual Bonus 2019 for the active Executive Board members in 2020 which were postponed to January 2021.

[2] Including 50% of the cash payments due in 2020 under the LTIP 2017 for the active Executive Board members in 2020 (for the cash portion, if applicable) which have been postponed to January 2021.

[3] Alfred Stern joined the Executive Board effectively April 1, 2021.

[4] Including schooling costs and related taxes

[5] Elena Skvortsova received a one-off payment in settlement of the variable remuneration demonstrably forfeited as a result of her move from Linde Group to OMV AG.

[6] Including moving and rental costs and related taxes

[7] Martijn van Koten joined the Executive Board effectively July 1, 2021.

[8] Rainer Seele resigned from the Executive Board effectively August 31, 2021 and his contract ended on June 30, 2022.

[9] Thomas Gangl resigned from the Executive Board effectively March 31, 2021.

[10] Thomas Gangl received an annual leave compensation payment amounting to EUR 0.02 mn.

[11] Thomas Gangl received a cash payment in the amount of EUR 0.11 mn based on the Senior Manager LTIP 2018.

[12] Manfred Leitner resigned from the Executive Board effectively June 30, 2019.

Remuneration received by top executives (excl. Executive Board)[1]

In EUR mn

	2022	2021
Salaries and bonuses	25.1	25.8
Pension fund contribution	1.4	1.3
Other post-employment benefits including termination benefits	1.1	2.2
Share-based benefits	5.8	3.5
Other long term benefits	1.2	1.8
Remuneration received by top executives (excl. Executive Board)[2]	**34.6**	**34.6**

[1] In 2022 there were on average 47 top executives (2021: 43) based on the months of service in the Group.

[2] 2022 included remuneration of Martijn van Koten for his previous function as Executive Board member in Boralis Group and 2021 included remuneration of Alfred Stern and Martijn van Koten in their previous function as Executive Board members in Borealis Group

The members of the Executive Board and the members of the Supervisory Board are covered by directors and officers liability insurance (D&O) and criminal legal expenses insurance. A large number of other OMV employees also benefit from these two forms of insurance, and the insurers levy lump-sum premiums, which are not specifically attributed to the Board members.

See Note 32 – Shared based payments – for details on Long Term Incentive Plans and Equity Deferral.

In 2022, remuneration expenses for the Supervisory Board amounted to EUR 1.1 mn (2021: EUR 0.6 mn).

36 Unconsolidated structured entities

OMV is selling trade receivables in a securitization program to Carnuntum DAC, based in Dublin, Ireland. In 2022, OMV transferred trade receivables amounting to EUR 5,746 mn to Carnuntum DAC (2021: EUR 4,573 mn).

As of December 31, 2022, OMV held seller participation notes amounting to EUR 168 mn (2021: EUR 95 mn) and complementary notes amounting to EUR 105 mn (2021: EUR 89 mn) in Carnuntum DAC shown in other financial assets. As of December 31, 2022, the maximum exposure to loss from the securitization program was EUR 196 mn (2021: EUR 110 mn).

The seller participation notes are senior to a loss reserve and a third party investor participation. The complementary notes are senior to seller participation notes and are of the same seniority as the senior notes issued by the program. The risk retained by OMV Group is insignificant and therefore the trade receivables sold are derecognized in their entirety. The receivables are sold at their nominal amount less a discount. The discount was recognized in profit or loss and amounted in total to EUR 37 mn in 2022 (2021: EUR 29 mn). Interest income on the notes held in Carnuntum DAC amounted to EUR 5 mn in 2022 (2021: EUR 2 mn). In addition, OMV received a service fee for the debtor management services provided for the receivables sold.

37 Subsequent events

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 will report on the following business segments: Chemicals & Materials, Fuels & Feedstock (former Refining & Marketing) and Energy (former 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 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 new organizational structure. Comparative information for 2022 has been adjusted retrospectively and will be published together with the Q1/23 report.

On January 2, 2023, the sale of Borealis' shares in Rosier SA to YILDIRIM Group's YILFERT BENELUX B.V. has been completed. Following the completion of the sale, Borealis no longer holds any shares in Rosier SA.

On January 11, 2023, Borealis has 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 10.5 mn. Following this transaction, Renasci will become a fully consolidated subsidiary in 2023 (2022: at-equity accounted).

On February 3, 2023 Borouge 4 LLC as the borrower and Borealis AG as lender, entered into a shareholder loan agreement (SHL) in the amount of USD 1,068 mn to part finance the Borouge 4 CAPEX requirements of Borouge 4 LLC. The SHL is structured as a facility with a 5 year tenor. Borealis retains the right to accelerate the prepayment of the outstanding amounts at the point of reintegration.

On February 27, 2023, the Executive Board of OMV has decided to explore the possibilities of selling the E&P assets in the Asia-Pacific region and to initiate the related sales process for the potential divestment of its 50% stake in the issued share capital of SapuraOMV Upstream Sdn. Bhd. in Malaysia and 100% of the shares in OMV New Zealand Limited. A potential divestment aims at optimizing the E&P portfolio in line with the OMV Strategy 2030.

As part of the sales process, OMV, in coordination with competent regulators and governmental authorities, will invite potentially interested parties, in a first step, to submit expressions of interest and, in a second step, to submit binding offers. The sales process is expected to take place over the next months. A potential sale is still subject to the approval of the Supervisory Board of OMV and competent governmental authorities.

38 Direct and indirect investments of OMV Aktiengesellschaft

Changes in consolidated group

Name of company	Registered Office	Type of Change[1]	Effective date
Chemicals & Materials			
Eifanes Beteiligungsverwaltungs GmbH[2]	Vienna	First consolidation	March 9, 2022
Borouge 4 LLC[3]	Abu Dhabi	First consolidation	March 11, 2022
RecycleMe Plastics GmbH[3,4]	Herborn	First consolidation	April 19, 2022
Borouge PLC[3]	Abu Dhabi	First consolidation	April 28, 2022
Abu Dhabi Polymers Company Limited (Borouge)[3,5]	Abu Dhabi	Deconsolidation (M)	June 1, 2022
Borouge Pte. Ltd.[3,6]	Singapore	Partial disposal	June 1, 2022
Refining & Marketing			
OMV Petrom Biofuels SRL	Bucharest	First consolidation	March 31, 2022
OMV Retail Deutschland GmbH	Burghausen	Deconsolidation	May 1, 2022
OMV Supply & Trading AG	Baar	Deconsolidation (L)	August 30, 2022
PETRODYNE-CSEPEL Zrt.	Budapest	Deconsolidation (M)	December 31, 2022
Exploration & Production			
JSC GAZPROM YRGM Development	St. Petersburg	Deconsolidation (T)	March 1, 2022
OJSC Severneftegazprom[3]	Krasnoselkup	Deconsolidation (T)	March 1, 2022
OMV (YEMEN) Al Mabar Exploration GmbH	Vienna	Deconsolidation (I)	March 31, 2022
OMV Block 70 Upstream GmbH	Vienna	Deconsolidation (I)	March 31, 2022
OMV Jardan Block 3 Upstream GmbH	Vienna	Deconsolidation (I)	March 31, 2022
OMV Myrre Block 86 Upstream GmbH	Vienna	Deconsolidation (I)	March 31, 2022
SAPURAOMV UPSTREAM (MALAYSIA) SDN. BHD.	Kuala Lumpur	First consolidation	March 31, 2022
OMV Abu Dhabi E&P GmbH	Vienna	Deconsolidation (I)	September 30, 2022
OMV Gas Marketing & Trading Italia S.r.l.	Milan	Deconsolidation (I)	September 30, 2022
OMV Bina Bawi GmbH	Vienna	Deconsolidation (I)	September 30, 2022
OMV Offshore Morondava GmbH	Vienna	Deconsolidation (I)	September 30, 2022
OMV Middle East & Africa GmbH	Vienna	Deconsolidation (I)	September 30, 2022
OMV Offshore (Namibia) GmbH	Vienna	Deconsolidation (I)	September 30, 2022
OMV (NAMIBIA) Exploration GmbH	Vienna	Deconsolidation (I)	September 30, 2022
OMV Petroleum Exploration GmbH	Vienna	Deconsolidation (I)	September 30, 2022
S. PARC FOTOVOLTAIC ISALNITA S.A.[7]	Târgu Jiu	First consolidation	October 27, 2022
S. PARC FOTOVOLTAIC ROVINARI EST S.A.[7]	Târgu Jiu	First consolidation	October 27, 2022
S. PARC FOTOVOLTAIC TISMANA 1 S.A.[7]	Târgu Jiu	First consolidation	October 27, 2022
S. SOLARIST TISMANA 2 S.A.[7]	Târgu Jiu	First consolidation	October 27, 2022
SapuraOMV Upstream (Malaysia) Inc.	Nassau	Deconsolidation (L)	November 22, 2022
SapuraOMV Upstream (Southeast Asia) Inc.	Nassau	Deconsolidation (L)	November 22, 2022
OMV Green Energy GmbH	Vienna	First consolidation	November 23, 2022
OE SASR Beta Achtundvierzigste Beteiligungsverwaltung GmbH[8]	Vienna	First consolidation (A)	December 12, 2022

[1] "First consolidation" refers to newly formed companies, while "First consolidation (A)" indicates the acquisition of a company. "Deconsolidation (M)" refers to companies that were deconsolidated following a merger into another Group company. "Deconsolidation (L)" refers to subsidiaries that were liquidated. "Deconsolidation (T)" refers to companies that were transferred to other investments at fair value through profit or loss (FVTPL), for further details see Note 2 - Accounting policies, judgements and estimates. Companies marked with "Deconsolidation (I)" have been deconsolidated due to immateriality.

[2] Renamed to Borealis Middle East Holding GmbH

[3] Company consolidated at-equity

[4] Renamed to Recelerate GmbH

[5] Shares transferred to Borouge PLC before the ADX listing. ADX listing changed OMV's share in Abu Dhabi Polymers Company Limited through the shareholding in Borouge PLC from 40% to 36%. For further details see Note 16 – Equity-accounted investments.

[6] Shares partly transferred to Borouge PLC before the ADX listing. ADX listing changed OMV's share in Borouge Pte. Ltd. from 49.15% to 45.76% (thereof 15.25% direct share and 30.51% through shareholding in Borouge PLC). For further details see Note 16 – Equity-accounted investments.

[7] Joint operation; accounting for OMV's share of assets, obligations for liabilities, share of income and expenses

[8] Renamed to OMV Austria Geothermal GmbH

For further information on major acquisitions and disposals refer to Note 3 – Changes in group structure.

Number of consolidated companies

	2022			2021	
	Full consolidation	Equity consolidation	Joint operation[1]	Full consolidation	Equity consolidation
January 1	**136**	**22**	**—**	**151**	**23**
Included for the first time	5	3	4	3	3
Deconsolidated during the year	(18)	(2)	—	(18)	(4)
December 31	**123**	**23**	**4**	**136**	**22**
thereof domiciled and operating abroad	88	17	4	93	16
thereof domiciled in Austria and operating abroad	10	—	—	18	—

[1] Accounting for OMV's share of assets, obligations for liabilities, share of income and expenses

List of Investments

List of subsidiaries, equity-accounted investments and other investments of OMV Aktiengesellschaft with an interest of at least 20%

	Parent company	**Type of consoli-dation[1]**	**Equity interest in % as of December 31, 2022**	Equity interest in % as of December 31, 2021
Chemicals & Materials				
Abu Dhabi Polymers Company Limited (Borouge), Abu Dhabi	BORAAG	AEJ		40.00
AGRIPRODUITS S.A.S., Courbevoie (BAGRFR)	BCHIFR	NC	100.00	100.00
AZOLOR S.A.S., Bras-sur-Meuse	BCHIFR	NC-I	34.00	34.00
Bayport Polymers LLC, Pasadena[2]	BNOVUS	AEJ	50.00	50.00
Borealis AB, Stenungsund (BABSWE)	BSVSWE	C	100.00	100.00
Borealis AG, Vienna (BORAAG)	BHOLAT	C	39.00	39.00
	OMVRM		32.67	32.67
	OMV AG		3.33	3.33
Borealis Agrolinz Melamine Deutschland GmbH, Wittenberg	BORAAG	C	100.00	
	BAGMAT			100.00
Borealis Agrolinz Melamine GmbH, Linz (BAGMAT)	BORAAG	C	100.00	100.00
Borealis Antwerpen N.V., Zwijndrecht	BPOBE	C	90.00	90.00
	BORAAG		10.00	10.00
Borealis Argentina SRL, Buenos Aires	BORAAG	NC	98.00	98.00
	BSVSWE		2.00	2.00
BOREALIS ASIA LIMITED, Hong Kong	BORAAG	NC	100.00	100.00
Borealis BoNo Holdings LLC, Port Murray (BBNHUS)[2]	BUS	C	100.00	100.00
Borealis Brasil S.A., Itatiba	BORAAG	C	80.00	80.00
BOREALIS CHEMICALS ZA (PTY) LTD, Germiston	BORAAG	NC	100.00	100.00
Borealis Chile SpA, Santiago	BORAAG	NC	100.00	100.00
Borealis Chimie S.A.R.L., Casablanca	BORAAG	NC	100.00	100.00
Borealis Chimie S.A.S., Courbevoie (BCHIFR)	BFR	C	100.00	100.00
Borealis Circular Solutions Holding GmbH, Vienna (BCIRC)	BORAAG	C	100.00	100.00
Borealis Colombia S.A.S., Bogota	BORAAG	NC	100.00	100.00
Borealis Compounds Inc., Port Murray (BCOMUS)	BUS	C	100.00	100.00
Borealis Denmark ApS, Copenhagen	BORAAG	NC	100.00	100.00
Borealis Digital Studio B.V., Zaventem	BORAAG	NC	90.00	90.00
	BPOBE		10.00	10.00
Borealis Financial Services N.V., Mechelen	BORAAG	C	100.00	100.00

List of subsidiaries, equity-accounted investments and other investments of OMV Aktiengesellschaft with an interest of at least 20%

	Parent company	Type of consolidation[1]	Equity interest in % as of December 31, 2022	Equity interest in % as of December 31, 2021
	BSVSWE		0.00	0.00
Borealis France S.A.S., Courbevoie (BFR)	BORAAG	C	100.00	100.00
Borealis Group Services AS, Bamble	BABSWE	C	100.00	100.00
Borealis Insurance A/S (captive insurance company), Copenhagen	BORAAG	C	100.00	100.00
Borealis ITALIA S.p.A., Monza	BORAAG	C	100.00	100.00
Borealis Kallo N.V., Kallo	BPOBE	C	99.94	99.94
	BORAAG		0.06	0.06
Borealis L.A.T Belgium B.V., Beringen	BLATAT	NC	100.00	100.00
Borealis L.A.T Bulgaria EOOD, Sofia	BLATAT	NC	100.00	100.00
Borealis L.A.T Czech Republic s.r.o., České Budějovice	BLATAT	NC	100.00	100.00
Borealis L.A.T doo, Beograd, Belgrade	BLATAT	C	100.00	100.00
Borealis L.A.T France S.A.S., Courbevoie	BFR	C	100.00	100.00
Borealis L.A.T GmbH, Linz (BLATAT)	BORAAG	C	100.00	100.00
Borealis L.A.T Greece Single Member P.C., Athens	BLATAT	NC	100.00	100.00
Borealis L.A.T Hrvatska d.o.o., Klisa	BLATAT	NC	100.00	100.00
Borealis L.A.T Hungary Kft., Budapest	BLATAT	NC	100.00	100.00
Borealis L.A.T Italia s.r.l., Milan	BORAAG	NC	100.00	100.00
Borealis L.A.T Polska Sp. z o.o., Warsaw	BLATAT	NC	100.00	100.00
Borealis L.A.T Romania s.r.l., Bucharest	BLATAT	NC	100.00	100.00
Borealis L.A.T Slovakia s.r.o., Chotin	BLATAT	NC	100.00	100.00
Borealis México, S.A. de C.V., Mexico City	BORAAG	NC	100.00	100.00
	BCOMUS		0.00	0.00
Borealis Middle East Holding GmbH, Vienna (BORMEH)	BORAAG	C	100.00	
Borealis Plasticos, S.A. de C.V., Mexico City	BORAAG	NC	100.00	100.00
	BABSWE		0.00	0.00
Borealis Plastik ve Kimyasal Maddeler Ticaret Limited Sirketi, Istanbul	BORAAG	NC	100.00	100.00
Borealis Plastomers B.V., Geleen	BORAAG	C	100.00	100.00
Borealis Poliolefinas da América do Sul Ltda., Itatiba	BORAAG	NC	99.99	99.99
	BSVSWE		0.01	0.01
Borealis Polska Sp. z o.o., Warsaw	BORAAG	NC	100.00	100.00
Borealis Polymere GmbH, Burghausen (BPODE)	BORAAG	C	100.00	100.00
Borealis Polymers N.V., Beringen (BPOBE)	BORAAG	C	100.00	100.00
	BSVSWE		0.00	0.00
Borealis Polymers Oy, Porvoo	BORAAG	C	100.00	100.00
Borealis Polyolefine GmbH, Schwechat (BPOAT)	BORAAG	C	100.00	100.00
	BSVSWE		0.00	0.00
Borealis Polyolefins d.o.o., Zagreb	BORAAG	NC	100.00	
Borealis Polyolefins S.R.L., Bucharest	BORAAG	NC	100.00	
Borealis Polyolefins s.r.o., Bratislava	BORAAG	NC	100.00	
Borealis Produits et Engrais Chimiques du Rhin S.A.S., Ottmarsheim	BFR	C	100.00	100.00
Borealis Química España S.A., Barcelona	BORAAG	C	100.00	100.00
Borealis RUS LLC, Moscow	BORAAG	NC	100.00	100.00
Borealis s.r.o., Prague	BORAAG	NC	100.00	100.00
Borealis Services S.A.S., Paris	BFR	NC	100.00	100.00
Borealis Sverige AB, Stenungsund (BSVSWE)	BORAAG	C	100.00	100.00
Borealis Technology Oy, Porvoo	BORAAG	C	100.00	100.00
BOREALIS UK LTD, Manchester	BORAAG	C	100.00	100.00
Borealis USA Inc., Port Murray (BUS)	BORAAG	C	100.00	100.00

List of subsidiaries, equity-accounted investments and other investments of OMV Aktiengesellschaft with an interest of at least 20%

	Parent company	Type of consoli-dation[1]	Equity interest in % as of December 31, 2022	Equity interest in % as of December 31, 2021
Borouge 4 LLC, Abu Dhabi	BORMEH	AEJ	40.00	
Borouge PLC, Abu Dhabi (BOROLC)	BORMEH	AEJ	36.00	
Borouge Pte. Ltd., Singapore	BOROLC	AEJ	84.75	
	BORMEH		15.25	
	BORAAG			50.00
Chemiepark Linz Betriebsfeuerwehr GmbH, Linz	BAGMAT	NC-I	47.50	47.50
DYM SOLUTION CO., LTD, Cheonan	BORAAG	C	99.75	98.71
Ecoplast Kunststoffrecycling GmbH , Wildon	BORAAG	C	100.00	100.00
EPS Ethylen-Pipeline-Süd Geschäftsführungs GmbH, Munich	OMVD	NC-I	15.46	15.46
	BPODE		7.73	7.73
EPS Ethylen-Pipeline-Süd GmbH & Co KG, Munich	OMVD	AEA	20.66	20.66
	BPODE		10.33	10.33
Etenförsörjning i Stenungsund AB, Stenungsund	BABSWE	C	80.00	80.00
Feboran EOOD, Sofia (BFEBGR)	BORAAG	C	100.00	100.00
Franciade Agrifluides S.A.S. (FASA), Blois	BCHIFR	NC-I	40.00	40.00
	BAGRFR		9.98	9.98
Hallbar Kemi i Stenungsund, Stenungsund	BABSWE	NC-I	20.00	20.00
Industrins Räddningstjänst i Stenungsund AB, Stenungsund	BABSWE	NC-I	25.00	25.00
KB Munkeröd 1:72, Stenungsund	BABSWE	NC	100.00	100.00
	BSVSWE		0.00	0.00
Kilpilahden Voimalaitos Oy, Porvoo	BORAAG	NC-I	20.00	20.00
mtm compact GmbH, Niedergebra	BORAAG	C	100.00	100.00
mtm plastics GmbH, Niedergebra	BORAAG	C	100.00	100.00
Neochim AD, Dimitrovgrad	BFEBGR	AEA	20.30	20.30
Novealis Holdings LLC, Port Murray (BNOVUS)	BBNHUS	C	50.00	50.00
	BSBHUS		50.00	50.00
OMV Borealis Holding GmbH, Vienna (BHOLAT)	OMVRM	C	100.00	100.00
PetroPort Holding AB, Stenungsund	BABSWE	AEJ	50.00	50.00
Recelerate GmbH, Herborn	BORAAG	AEJ	50.00	
Renasci N.V., Ghent	BCIRC	AEA	27.42	10.00
Rosier France S.A.S., Arras	BROSBE	C	100.00	100.00
Rosier Nederland B.V., Sas van Gent	BROSBE	C	100.00	100.00
Rosier S.A., Moustier (BROSBE)	BORAAG	C	98.09	77.47
Société d'Intérêt Collectif Agricole Laignes Agrifluides (SICA Laignes Agrifluides), Monéteau	BCHIFR	NC-I	39.97	39.97
	BAGRFR		9.93	9.93
Société d'Intérêt Collectif Agricole par Actions Simplifiée de Gouaix (SICA de Gouaix), Paris	BCHIFR	NC-I	25.00	25.00
	BLATAT		0.00	0.00
Star Bridge Holdings LLC, Port Murray (BSBHUS)[2]	BUS	C	100.00	100.00
STOCKAM G.I.E., Grand-Quevilly	BCHIFR	NC	99.00	99.00
	BAGRFR		1.00	1.00
Refining & Marketing				
Abu Dhabi Oil Refining Company, Abu Dhabi	OMVRM	AEA	15.00	15.00
Abu Dhabi Petroleum Investments LLC, Abu Dhabi (ADPINV)	OMVRM	AEJ	25.00	25.00
ADNOC Global Trading LTD , Abu Dhabi	OMVRM	AEA	15.00	15.00
Aircraft Refuelling Company GmbH, Vienna	OMVRM	NC-I	33.33	33.33
Autobahn - Betriebe Gesellschaft m.b.H., Vienna	OMVRM	NC-I	47.19	47.19
Avanti Deutschland GmbH, Berchtesgaden	OMVRM	C	100.00	100.00
BSP Bratislava-Schwechat Pipeline GmbH, Vienna	OMVRM	NC-I	26.00	26.00

List of subsidiaries, equity-accounted investments and other investments of OMV Aktiengesellschaft with an interest of at least 20%

	Parent company	Type of consoli-dation[1]	Equity interest in % as of December 31, 2022	Equity interest in % as of December 31, 2021
BTF Industriepark Schwechat GmbH, Schwechat	BPOAT	NC	50.00	50.00
	OMVRM		50.00	50.00
Deutsche Transalpine Oelleitung GmbH, Munich	OMVD	AEA	32.26	32.26
DUNATÀR Köolajtermék Tároló és Kereskedelmi Kft., Budapest	PDYNHU	C		51.72
	OHUN		100.00	48.28
Erdöl-Lagergesellschaft m.b.H., Lannach[3]	OMVRM	AEA	55.60	55.60
GENOL Gesellschaft m.b.H., Korneuburg	OMVRM	AEA	29.00	29.00
KSW Beteiligungsgesellschaft m.b.H., Vienna (SWJS)	OMVRM	NC	100.00	100.00
KSW Elektro- und Industrieanlagenbau Gesellschaft m.b.H., Feldkirch	SWJS	NC-I	25.10	25.10
OMV - International Services Ges.m.b.H., Vienna	OMVRM	C	100.00	100.00
OMV BULGARIA OOD, Sofia	PETROM	C	99.90	99.90
	OMVRM		0.10	0.10
OMV Česká republika, s.r.o., Prague	OMVRM	C	100.00	100.00
OMV Deutschland Services GmbH, Burghausen (OMVDS)	OMVD	C	100.00	100.00
OMV Enerji Ticaret Anonim Şirketi, Istanbul	OMVRM	C	100.00	100.00
OMV Gaz Iletim A.S., Istanbul	OMVRM	C	100.00	100.00
OMV Hungária Ásványolaj Korlátolt Felelösségü Társaság, Budapest (OHUN)	OMVRM	C	100.00	100.00
OMV PETROM Aviation S.R.L., Otopeni	PETROM	C	100.00	100.00
	ROMAN		0.00	0.00
OMV Petrom Biofuels SRL, Bucharest	PETROM	C	75.00	
	OMVRM		25.00	
OMV PETROM MARKETING SRL, Bucharest (ROMAN)	PETROM	C	100.00	100.00
OMV Refining & Marketing Middle East & Asia GmbH, Vienna	OMVRM	C	100.00	100.00
OMV Retail Deutschland GmbH, Burghausen	OMVD	C		100.00
OMV SLOVENIJA trgovina z nafto in naftnimi derivati, d.o.o., Koper	OMVRM	C	92.25	92.25
OMV Slovensko s.r.o., Bratislava	OMVRM	C	99.96	99.96
OMV SRBIJA d.o.o., Belgrade	PETROM	C	99.96	99.96
	OMVRM		0.04	0.04
OMV Supply & Trading AG, Baar	OMVRM	C		100.00
OMV Supply & Trading Italia S.r.l., Trieste	OMVRM	C	100.00	100.00
OMV Supply & Trading Limited , London (OTRAD)	OMVRM	C	100.00	100.00
OMV Supply & Trading Singapore PTE LTD., Singapore	OTRAD	NC	100.00	100.00
OMV Switzerland Holding AG, Zug	OGI	C	100.00	100.00
Pak-Arab Refinery Limited, Karachi	ADPINV	AEJ	40.00	40.00
PETRODYNE-CSEPEL Zrt. , Budapest (PDYNHU)	OHUN	C		100.00
Petrom-Moldova S.R.L., Chisinau	PETROM	C	100.00	100.00
Routex B.V., Amsterdam	OMVRM	NC-I	20.00	20.00
Salzburg Fuelling GmbH, Salzburg	OMVRM	NC-I	33.33	33.33
Società Italiana per l'Oleodotto Transalpino S.p.A., Trieste	OMVRM	AEA	32.26	32.26
SuperShop Marketing Kft., Budapest	OHUN	NC-I	50.00	50.00
TGN Tankdienst-Gesellschaft Nürnberg GbR, Nuremberg	OMVD	NC-I	33.33	33.33
Transalpine Ölleitung in Österreich Gesellschaft m.b.H., Matrei in Osttirol	OMVRM	AEA	32.26	32.26
Exploration & Production				
Central European Gas Hub AG, Vienna (HUB)[4]	OGI	C	65.00	65.00
EEX CEGH Gas Exchange Services GmbH, Vienna[4]	HUB	AEA	49.00	49.00
Energy Infrastructure Limited, Wellington	NZEA	C	100.00	100.00

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Energy Petroleum Holdings Limited, Wellington	NZEA	C	100.00	100.00
Energy Petroleum Investments Limited, Wellington	NZEA	C	100.00	100.00
Freya Bunde-Etzel GmbH & Co. KG, Bonn[4]	OGSG	AEA	39.99	39.99
JSC GAZPROM YRGM Development , St. Petersburg[5,6]	OMVEP	NC-I	—	—
OJSC Severneftegazprom, Krasnoselkup[6]	OMVEP	NC-I	24.99	24.99
OMV Austria Geothermal GmbH, Vienna	OGREEN	C	100.00	
OMV (Berenty) Exploration GmbH, Vienna	OMVEP	NC	100.00	100.00
OMV (IRAN) onshore Exploration GmbH, Vienna	OMVEP	C	100.00	100.00
OMV (Mandabe) Exploration GmbH, Vienna	OMVEP	NC	100.00	100.00
OMV (NAMIBIA) Exploration GmbH , Vienna[6]	ONAFRU	NC	100.00	100.00
OMV (NORGE) AS, Stavanger	OMVEP	C	100.00	100.00
OMV (Tunesien) Production GmbH, Vienna	OMVEP	C	100.00	100.00
OMV (TUNESIEN) Sidi Mansour GmbH, Vienna	OMVEP	NC	100.00	100.00
OMV (Yemen Block S 2) Exploration GmbH, Vienna	OMVEP	C	100.00	100.00
OMV (YEMEN) Al Mabar Exploration GmbH, Vienna[6]	OMVEP	NC	100.00	100.00
OMV (YEMEN) South Sanau Exploration GmbH, Vienna	OMVEP	NC	100.00	100.00
OMV Abu Dhabi E&P GmbH, Vienna[6]	OMVEP	NC	100.00	100.00
OMV Abu Dhabi Offshore GmbH, Vienna	OMVEP	C	100.00	100.00
OMV Abu Dhabi Production GmbH, Vienna	OMVEP	C	100.00	100.00
OMV AUSTRALIA PTY LTD, Perth (OAUST)	OMV AG	C	100.00	100.00
OMV Austria Exploration & Production GmbH, Gänserndorf (OEPA)	OMVEP	C	100.00	100.00
OMV Barrow Pty Ltd, Perth	OAUST	NC	100.00	100.00
OMV Beagle Pty Ltd, Perth	OAUST	NC	100.00	100.00
OMV Beteiligungsverwaltungs GmbH, Vienna	OMV AG	NC	100.00	
OMV Bina Bawi GmbH, Vienna[6]	PETEX	NC	100.00	100.00
OMV Block 70 Upstream GmbH, Vienna[6]	OMVEP	NC	100.00	100.00
OMV East Abu Dhabi Exploration GmbH, Vienna	OMVEP	NC	100.00	100.00
OMV Exploration & Production GmbH, Vienna (OMVEP)	OMV AG	C	100.00	100.00
OMV EXPLORATION & PRODUCTION LIMITED, Douglas	OMVEP	NC	100.00	100.00
OMV Gas Logistics Holding GmbH, Vienna (OGI)[4]	OMV AG	C	100.00	100.00
OMV Gas Marketing & Trading Belgium BVBA, Brussels[4]	ECOGAS	C	100.00	100.00
OMV Gas Marketing & Trading Deutschland GmbH, Dusseldorf[4]	ECOGAS	C	100.00	100.00
OMV Gas Marketing & Trading GmbH, Vienna (ECOGAS)[4]	OMVRM	C	100.00	100.00
OMV Gas Marketing & Trading Hungária Kft., Budapest[4]	ECOGAS	C	100.00	100.00
OMV Gas Marketing & Trading Italia S.r.l., Milan[4,6]	ECOGAS	NC	100.00	100.00
OMV Gas Marketing Trading & Finance B.V., Amsterdam[4]	OFS	C	100.00	100.00
OMV Gas Storage Germany GmbH, Cologne (OGSG)[4]	OMVDS	C	100.00	100.00
OMV Gas Storage GmbH, Vienna[4]	OGI	C	100.00	100.00
OMV Green Energy GmbH, Vienna (OGREEN)	OMVEP	C	100.00	
OMV Jardan Block 3 Upstream GmbH, Vienna[6]	OMVEP	NC	100.00	100.00
OMV Maurice Energy GmbH, Vienna	OMVEP	NC	100.00	100.00
OMV Middle East & Africa GmbH, Vienna[6]	OMVEP	NC	100.00	100.00
OMV Myrre Block 86 Upstream GmbH, Vienna[6]	OMVEP	NC	100.00	100.00
OMV New Zealand Limited, Wellington (NZEA)	OMVEP	C	100.00	100.00
OMV NZ Production Limited, Wellington	NZEA	C	100.00	100.00
OMV OF LIBYA LIMITED, Douglas	OMVEP	C	100.00	100.00
OMV Offshore (Namibia) GmbH, Vienna (ONAFRU)[6]	OMVEP	NC	100.00	100.00
OMV Offshore Bulgaria GmbH, Vienna	PETROM	C	100.00	100.00
OMV Offshore Morondava GmbH, Vienna[6]	OMVEP	NC	100.00	100.00
OMV Oil and Gas Exploration GmbH, Vienna	OMVEP	NC	100.00	100.00
OMV Oil Exploration GmbH, Vienna	OMVEP	C	100.00	100.00

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OMV Oil Production GmbH, Vienna	OMVEP	C	100.00	100.00
OMV Orient Hydrocarbon GmbH, Vienna	OMVEP	NC	100.00	100.00
OMV Orient Upstream GmbH, Vienna	OMVEP	NC	100.00	100.00
OMV Petroleum Exploration GmbH, Vienna (PETEX)[6]	OMVEP	NC	100.00	100.00
OMV Petroleum Pty Ltd, Perth	NZEA	NC	100.00	100.00
OMV PETROM E&P BULGARIA S.R.L., Bucharest[4,7]	PETROM	C	100.00	100.00
OMV PETROM GEORGIA LLC, Tbilisi	PETROM	C	100.00	100.00
OMV Proterra GmbH, Vienna	OEPA	NC	100.00	100.00
OMV Russia Upstream GmbH, Vienna	OMVEP	C	100.00	100.00
OMV Upstream International GmbH, Vienna (OUPI)	OMVEP	C	100.00	100.00
Pearl Petroleum Company Limited, Road Town	OUPI	AEA	10.00	10.00
PEI Venezuela Gesellschaft mit beschränkter Haftung, Burghausen	OMVEP	NC	100.00	100.00
PETROM EXPLORATION & PRODUCTION LIMITED, Douglas	PETROM	NC	99.99	99.99
Preussag Energie International GmbH, Burghausen	OMVEP	C	100.00	100.00
S. PARC FOTOVOLTAIC ISALNITA S.A., Târgu Jiu	PETROM	PC	50.00	
S. PARC FOTOVOLTAIC ROVINARI EST S.A., Târgu Jiu	PETROM	PC	50.00	
S. PARC FOTOVOLTAIC TISMANA 1 S.A., Târgu Jiu	PETROM	PC	50.00	
S. SOLARIST TISMANA 2 S.A., Târgu Jiu	PETROM	PC	50.00	
SapuraOMV Block 30, S. de R.L. de C.V., Mexico City	SEUPMY	C	99.00	99.00
	SEMXMY		1.00	1.00
SapuraOMV Upstream (Americas) Sdn. Bhd., Kuala Lumpur (SEAMMY)	SEUPMY	C	100.00	100.00
SapuraOMV Upstream (Australia) Sdn. Bhd., Kuala Lumpur (SEAUMY)	SEOCMY	C	100.00	100.00
SapuraOMV Upstream (Holding) Sdn. Bhd., Kuala Lumpur (SEUPMY)	SOUPMY	C	100.00	100.00
SapuraOMV Upstream (Malaysia) Inc., Nassau	SESABH	C		100.00
SAPURAOMV UPSTREAM (MALAYSIA) SDN. BHD., Kuala Lumpur	SEUPMY	C	100.00	
SapuraOMV Upstream (Mexico) Sdn. Bhd., Kuala Lumpur (SEMXMY)	SEAMMY	C	100.00	100.00
SapuraOMV Upstream (NZ) Sdn. Bhd., Kuala Lumpur (SENZMY)	SEOCMY	C	100.00	100.00
SapuraOMV Upstream (Oceania) Sdn. Bhd., Kuala Lumpur (SEOCMY)	SEUPMY	C	100.00	100.00
SapuraOMV Upstream (Sarawak) Inc., Nassau	SEUPMY	C	100.00	
	SEMYBH			100.00
SapuraOMV Upstream (Southeast Asia) Inc., Nassau (SESABH)	SEUPMY	C		100.00
SapuraOMV Upstream (Western Australia) Pty Ltd, Perth	SEAUMY	C	100.00	100.00
SapuraOMV Upstream JV Sdn. Bhd., Kuala Lumpur	SENZMY	NC	100.00	100.00
SapuraOMV Upstream Sdn. Bhd., Kuala Lumpur (SOUPMY)	OMVEP	C	50.00	50.00
Corporate & Other				
ASOCIATIA ROMANA PENTRU RELATIA CU INVESTITORII, Bucharest	PETROM	NC-I	20.00	20.00
Diramic Insurance Limited, Gibraltar	OMV AG	C	100.00	100.00
OMV Clearing und Treasury GmbH, Vienna	SNO	C	100.00	100.00
OMV Finance Services GmbH, Vienna (OFS)	SNO	C	100.00	100.00
OMV Finance Services NOK GmbH, Vienna	SNO	C	100.00	100.00
OMV Finance Solutions USD GmbH, Vienna	SNO	C	100.00	100.00
OMV Insurance Broker GmbH, Vienna	OMV AG	NC	100.00	100.00
OMV International Oil & Gas GmbH, Baar	OMV AG	C	100.00	100.00

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	Parent company	**Type of consoli-dation[1]**	**Equity interest in % as of December 31, 2022**	Equity interest in % as of December 31, 2021
OMV Petrom Global Solutions SRL, Bucharest	SNO	C	75.00	75.00
	PETROM		25.00	25.00
OMV Solutions GmbH, Vienna (SNO)	OMV AG	C	100.00	100.00
PETROMED SOLUTIONS SRL, Bucharest	PETROM	C	100.00	99.99
Assigned to multiple segments[8]				
C2PAT GmbH & Co KG, Vienna	BORAAG	AEJ	25.00	25.00
	OMVRM		25.00	25.00
C2PAT GmbH, Vienna	BORAAG	AEJ	25.00	25.00
	OMVRM		25.00	25.00
OMV Deutschland GmbH, Burghausen (OMVD)	OMVRM	C	90.00	90.00
	OMV AG		10.00	10.00
OMV Deutschland Marketing & Trading GmbH & Co. KG, Burghausen[9]	OMVD	C	99.99	99.99
	OMVDS		0.01	0.01
OMV Deutschland Operations GmbH & Co. KG, Burghausen	OMVD	C	99.99	99.99
	OMVDS		0.01	0.01
OMV Downstream GmbH, Vienna (OMVRM)	OMV AG	C	100.00	100.00
OMV PETROM SA, Bucharest (PETROM)	OMV AG	C	51.16	51.01

[1] Type of consolidation:
C Consolidated subsidiary
AEA Associated companies accounted at-equity
AEJ Joint venture accounted at-equity
PC Joint operation; accounting for OMV’s share of assets, obligations for liabilities, share of income and expenses
NC-I Other not consolidated investment; associated companies and joint ventures of relatively little importance to the assets and earnings of the consolidated financial statements
NC Not-consolidated subsidiary; shell or distribution companies of relative insignificance individually and collectively to the consolidated financial statements
[2] Incorporated in Wilmington
[3] Despite majority interest not fully consolidated, but accounted for at-equity due to absence of control
[4] Segment assignment was changed compared to 2021.
[5] Economic share 99.99%
[6] Type of consolidation was changed compared to 2021.
[7] Company name changed compared to 2021.
[8] Assigned to the relevant segments in the segment reporting
[9] In the 2022 financial year, OMV Deutschland Marketing & Trading GmbH & Co. KG made use of the exemption provision for the preparation of the annual financial statement and director’s report, audit and disclosure pursuant to Section 264b HGB in conjunction with Section 325 HGB. The company's exemption is mentioned in its notes and published in the Federal Gazette with reference to this provision and an indication of the parent company.

All the companies which are not consolidated either have low business volumes or are distribution companies; the total sales, net income/losses and equity of such companies represent less than 1% of the Group totals.

Material joint operations (IFRS 11)

Name	Nature of activities	Principal place of business	**% ownership 31.12.2022**	% ownership 31.12.2021
Nafoora – Augila[1]	Onshore development of hydrocarbons	Libya	100	100
Concession 103[1]	Onshore development and production of hydrocarbons	Libya	100	100
Pohokura	Offshore production of hydrocarbons	New Zealand	74	74
Neptun Deep	Offshore exploration for hydrocarbons	Romania	50	50
Nawara	Onshore development and production of hydrocarbons	Tunisia	50	50

[1] The percentage disclosed represents the Second Party Share. The state owned Libyan national oil corporation NOC is entitled to 88-90% of the production ("primary split").

Other significant arrangements

Name	Nature of activities	Principal place of business	**% ownership 31.12.2022**	% ownership 31.12.2021
NC 115[1]	Onshore development and production of hydrocarbons	Libya	30	30
NC 186[1]	Onshore development and production of hydrocarbons	Libya	24	24
SK 408	Offshore development and production of hydrocarbons	Malaysia	40	40
Aasta Hansteen	Offshore production of hydrocarbons	Norway	15	15
Edvard Grieg	Offshore production of hydrocarbons	Norway	20	20
Gullfaks	Offshore production of hydrocarbons	Norway	19	19
Sarb & Umm Lulu	Offshore development and production of hydrocarbons	Abu Dhabi	20	20
Ghasha	Offshore exploration for and development of hydrocarbons	Abu Dhabi	5	5

[1] The percentage disclosed represents the Second Party Share. The state owned Libyan national oil corporation is entitled to 88-90% of the production ("primary split").

Oil and Gas Reserve Estimation and Disclosures (unaudited)

The following tables provide supplementary information in respect of the Group's oil and gas activities. In the absence of detailed disclosure rules in this area under IFRS, the Group has elected to voluntarily disclose the data that would have been required under the ASC 932 as if it was reporting under US GAAP.

To the extent that information refers to financial statements data, the information is based on the primary financial statements (IFRS financial statements).

Disclosed financial data refers to operating business segment Exploration & Production (E&P) excluding gas supply, marketing, trading and logistics in Western Europe. Further information on OMV's operating segments is included in Note 4 – Segment Reporting.

The regional structure is presented below[1]:

Romania and Black Sea	Bulgaria, Kazakhstan (until May 2021) and Romania
Austria	Austria
Russia	Russia (until February 2022)
North Sea	Norway
Middle East and Africa	Iran (evaluation on hold), Kurdistan Region of Iraq, Libya, Tunisia, United Arab Emirates, Yemen
New Zealand and Australia	Australia and New Zealand
Malaysia	SapuraOMV[2]

[1] Regions listed in the Director's Report 'Central and Eastern Europe' (includes Romania and Black Sea as well as Austria) and 'Asia-Pacific' (includes New Zealand and Australia as well as Malaysia) are split further in this disclosure to provide the information in a more detailed manner.
[2] Includes not only Malaysia but also SapuraOMV subsidiaries in New Zealand, Australia and Mexico.

Acquisitions
There were no major acquisitions during 2022, 2021 and 2020.

Disposals & Deconsolidation
Starting with March 1, 2022 OMV ceased to fully consolidate JSC GAZPROM YRGM Development, due to the loss of control, following the Russia-Ukraine crisis. For further details refer to Note 2 – Accounting policies, judgements and estimates, section 'Impact of Russia's invasion of Ukraine and related significant estimates and assumptions'.

On August 1, 2021, SapuraOMV Upstream Sdn. Bhd. sold its share in SapuraOMV Upstream (PM) Inc., which held interests in various producing assets located offshore Peninsular Malaysia.

As per May 14, 2021, OMV Petrom finalized the sale of its 100% share in Kom-Munai LLP and Tasbulat Oil Corporation LLP (both based in Aktau, Kazakhstan).

There were no major disposals during 2020.

Non-controlling interest
As OMV holds 51% of OMV Petrom, which is fully consolidated; figures therefore include 100% of OMV Petrom assets and results.

OMV has a share of 50% in SapuraOMV and it is fully consolidated; figures therefore include 100% of SapuraOMV assets and results.

Equity-accounted investments
OMV holds a 10% interest in Pearl Petroleum Company Limited (Middle East and Africa region).

Starting with March 1, 2022 OMV ceased to equity account its 24.99% interest in OJSC Severneftegazprom (Russia region) due to loss of significant influence. For further details refer to Note 2 – Accounting policies, judgements and estimates, section 'Impact of Russia's invasion of Ukraine and related significant estimates and assumptions'.

The disclosures of equity-accounted investments in below tables represent the interest of OMV in the companies.

The subsequent tables may contain rounding differences.

Tables

a) Capitalized costs

Capitalized costs represent the sum of capitalized oil and gas assets, including other intangible assets and property, plant and equipment such as land, plant and machinery, concessions, licenses and rights.

Capitalized costs – subsidiaries

In EUR mn

	2022	2021	2020
Unproved oil and gas properties	1,811	2,137	2,461
Proved oil and gas properties	28,240	27,611	26,988
Total	**30,051**	**29,749**	**29,449**
Accumulated depreciation	(19,411)	(18,136)	(17,117)
Net capitalized costs	**10,640**	**11,613**	**12,333**

Capitalized costs – equity-accounted investments

In EUR mn

	2022	2021	2020
Unproved oil and gas properties	151	164	154
Proved oil and gas properties	292	477	346
Total	**443**	**641**	**501**
Accumulated depreciation	(76)	(99)	(76)
Net capitalized costs	**367**	**542**	**424**

b) Costs incurred

Costs incurred include all costs, capitalized or expensed, during the year in the Group's oil and gas property acquisition, exploration and development activities.

Costs incurred

In EUR mn

	Romania and Black Sea	Austria	Russia	North Sea	Middle East and Africa	New Zealand and Australia	Malaysia	**Total**
				2022				
Subsidiaries								
Acquisition of proved properties	—	—	—	—	—	—	—	**—**
Acquisition of unproved properties	—	—	—	—	—	—	—	**—**
Exploration costs	35	24	—	59	10	26	48	**202**
Development costs	327	21	—	159	171	188	102	**969**
Costs incurred	**362**	**45**	**—**	**219**	**181**	**214**	**150**	**1,171**
Equity-accounted investments	**—**	**—**	**2**	**—**	**27**	**—**	**—**	**29**
				2021				
Subsidiaries								
Acquisition of proved properties	—	—	—	—	—	—	—	**—**
Acquisition of unproved properties	1	—	—	0	—	—	1	**3**
Exploration costs	41	6	—	81	25	26	30	**210**
Development costs	265	38	—	243	165	102	39	**852**
Costs incurred	**307**	**44**	**—**	**324**	**191**	**128**	**70**	**1,065**
Equity-accounted investments	**—**	**—**	**62**	**—**	**21**	**—**	**—**	**83**
				2020				
Subsidiaries								
Acquisition of proved properties	—	—	—	—	—	—	—	**—**
Acquisition of unproved properties	—	—	—	—	—	—	—	**—**
Exploration costs	51	25	—	55	17	46	32	**227**
Development costs	330	20	—	187	163	60	19	**778**
Costs incurred	**380**	**45**	**—**	**242**	**180**	**106**	**51**	**1,005**
Equity-accounted investments	**—**	**—**	**55**	**—**	**7**	**—**	**—**	**62**

c) Results of operations of oil and gas producing activities

The following tables represent only those revenues and expenses which occur directly in connection with OMV´s oil and gas producing operations. The results of oil and gas activities should not be equated to Exploration & Production net income since interest costs, general corporate overhead costs, other costs and gas supply, marketing, trading and logistics in Western Europe are not allocated. Further information on OMV's operating segments is included in Note 4 – Segment Reporting. Income taxes are hypothetically calculated, based on the statutory tax rates and the effect of tax credits on investments and loss carryforwards.

Results of operations of oil and gas producing activities

In EUR mn

	Romania and Black Sea	Austria	Russia	North Sea	Middle East and Africa	New Zealand and Australia	Malaysia	**Total**
				2022				
Subsidiaries								
Sales to unaffiliated parties[1]	5	(32)	206	1,394	931	225	302	**3,032**
Intercompany sales	3,281	959	—	3,530	1,927	236	—	**9,933**
	3,286	**927**	**206**	**4,924**	**2,858**	**461**	**302**	**12,965**
Production costs	(512)	(91)	—	(183)	(183)	(87)	(16)	**(1,071)**
Royalties	(1,102)	(182)	—	—	(312)	(46)	(21)	**(1,663)**
Exploration expenses[2]	(28)	(12)	—	(118)	2	(53)	(41)	**(250)**
Depreciation, amortization, impairments and write-ups	(845)	(43)	(12)	(416)	(424)	46	(91)	**(1,785)**
Other costs[3]	(65)	(15)	(60)	(131)	(64)	(2)	(22)	**(359)**
	(2,552)	**(344)**	**(72)**	**(848)**	**(980)**	**(142)**	**(191)**	**(5,128)**
Results before income taxes	**734**	**583**	**135**	**4,077**	**1,878**	**319**	**111**	**7,837**
Income taxes[4]	(121)	(229)	(28)	(3,274)	(1,553)	(83)	(34)	**(5,322)**
Results from oil and gas production	**613**	**354**	**107**	**803**	**325**	**237**	**77**	**2,516**
Results of equity-accounted investments	**—**	**—**	**3**	**—**	**56**	**—**	**—**	**59**
				2021				
Subsidiaries								
Sales to unaffiliated parties[1]	22	(649)	562	876	556	279	239	**1,884**
Intercompany sales	1,845	432	—	1,345	1,018	122	—	**4,762**
	1,868	**(218)**	**562**	**2,221**	**1,574**	**400**	**239**	**6,646**
Production costs	(477)	(78)	—	(144)	(146)	(81)	(24)	**(950)**
Royalties	(404)	(66)	—	—	(135)	(39)	(13)	**(658)**
Exploration expenses[2]	(43)	(5)	—	(108)	(43)	(18)	(65)	**(281)**
Depreciation, amortization, impairments and write-ups	(499)	(102)	(70)	(381)	(246)	(127)	(101)	**(1,526)**
Other costs[3]	(70)	(14)	(329)	(132)	(25)	(5)	(21)	**(597)**
	(1,493)	**(265)**	**(399)**	**(766)**	**(596)**	**(270)**	**(223)**	**(4,012)**
Results before income taxes	**375**	**(483)**	**163**	**1,455**	**979**	**130**	**15**	**2,635**
Income taxes[4]	(59)	121	(27)	(981)	(750)	(38)	(6)	**(1,740)**
Results from oil and gas production	**316**	**(362)**	**135**	**475**	**229**	**92**	**10**	**895**
Results of equity-accounted investments	**—**	**—**	**24**	**—**	**31**	**—**	**—**	**55**

Results of operations of oil and gas producing activities

In EUR mn

	Romania and Black Sea	Austria	Russia	North Sea	Middle East and Africa	New Zealand and Australia	Malaysia	Total
				2020				
Subsidiaries								
Sales to unaffiliated parties[1]	57	(25)	389	569	102	228	209	**1,529**
Intercompany sales	1,203	186	—	269	365	102	—	**2,125**
	1,260	**161**	**389**	**838**	**467**	**330**	**209**	**3,654**
Production costs	(472)	(77)	—	(144)	(125)	(77)	(24)	**(920)**
Royalties	(180)	(40)	—	—	(67)	(34)	(4)	**(325)**
Exploration expenses[2]	(179)	(96)	—	(56)	(298)	(201)	(67)	**(896)**
Depreciation, amortization, impairments and write-ups	(538)	(223)	(74)	(309)	(226)	(384)	(126)	**(1,880)**
Other costs[3]	(63)	(16)	(343)	(135)	(14)	(23)	(26)	**(619)**
	(1,432)	**(452)**	**(417)**	**(644)**	**(730)**	**(719)**	**(246)**	**(4,641)**
Results before income taxes	**(172)**	**(291)**	**(28)**	**194**	**(263)**	**(389)**	**(38)**	**(987)**
Income taxes[4]	25	107	5	(122)	118	107	(16)	**224**
Results from oil and gas production	**(148)**	**(184)**	**(23)**	**72**	**(145)**	**(282)**	**(53)**	**(763)**
Results of equity-accounted investments	**—**	**—**	**15**	**—**	**16**	**—**	**—**	**31**

[1] Includes hedging effects; Austria Region includes hedging effects of centrally managed derivatives (2022: EUR (33) mn, 2021: EUR (675) mn, 2020: EUR (37) mn).

[2] Including impairment losses related to exploration&appraisal

[3] Includes inventory changes

[4] Income taxes in North Sea and Middle East and Africa include corporation tax and special petroleum tax. Income taxes 2022 in Austria included EU solidarity contribution.

d) Oil and gas reserve quantities

Proved reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulation before the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain. Proved oil and gas reserves were estimated based on a 12-month average price, unless prices are defined by contractual arrangements.

Proved developed reserves are those proved reserves that can be expected to be recovered through existing wells with existing equipment and operating methods, or in which the costs of the required equipment are relatively minor compared with the cost of a new well and through installed extraction equipment and infrastructure operational at the time of the reserves estimate. It should be reasonably certain that the required future expenditure will be made to safeguard existing equipment within the current budget.

Proved undeveloped reserves are those proved reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion or substantial new investment is required in order to safeguard or replace ageing facilities.

Crude oil and NGL

in mn bbl

	Romania and Black Sea	Austria	Russia	North Sea	Middle East and Africa	New Zealand and Australia	Malaysia	Total
Proved developed and undeveloped reserves – Subsidiaries								
January 1, 2020	**315.2**	**35.2**	**—**	**51.1**	**213.2**	**11.6**	**7.4**	**633.7**
Revisions of previous estimates	8.6	2.7	—	8.5	69.7	0.2	1.0	**90.7**
Purchases	—	—	—	—	—	—	—	**—**
Disposal	—	—	—	—	—	—	—	**—**
Extensions and discoveries	0.5	—	—	—	—	—	—	**0.5**
Production	(25.5)	(3.8)	—	(15.1)	(12.8)	(3.8)	(2.7)	**(63.7)**
December 31, 2020	**298.8**	**34.0**	**—**	**44.5**	**270.2**	**8.0**	**5.7**	**661.2**
Revisions of previous estimates	4.2	1.0	—	17.2	30.3	7.6	4.9	**65.2**
Purchases	—	—	—	—	—	—	—	**—**
Disposal	(21.4)	—	—	—	—	—	(2.4)	**(23.8)**
Extensions and discoveries	0.3	—	—	—	—	0.8	—	**1.0**
Production	(23.0)	(3.6)	—	(15.3)	(24.8)	(3.5)	(1.7)	**(71.9)**
December 31, 2021	**258.8**	**31.4**	**—**	**46.4**	**275.7**	**12.9**	**6.5**	**631.7**
Revisions of previous estimates	(8.4)	1.9	—	15.8	32.3	1.1	0.4	**43.1**
Purchases	—	—	—	—	—	—	—	**—**
Disposal	—	—	—	—	—	—	—	**—**
Extensions and discoveries	0.1	—	—	—	—	—	—	**0.1**
Production	(20.9)	(3.3)	—	(14.7)	(27.3)	(3.0)	(0.6)	**(69.9)**
December 31, 2022	**229.6**	**30.0**	**—**	**47.6**	**280.6**	**11.0**	**6.2**	**605.0**
Proved developed and undeveloped reserves – Equity-accounted investments								
December 31, 2020	—	—	—	—	18.4	—	—	**18.4**
December 31, 2021	—	—	—	—	17.5	—	—	**17.5**
December 31, 2022	—	—	—	—	16.0	—	—	**16.0**
Proved developed reserves – Subsidiaries								
December 31, 2020	273.1	33.9	—	32.7	172.7	5.6	5.7	**523.8**
December 31, 2021	234.2	31.4	—	40.7	189.2	6.0	1.6	**503.2**
December 31, 2022	206.6	30.0	—	39.4	234.5	9.2	1.7	**521.4**
Proved developed reserves – Equity-accounted investments								
December 31, 2020	—	—	—	—	15.7	—	—	**15.7**
December 31, 2021	—	—	—	—	14.7	—	—	**14.7**
December 31, 2022	—	—	—	—	15.4	—	—	**15.4**

Gas

in bcf

	Romania and Black Sea	Austria	Russia	North Sea	Middle East and Africa	New Zealand and Australia	Malaysia	**Total**
Proved developed and undeveloped reserves - Subsidiaries								
January 1, 2020	**1,020.7**	**177.8**	**—**	**422.8**	**61.9**	**315.8**	**335.7**	**2,334.7**
Revisions of previous estimates	61.3	2.5	—	58.3	27.5	(62.8)	93.9	**180.7**
Purchases	—	—	—	—	—	—	—	**—**
Disposals	—	—	—	—	—	—	—	**—**
Extensions and discoveries	7.2	—	—	—	—	—	—	**7.2**
Production	(148.6)	(24.9)	—	(97.5)	(7.0)	(57.7)	(53.3)	**(389.0)**
December 31, 2020[1]	**940.7**	**155.3**	**—**	**383.6**	**82.4**	**195.3**	**376.3**	**2,133.6**
Revisions of previous estimates	76.2	17.7	—	7.8	80.7	115.3	212.0	**509.6**
Purchases	—	—	—	—	—	—	—	**—**
Disposals	(22.3)	—	—	—	—	—	(9.1)	**(31.5)**
Extensions and discoveries	1.5	—	—	—	—	15.4	—	**17.0**
Production	(130.6)	(20.6)	—	(102.3)	(17.3)	(51.8)	(64.5)	**(387.0)**
December 31, 2021[1]	**865.5**	**152.4**	**—**	**289.2**	**145.8**	**274.2**	**514.7**	**2,241.7**
Revisions of previous estimates	68.1	15.2	—	144.4	(1.3)	9.0	(7.9)	**227.6**
Purchases	—	—	—	—	—	—	—	**—**
Disposals	—	—	—	—	—	—	—	**—**
Extensions and discoveries	1.6	—	—	—	—	—	—	**1.6**
Production	(122.0)	(19.7)	—	(102.2)	(14.7)	(47.1)	(60.0)	**(365.6)**
December 31, 2022[1]	**813.2**	**147.9**	**—**	**331.4**	**129.8**	**236.1**	**446.8**	**2,105.2**
Proved developed and undeveloped reserves – Equity-accounted investments								
December 31, 2020	—	—	1,321.0	—	383.8	—	—	**1,704.8**
December 31, 2021	—	—	1,167.1	—	369.2	—	—	**1,536.4**
December 31, 2022	—	—	—	—	303.6	—	—	**303.6**
Proved developed reserves – Subsidiaries								
December 31, 2020	851.9	76.1	—	335.7	55.2	143.5	376.3	**1,838.7**
December 31, 2021	779.5	84.0	—	287.0	62.5	115.4	291.9	**1,620.2**
December 31, 2022	723.4	80.3	—	290.8	39.9	195.9	228.9	**1,559.1**
Proved developed reserves – Equity-accounted investments								
December 31, 2020	—	—	1,003.1	—	293.5	—	—	**1,296.6**
December 31, 2021	—	—	1,090.7	—	278.9	—	—	**1,369.7**
December 31, 2022	—	—	—	—	288.3	—	—	**288.3**

[1] 2022: Including approximately 67.6 bcf of cushion gas held in storage reservoirs
2021: Including approximately 67.6 bcf of cushion gas held in storage reservoirs
2020: Including approximately 67.6 bcf of cushion gas held in storage reservoirs

e) Standardized measure of discounted future net cash flows

The future net cash flow information is based on the assumption that the prevailing economic and operating conditions will persist throughout the time during which proved reserves will be produced. Neither the effects of future pricing changes nor expected changes in technology and operating practices are considered.

Future cash inflows represent the revenues received from production volumes, including cushion gas held in storage reservoirs, assuming that the future production is sold at prices used in estimating year-end quantities of proved reserves (12 months average price). Future production costs include the estimated expenditures for production of the proved reserves plus any production taxes without consideration of future inflation. Future decommissioning costs comprise the net costs associated with decommissioning wells and facilities. Future development costs include the estimated costs of development drilling and installation of production facilities. For all three categories year-end costs without consideration of inflation are assumed. Future income tax payments are calculated on the basis of the income tax rate applicable in each of the countries in which the Group operates. The present cash value results from the discounting of the future net cash flow at a discount rate of 10% per year. The standardized measure does not purport to be an estimate of the fair value of the Group's proven reserves. An estimate of fair value would also take into account, amongst many other factors, the expected recovery of reserves in excess of proved reserves, anticipated changes in future prices and costs as well as a discount factor representative of the risks inherent in the production of oil and gas.

Standardized measure of discounted future net cash flows

In EUR mn

	Subsidiaries and equity-accounted investments							
	Romania and Black Sea	Austria	Russia	North Sea	Middle East and Africa	New Zealand and Australia	Malaysia	**Total**
	2022							
Subsidiaries								
Future cash inflows	29,864	7,435	—	14,937	26,611	2,051	2,248	**83,145**
Future production and decommissioning costs	(15,951)	(2,766)	—	(2,711)	(7,771)	(1,829)	(690)	**(31,718)**
Future development costs	(1,424)	(246)	—	(631)	(890)	(222)	(213)	**(3,626)**
Future net cash flows, before income taxes	**12,489**	**4,422**	**—**	**11,594**	**17,950**	**0**	**1,345**	**47,800**
Future income taxes	(1,724)	(1,028)	—	(10,465)	(13,283)	132	(380)	**(26,748)**
Future net cash flows, before discount	**10,765**	**3,394**	**—**	**1,129**	**4,667**	**132**	**965**	**21,053**
10% annual discount for estimated timing of cash flows	(4,718)	(1,815)	—	(184)	(1,547)	213	(296)	**(8,347)**
Standardized measure of discounted future net cash flows	**6,048**	**1,579**	**—**	**945**	**3,120**	**345**	**669**	**12,705**
Equity-accounted investments	**—**	**—**	**—**	**—**	**451**	**—**	**—**	**451**
	2021							
Subsidiaries								
Future cash inflows	17,585	3,336	2,625	5,608	16,545	1,905	1,433	**49,038**
Future production and decommissioning costs	(9,221)	(1,612)	(2,148)	(2,293)	(5,419)	(1,647)	(490)	**(22,831)**
Future development costs	(1,422)	(246)	—	(281)	(776)	(380)	(257)	**(3,362)**
Future net cash flows, before income taxes	**6,942**	**1,479**	**477**	**3,034**	**10,350**	**(122)**	**685**	**22,845**
Future income taxes	(577)	(264)	(97)	(2,541)	(6,893)	116	(175)	**(10,432)**
Future net cash flows, before discount	**6,366**	**1,214**	**380**	**493**	**3,457**	**(6)**	**510**	**12,413**
10% annual discount for estimated timing of cash flows	(3,089)	(630)	(71)	(109)	(1,100)	175	(216)	**(5,040)**
Standardized measure of discounted future net cash flows	**3,276**	**584**	**309**	**384**	**2,357**	**169**	**294**	**7,373**
Equity-accounted investments	**—**	**—**	**187**	**—**	**336**	**—**	**—**	**523**

Standardized measure of discounted future net cash flows

In EUR mn

	Subsidiaries and equity-accounted investments							
	Romania and Black Sea	Austria	Russia	North Sea	Middle East and Africa	New Zealand and Australia	Malaysia	**Total**
	2020							
Subsidiaries								
Future cash inflows	12,167	1,513	2,497	2,628	9,914	928	959	**30,607**
Future production and decommissioning costs	(7,748)	(1,159)	(2,276)	(1,857)	(3,907)	(1,257)	(450)	**(18,654)**
Future development costs	(1,632)	(297)	—	(373)	(698)	(226)	(24)	**(3,249)**
Future net cash flows, before income taxes	**2,787**	**58**	**220**	**399**	**5,308**	**(554)**	**486**	**8,704**
Future income taxes	(69)	—	(60)	(1)	(2,954)	199	(104)	**(2,990)**
Future net cash flows, before discount	**2,718**	**58**	**160**	**397**	**2,354**	**(355)**	**382**	**5,714**
10% annual discount for estimated timing of cash flows	(1,038)	(5)	1	(40)	(696)	153	(103)	**(1,727)**
Standardized measure of discounted future net cash flows	**1,680**	**53**	**161**	**357**	**1,659**	**(202)**	**279**	**3,987**
Equity-accounted investments	**—**	**—**	**100**	**—**	**233**	**—**	**—**	**333**

f) Changes in the standardized measure of discounted future net cash flows

Changes in the standardized measure of discounted future net cash flows

In EUR mn

	2022	2021	2020
Subsidiaries			
Beginning of year	**7,373**	**3,987**	**8,230**
Oil and gas sales produced, net of production costs	(4,102)	(2,262)	(3,397)
Net change in prices and production costs	13,243	8,231	(7,040)
Net change due to purchases and sales of minerals in place	—	(67)	—
Net change due to extensions and discoveries	7	5	22
Development and decommissioning costs incurred during the period	895	657	1,031
Changes in estimated future development and decommissioning costs	(344)	(269)	259
Revisions of previous reserve estimates	4,507	1,854	757
Accretion of discount	671	341	732
Net change in income taxes (incl. tax effects from purchases and sales)	(9,593)	(4,935)	3,625
Other[1]	48	(168)	(232)
End of year	**12,705**	**7,373**	**3,987**
Equity-accounted investments	**451**	**523**	**333**

[1] Contains movements in foreign exchange rates vs. the EUR. Furthermore 2022 was impacted by the change of consolidation method of the Russian operations as well as by the reclassification of Yemen to held for sale.

Vienna, March 9, 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

Annual Report 2022 of OMV Aktiengesellschaft

OMV Group

Directors' report – operational review

Business developments in 2022

Sales for the financial year 2022 were EUR 246.61 mn (2021: EUR 225.21 mn). As OMV Aktiengesellschaft is a holding company, most of the sales consist of group charges and corporate service charges billed to the subsidiaries.

The **Operating Result** was EUR (64.60) mn (2021: EUR (63.00) mn).

The **Financial Result** in 2022 was EUR 1,852.89 mn (2021: EUR 707.23 mn). The financial items of OMV Aktiengesellschaft as a holding company mainly consist of the dividends and other income from investments in the operating companies. Net income from investments increased significantly to EUR 1,957.48 mn (2021: EUR 779.40 mn). The dividend of OMV Petrom amounting to EUR 199.13 mn was higher than last year (2021: EUR 181.86 mn). Additionally a special dividend of OMV Petrom was distributed in the amount of EUR 263.61 mn (2021: EUR nil).

The contribution of companies in the **Exploration & Production** segment excluding OMV Petrom amounted to EUR 72.56 mn, well above the level of 2021 (EUR (0.34) mn). This is due to the fact that it includes the contributions of OMV Gas Logistics Holding GmbH and OMV Gas Marketing & Trading GmbH in the current year (EUR 72.28 mn), whilst they were attributed to the Refining & Marketing segment until 2021.

The contribution of companies in the **Refining & Marketing** segment excluding OMV Petrom amounted to EUR 1,619.91 mn and was significantly higher than in the previous year (2021: EUR 442.65 mn, including a contribution from OMV Gas Logistics Holding GmbH and OMV Gas Marketing & Trading GmbH in the amount of EUR (9.32 mn)).

The companies in the **Chemicals & Materials** segment contributed with EUR 523.94 mn (2021: EUR 112.50 mn).

In the business year 2022 there was a capital increase in OMV Petrom and a capital contribution in OMV Switzerland Holding AG. Additionally OMV Beteiligungsverwaltungs GmbH was founded. In the previous business year there were neither capital increases nor foundations.

The **cash flow** from operating activities for 2022 amounted to EUR 1,634.11 mn (2021: EUR 568.89 mn), the cash flow from investing activities to EUR 936.33 mn (2021: EUR 307.51 mn) and the cash flow from financing activities to EUR (676.17) mn (2021: EUR (836.13) mn).

Net income for the year amounted to EUR 1,743.17 mn (2021: EUR 972.13 mn).

Total assets increased to EUR 23,641.77 mn (2021: EUR 21,806.45 mn).

At balance sheet date, **stockholders' equity** stood at EUR 6,804.35 mn (2021: EUR 5,809.24 mn). The equity ratio as of December 31, 2022, was 28.78% (2021: 26.64%).

The ratio of **fixed assets** to total assets was 73.02% at balance sheet date (2021: 84.89%).

Return On Equity was 27.64% (2021: 17.29%).

In 2022, the average **number of employees** at the holding company was 871 (2021:862).

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

Treasury Shares

As at balance sheet date, a total of 201,674 own shares (EUR 201,674), or 0.06% of the capital stock, were held.

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

During the reporting period, 59,652 shares, equivalent to 0.02% of the capital stock, with a value of EUR 2.80 mn were used for share-based compensations. The difference of EUR 2.14 mn between this amount and the historic repurchase value was written to the capital reserve.

Corporate Governance report

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

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

1. The capital stock amounts to EUR 327,272,727 and is divided into 327,272,727 bearer shares of no par value. There is only one class of shares.
2. There is a consortium agreement in place between the two core shareholders, Österreichische Beteiligungs AG (ÖBAG) and Mubadala Petroleum and Petrochemicals Holding Company L.L.C (MPPH), which provides for coordinated behavior and certain limitations on transfers of shareholdings.[1]
3. ÖBAG holds 31.5% and MPPH holds 24.9% of the capital stock. [1]
4. All shares have the same control rights.
5. Employees who are shareholders directly exercise their voting rights at the Annual General Meeting.
6. The Company's Executive Board must consist of two to six members. The Company's Supervisory Board must consist of at least six members elected by the Annual General Meeting and of the members nominated under section 110 Paragraph 1 of the Arbeitsverfassungsgesetz (Austrian Labor Constitution Act). Resolutions concerning the dismissal of members of the Supervisory Board pursuant to section 87 Paragraph 8 of the Aktiengesetz (Austrian Stock Corporation Act) require a simple majority of the votes cast. To approve capital increases pursuant to section 149 of the Austrian Stock Corporation Act and alterations of the Articles of Association (except those concerning the Company's objects), simple majorities of the votes and capital represented in adopting the resolution are sufficient.
7.

7.a) As the authorized capital granted by the Annual General Meeting on May 14, 2014, expired on May 14, 2019, the Annual General Meeting decided upon a new authorized capital on September 29, 2020. Specifically, it authorized the Executive Board until September 29, 2025, to increase the share capital of OMV with the consent of the Supervisory Board – at once or in several tranches – by an amount of up to EUR 32,727,272 by issuing up to 32,727,272 new no-par value common voting shares in bearer form in return for contributions in cash. The capital increase can also be implemented by way of indirect offer for subscription after taking over by one or several credit institutions according to Section 153 Paragraph 6 of the Austrian Stock Corporation Act. The issue price and the conditions of issuance can be determined by the Executive Board with the consent of the Supervisory Board. The Annual General Meeting also authorized the Executive Board, subject to the approval of the Supervisory Board, to exclude the subscription right of the shareholders if the capital increase serves to

(i) adjust fractional amounts or

(ii) satisfy stock transfer programs, in particular long-term incentive plans, equity deferrals or other participation programs for employees, senior employees and members of the Executive Board/management boards of the Company or one of its affiliates, or other employees' stock ownership plans.

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

7.b) On June 2, 2021, the Annual General Meeting authorized the Executive Board for a period of five years from the adoption of the resolution, therefore, until and including June 1, 2026, subject to the approval of the Supervisory Board, to dispose of or utilize repurchased treasury shares or treasury shares already held by the Company to grant to employees, executive employees and/or members of the Executive Board/management boards of the Company or its affiliates including for purposes of share transfer programs, in particular long-term incentive plans including equity deferrals or other stock ownership plans, and to thereby exclude the general purchasing right of shareholders (exclusion of subscription rights). The authorization can be exercised as a whole or in parts or even in several tranches by the Company, by a subsidiary (Section 189a Number 7 of the Austrian Commercial Code) or by third parties for the account of the Company.

8. As of December 31, 2022, OMV has outstanding perpetual hybrid notes in the nominal amount of EUR 2,500 mn which are subordinated to all other creditors. According to IFRS, the net proceeds of

[1] On December 21, 2022, Abu Dhabi National Oil Company has announced its plan to take over the 24.9% stake in OMV Aktiengesellschaft from Mubadala Investment Company, subject to regulatory approvals.

the hybrid notes in the amount of EUR 2,483 mn are fully treated as equity because the repayment of the principal and the payments of interest are solely at the discretion of OMV.

On December 7, 2015, OMV issued hybrid notes with an aggregate principal amount of EUR 1,500 mn, in two tranches of EUR 750 mn each:

(i) The hybrid notes of tranche 1, with a first call date in 2021, were called and redeemed at their principal amount (plus interest accrued) on November 30, 2021.

(ii) The hybrid notes of tranche 2 bear a fixed interest rate of 6.250% per annum until, but excluding, December 9, 2025, which is the first call date of tranche 2. From December 9, 2025 (including), tranche 2 will bear an interest rate per annum at the relevant five-year swap rate for the relevant interest period plus a specified margin and a step-up of 100 basis points.

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

On June 19, 2018, OMV issued a hybrid bond with a principal amount of EUR 500 mn. The hybrid bond bears a fixed interest rate of 2.875% per annum until, but excluding, June 19, 2024. From June 19, 2024 (including), until, but excluding, June 19, 2028, the hybrid notes will bear interest at a rate corresponding to the relevant five-year swap rate plus a specified margin. From June 19, 2028 (including), the notes will bear an interest rate per annum at the relevant five-year swap rate for the relevant interest period plus a specified margin and a step-up of 100 basis points. Interest is due and payable annually in arrears on June 19 of each year, unless OMV elects to defer the relevant interest payments. The outstanding deferred interest must be paid under certain circumstances, in particular, if the Annual General Meeting of OMV resolves upon a dividend payment on OMV shares.

On September 1, 2020, OMV issued hybrid notes with an aggregate principal amount of EUR 1,250 mn, in two tranches (tranche 1: EUR 750 mn; tranche 2: EUR 500 mn) with the following interest payable:

(iii) The hybrid notes of tranche 1 bear a fixed interest rate of 2.500% per annum until, but excluding, September 1, 2026, which is the first reset date of tranche 1. From the first reset date (including) until, but excluding, September 1, 2030, the hybrid notes of tranche 1 will bear interest per annum at a reset interest rate which is determined according to the relevant five-year swap rate plus a specified margin. From September 1, 2030 (including), the hybrid notes of tranche 1 will bear an interest rate per annum at the relevant five-year swap rate for each interest period thereafter plus a specified margin and a step-up of 100 basis points.

(iv) The hybrid notes of tranche 2 bear a fixed interest rate of 2.875% per annum until, but excluding, September 1, 2029, which is the first reset date of tranche 2. From the first reset date (including) until, but excluding, September 1, 2030, the hybrid notes of tranche 2 will bear interest per annum at a reset interest rate which is determined according to the relevant five-year swap rate plus a specified margin. From September 1, 2030 (including), the hybrid notes of tranche 2 will bear an interest rate per annum at the relevant five-year swap rate for each interest period thereafter plus a specified margin and a step-up of 100 basis points.

Interest is due and payable annually in arrears on September 1 of each year, unless OMV elects to defer the relevant interest payments. The outstanding deferred interest must be paid under certain circumstances, in particular, if the Annual General Meeting of OMV resolves upon a dividend payment on OMV shares.

The hybrid notes outstanding as of December 31, 2022, do not have a scheduled maturity date and they may be redeemed at the option of OMV under certain circumstances. OMV has, in particular, the right to repay the hybrid notes at certain call dates. Any accrued unpaid interest becomes payable when the notes are redeemed. In the case of a change of control, for example, OMV may call the hybrid notes for redemption or else the applicable interest rate will be subject to an increase according to the terms and conditions of the hybrid notes.

9. The material financing agreements to which OMV is a party and bonds issued by OMV contain typical change of control clauses.
10. There are no agreements between the Company and members of the Executive Board and Supervisory Board or employees regarding the payment of compensation in the event of a public takeover bid.
11. The most important elements of the internal control and risk management system regarding the accounting process are the following: Governance for the internal control system is defined by internal corporate regulations (ICS Directive and its Annexes). Corporate Internal Audit controls the compliance with these principles and requirements through regular audits, based on the annual audit plan approved by the Audit Committee of the Supervisory Board, or through ad hoc audits.

    The results of those audits are presented to the Audit Committee of the Supervisory Board. For the main “end-to-end” processes (e.g., purchase-to-pay, order-to-cash), Group-wide Minimum Control Requirements are defined. Based on a defined time plan, the implementation and the effectiveness are being monitored. The establishment of Group-wide standards for the preparation of annual and interim financial statements by means of the corporate IFRS Accounting Manual is also regulated by an internal corporate regulation. The Group uses a comprehensive risk management system. The essential processes of the financial reporting system have been identified and analyzed. In addition, the effectiveness of the risk management system is regularly evaluated by external auditors. The results of the evaluation are reported to the Audit Committee of the Supervisory Board.

12. In accordance with section 267a Paragraph 6 of the Austrian Commercial Code, a separate consolidated non-financial report will be issued.

Strategy

The strategy report is integrated in the Group’s annual report which is available on OMV’s website: www.omv.com > Investors > Publications.

Risk Management

As an international oil, gas, and chemicals company with operations extending from hydrocarbon exploration and production through to the trading and marketing of mineral oil products, chemical products, and natural gas, OMV is exposed to a variety of risks – including market and financial risks, operational risks, and strategic risks. The Group’s risk management processes focus on the identification, assessment, and evaluation of such risks and their impact on the Group’s financial stability and profitability. The objective of these activities is to actively manage risks in the context of the Group’s risk appetite and defined risk tolerance levels in order to achieve OMV’s long-term strategic goals.

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

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

Enterprise-Wide Risk Management

Financial and non-financial risks are regularly identified, assessed, and reported through the Group’s Enterprise-Wide Risk Management (EWRM) process.

The main purpose of the OMV Group’s EWRM process is to deliver value through risk-based management and decision-making, which is ensured by applying a “three lines of defense” model (1. business management, 2. risk management and oversight functions, 3. internal audit). The assessment of financial, operational, and strategic risks helps the Group leverage business opportunities in a systematic manner. This ensures that OMV’s value grows sustainably. Since 2003, the EWRM system has helped enhance risk awareness and improve risk management skills across the entire organization, including at subsidiaries in more than 20 countries. The OMV Group is constantly enhancing the EWRM process based on internal and external requirements, for instance developing ESG (Environmental, Social, and Governance) reporting standards and frameworks.

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

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

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

Financial Risk Management

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

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

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

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

In the Refining & Marketing and Chemicals & Materials businesses, OMV is especially exposed to volatile refining and chemicals margins and natural gas prices, as well as inventory risks. Corresponding optimization and hedging activities are undertaken in order to mitigate those risks. They include margin hedges as well as stock hedges. An optimization, trading, and hedging risk control governance system defines clear mandates including risk thresholds for such activities. In addition, Emission Compliance Management ensures a balanced position of emission allowances by selling the surplus or covering the gap.

Management of interest rate risk

To balance the Group's interest rate portfolio, loans can be converted from fixed to floating rates and vice versa according to predefined rules. OMV regularly analyzes the impact of interest rate changes on interest income and expenses from floating rate deposits and borrowings.

Management of credit risk

Significant counterparty credit risks are assessed, monitored, and controlled at the Group and segment level using predetermined credit limits for all counterparties, banks, and security providers. The procedures are governed by guidelines at OMV Group level. In light of a challenging geopolitical and economic environment with high inflation, volatile commodity prices, rising interest rates, and distorted supply chains, special attention is paid to early warning signals like changes in payment behavior.

Operational risks

The nature of OMV's business operations exposes the Group to various health, safety, security, and environmental (HSSE) risks. Such risks include the potential impact of natural disasters, as well as process safety and personal security events. Other operational risks comprise risks related to the delivery of capital projects or legal/regulatory non-compliance. All operational risks are identified, analyzed, monitored, and mitigated in accordance with the Group's defined risk management process. Control and mitigation of assessed risks take place at all organizational levels using clearly defined risk policies and responsibilities. The key Group risks are governed centrally to ensure the Group's ability to meet planning objectives through corporate directives, including those relating to health, safety, security, environment, legal matters, compliance, human resources, and sustainability.

The process safety incident at the Schwechat refinery that occurred on June 3, 2022, has led to a delayed start-up of the refinery after the regular maintenance turnaround. Immediately after the incident, a broad-based on-site task force was set up with the remit of investigating the incident and at the same time working on restoring operations. At the end of September, the legally required water pressure test on the main column of the crude distillation unit was successfully completed. After the precisely prepared commissioning process, the OMV Schwechat refinery was fully restarted in mid-October. For the duration of the repairs, OMV had successfully established an alternative supply system to ensure continuous supply to its customers.

Project risks

In implementing its Strategy 2030, OMV will invest in both organic and inorganic growth projects following a mature project risk management process, identifying, analyzing, and monitoring project risks on a regular basis. OMV has vast experience in managing major capital projects and mitigating project risks.

OMV may experience operational, political, technological, or other risks beyond its control, both of its own and of its contractual partners, which may delay or hinder the progress of its projects.

By way of example, the execution of major onshore and offshore projects in Romania, Norway, or the UAE may be affected by changes to the respective regulatory or fiscal frameworks, by the unavailability of contractors, or the lack of qualified staff. Project costs may be negatively impacted by price inflation, labor shortages, or the disruption or reorganization of supply chains. Projects, in particular in recycling and sustainable fuels and feedstocks, may be affected by insufficient availability of required feedstock supply, by the inability to commercially scale up new technologies, or by the lack of regulatory clarity. In new business areas in particular, OMV may more often invest through partnerships and joint ventures, which may expose the Company to increased governance and credit risks and may negatively impact project execution. The effect of any of these risks may have a material adverse impact on OMV's business, results of operations, and financial condition.

ESG risk

OMV places special emphasis on five Sustainability focus areas: Climate Change; Natural Resources Management; People; Ethical Business Practices; and Health, Safety and Security.

OMV Executive Board members regularly (at least quarterly) discuss current and upcoming environmental, climate, and energy-related policies and regulations, related developments in the fuels, chemicals, and natural gas markets, the financial implications of carbon emissions trading obligations, the status of innovation project implementation, and progress on achieving sustainability-related targets. OMV focuses on assessing the potential vulnerabilities of the Company to climate change (e.g., water deficiency, droughts, floods, landslides), the impact of the Company on the environment, and the mitigation actions that will ensure a successful transition to a low-carbon environment (e.g., carbon emission reductions, compliance with new regulatory requirements). The short- and mid-term physical vulnerabilities related to climate change are identified and reported in the EWRM process; they do not exceed OMV's reporting threshold. Additionally, OMV has performed a robust climate and vulnerability assessment for most of its main assets to identify its resilience to physical risks related to climate change using the Intergovernmental Panel on Climate Change (IPCC) scenarios corresponding to the time horizon suggested by the EU taxonomy.

OMV's operations impact our employees and the communities where we operate. As a signatory to the United Nations Global Compact, OMV follows the Human Rights Due Diligence Process, including the assessment of the human rights risk associated with our current and future business activities, and taking risk management actions. This ongoing process makes use of external resources and expertise, and includes external stakeholders, in particular impacted groups.

In July 2022, upon becoming aware that the authorities were conducting an investigation into alleged human trafficking practices by a (sub)contractor at the propane dehydrogenation plant construction site in Kallo (Belgium), Borealis immediately offered support and provided all requested information to the authorities, in full transparency. Borealis immediately suspended and later terminated all contracts with the respective (sub)contractor. Borealis has zero tolerance for any malpractice and puts stringent measures in place to mitigate related risks. After careful consideration, Borealis granted the majority of the works to a different contractor and implemented thorough social controls at the Kallo construction site. Work on the construction site gradually increased from October 2022. The prolonged standstill and gradual restart of the project might affect the project timeline.

IT risks

As OMV's activities rely on information technology systems, the Group may experience disruption due to major cyber events. Security controls are therefore implemented across the Group to protect information and IT assets that store and process information. IT-related risks are assessed, monitored regularly, and managed actively with dedicated information and security programs across the organization. OT (Operational Technology) related risks are reflected in the assessment of process safety risks.

Strategic risks

In order to identify strategic risks that might have potentially long-term effects on the Company's objectives, OMV continuously monitors its internal and external environment.

Geopolitical and regulatory risks

OMV thoroughly monitors geopolitical developments, in particular the ongoing Russian war on Ukraine and any additional sanctions and countersanctions resulting from it. The Company regularly reviews the impact of potential further escalations 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 further disruptions in global supply chains and shortages of products related to energy, raw materials, agriculture, and metals, and consequently lead to further increases in operational costs.

OMV experienced ongoing curtailments of natural gas delivery volumes purchased by OMV under long-term supply agreements with Gazprom in Germany and Austria. This required replacement purchases on the market as well as adjustments to OMV's hedging ratios, resulting in a negative financial impact for OMV. The uncertainty regarding future curtailments and delivery volumes remains and could result in further substantial losses, especially if actual deliveries materially deviate from previously hedged volumes, thus leading to partially unmitigated gas price exposure from Gazprom supply contracts.

In the event of further, or even full, natural 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. Additionally, OMV managed to secure 40 TWh of additional transport capacities to Austria for the current gas year (October 1, 2022–September 30, 2023) at Oberkappel (pipeline from Germany) and Arnoldstein (pipeline from Italy) transfer points. OMV continues to closely monitor developments and regularly evaluates the potential impact 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 price caps, subsidy schemes, and the EU solidarity contribution are being implemented in some of the countries OMV is active in. New regulatory and fiscal interventions may also impact the financial position of the OMV Group. The Council Regulation (EU) 2022/1854 introduced a solidarity contribution, which was transposed into the local legislation of the Member States by the end of 2022 and applies to 2022 and/or 2023. It represents a contribution of surplus profits of companies operating in the crude petroleum, natural gas, coal, and refinery sectors. It is calculated based on the taxable profits of those companies, as determined under national tax rules, that are more than 20% higher than the average taxable profits generated in the period 2018 to 2021. Based on the legislation in Austria, it is expected that two Austrian entities of the OMV Group will be subject to the solidarity contribution (Energy Crisis Contribution) for the second half of 2022. Romania transposed this regulation via GEO 186/2022, approved and published in December 2022. This Government Emergency Ordinance (GEO) will subsequently follow the parliamentary approval process, so it may be subject to change. Based on OMV Petrom's 2022 accounts and the provisions of this Emergency Ordinance, OMV Petrom is not subject to the EU solidarity contribution for the fiscal year 2022, having less than 75% of its turnover in the defined areas: extraction of crude, extraction of natural gas, extraction of coal, and refining business. No solidarity contribution is expected for OMV Group entities in Germany for the year 2022 either.

In addition to the above-mentioned geopolitical tensions, OMV's operations are exposed to further geopolitical risks such as the expropriation and nationalization of property, restrictions on foreign ownership, civil strife and acts of war or terrorism, and political uncertainties, in particular related to Libya, Yemen, and Tunisia, as well as other countries where OMV operates and has financial investments. However, OMV has extensive experience in dealing with the political environment in emerging economies. Also, possible regulatory changes may lead to disruptions or limitations in production or an increased tax burden. OMV continuously observes political and regulatory developments in all markets that affect OMV's operations. Country-specific risks are assessed before entering new countries.

Macroeconomic risks

The COVID-19 pandemic continues to have a considerable impact on global economic development, in particular driven by changes in China's zero COVID-19 policy and the emergence of new variants. In addition, geopolitical developments, disruptions in supply chains, high price inflation, and the impact of rising interest rates could lead to a significant deterioration in economic growth.

Climate change-related risks

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

Business transformation risks

OMV's transformation into a leading provider of sustainable fuels, chemicals, and materials, as well as sustainable energy solutions, is influenced by a variety of uncertainties. Such risks comprise the availability of skilled employees, technology and scale-up risks, availability of sustainable feedstock in sufficient quality and quantity, and governance risks related to joint ventures and partnerships.

Personnel risks

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

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

OMV is committed to building a sustainable world worth living in – for everyone. Sustainability and circularity lie at the center of our Group strategy. We aim to become a net zero business by 2050, accelerate the energy transition, and proactively expedite the transition from a linear to a circular economy. We build positive relationships with our employees, communities, suppliers, and other stakeholders, including by addressing the social and economic effects of the transition to an environmentally sustainable economy.

OMV fully supports the goals of the Paris Agreement and has set out a roadmap with concrete interim short-, mid-, and long-term targets for the first time. OMV targets are set at an absolute and intensity level with the ultimate goal of achieving net-zero emissions in Scopes 1, 2, and 3 by 2050.

OMV's responsible approach to business stipulates the prevention and mitigation of sustainability risks associated with OMV's activities. We also aim to seize the opportunities presented by taking a sustainable approach to business. OMV integrates sustainability risks and opportunities into the development of the Company's business strategy and the planning of operational activities. Read more in the Annual Report.

Health, safety, security, and protecting the environment are key values at OMV. The integrity of OMV's operating facilities, loss prevention, proactive risk management, and climate change mitigation are essential for attaining OMV's HSSE vision of "ZERO harm – NO losses."

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

In 2022, the combined Lost-Time Injury Rate (LTIR) for OMV employees and contractors was 0.78 (2021: 0.57), and our combined Total Recordable Injury Rate (TRIR) was 1.23 (2021: 0.96). We are deeply concerned about the work-related fatality of a contractor who fell off a roof while carrying out repairs in France. Managing the COVID-19 pandemic remained a high priority in 2022 alongside routine HSSE management. Our main focus was to learn from incidents across the Company: videos, alerts, and communication campaigns were again used to reach out to all employees.

The well-being and health of employees are fundamental to the success of any company, as they serve as a foundation for ensuring employee productivity. The year 2022 was still strongly influenced by the worldwide COVID-19 pandemic. Our medical teams and service providers were challenged with supporting the emergency management teams in updating and implementing pandemic preparedness plans, guidelines and health information, and providing support to employees suffering from COVID-19 at home and in hospital. In addition, OMV continued its long tradition of offering health and prevention programs, such as cardiovascular disease prevention programs, thyroid screenings and other voluntary health checks, vaccinations (especially against flu and in some countries COVID-19), and virtual health hours, such as ideas for a healthy work-life balance or first aid measures that go far beyond legal requirements.

In 2022, the COVID-19 pandemic again posed major challenges for safety management. At the operational level, we took preventive and business continuity-related measures, such as strictly segregated teams in key areas, hygiene measures, and ongoing awareness-raising. Despite restricted travel and thanks to digital communication and collaboration tools, we were able to carry out the following important safety-related activities:

- We have updated our Life-Saving Rules and harmonized them across the OMV Group. This simple set of rules helps prevent fatal and severe accidents, and applies to all employees and contractors. Training and communication materials have been produced in 18 languages for an intensive refresher campaign in 2023.
- All incidents at level 3 and higher and HiPos were investigated, and lessons learned were communicated throughout the organization. Improvement initiatives were developed and closely monitored using our HSSE reporting tool.
- As part of our safety culture program, we held several workshops on "making HSSE personal" at different levels of the Company. The semi-annual meetings with the program owner were conducted online.
- Contractor HSSE management is key to the OMV Group's safety performance. We introduced a new e-learning program, held webinars, and delivered over 900 trainings to more than 660 beneficiaries and procurement staff on the internal regulations framework. We also held strategic supplier meetings with prime contractors to share information, experiences, and expectations.
- Global HSSE training for employees and managers was completely revised and updated. An e-learning course consisting of 13 modules was developed for basic HSSE training.
- We developed a harmonized set of KPIs and a process safety dashboard. Furthermore, a Group Process Safety Committee has been established, including Members of the Executive Board, which meets periodically to discuss process safety performance, achievements, and challenges.
- We supported and followed up on the implementation of process safety road maps across OMV's ventures, assets, and refineries. In our Integrated Risk Register, we continued to analyze and prioritize process safety risks to ensure that investments effectively lead to a significant reduction in risks.
- The OMV Group Process Safety Network, a large online collaboration platform, met quarterly to exchange information and experiences in virtual meetings (> 200 participants). Senior management also participated.
- We completed the review of 15 group-wide HSSE regulations and achieved systematic alignment between the OMV Group and Borealis.
- An important milestone has been achieved with the successful go-live of the OMV Group HSSE report-

ing tool. This is a key step in our ongoing harmonization and enables us to report in one single system across the OMV Group and Borealis by replacing all existing tools.

Research and Development

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

Outlook for OMV Group

On 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 will report on the following business segments: Chemicals & Materials, Fuels & Feedstock (former Refining & Marketing), and Energy (former 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.

Market environment

In 2023, OMV expects the average Brent crude oil price to be above USD 80/bbl (2022: USD 101/bbl). For 2023, the average realized gas price is anticipated to be around EUR 35/MWh (2022: EUR 54/MWh), with a THE price 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 3.7 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 480/t (2022: EUR 534/t).

In 2023, the steam cracker utilization rate in Europe is expected to be around 90% (2022: 74%). Turnarounds are planned at the Schwechat cracker in Q2 and at the Porvoo cracker in Q3.

In 2023, the polyethylene indicator margin Europe is forecast to be around EUR 350/t (2022: EUR 390/t). The polypropylene indicator margin Europe is expected to be 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 1.1 bn in 2023 (2022: EUR 1.4 bn).

Fuels & Feedstock

In 2023, the OMV refining indicator margin Europe is expected to be 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 95% (2022: 73%). A turnaround at the Petrobrazi refinery is planned in Q2.

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).

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.

Vienna, March 9, 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

Auditor's Report[1]

Report on the Financial Statements

Audit Opinion

We have audited the financial statements of

OMV Aktiengesellschaft, Vienna

These financial statements comprise the balance sheet as of December 31, 2022, the income statement for the fiscal year then ended and the notes.

Based on our audit the accompanying financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Company as of December 31, 2022 and its financial performance for the year then ended in accordance with Austrian Generally Accepted Accounting Principles.

Basis for Opinion

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following "EU regulation") and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISA). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

Key Audit Matters

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

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

Key Audit Matter

Recoverability of the carrying value of shares in and loans to affiliated companies

The carrying value of shares in affiliated companies amounted to € 13,173 million at December 31, 2022 after an impairment charge of € 125 million in 2022. The carrying value of loans to affiliated companies amounted to € 4,059 million.

Impairment assessments of shares in and loans to affiliated companies require significant judgement whether there is an indication that an asset should be impaired and in measuring any such impairment.

The principal risk relates to management's estimates of future cash flows and discount rates.

OMV's disclosures about shares in and loans to affiliated companies are included in the first page of the Notes and in the Note "Accounting and valuation policies", Note 1 (Fixed assets), Note 12 (Financial income and expenses) and the Statement of fixed assets.

How our audit addressed the key audit matter

We assessed and tested management's assessment of the recoverability of the carrying value of shares in and loans to affiliated companies. Specifically, our work included, but was not limited to, the following procedures:

- Review and evaluation of management's assessment of the existence of impairment indicators;
- Comparison of the assumptions (forecasted revenues, expenses, capital expenditure and changes in working capital) used within the future cash flow models to approved budgets and business plans;
- Assess how the impact of climate change and energy transition is considered in the mid-term plan, which was incorporated into the valuation of shares in and loans to affiliated companies;
- Check the mathematical accuracy of the valuation models;
- Involvement of our valuation specialists to evaluate the discount rates and valuation models.

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

Other Information
Management is responsible for the other information. The other information comprises the information included in the annual report and the annual financial report, but does not include the financial statements, the directors’ report and the auditor’s report thereon. We received the "Consolidated Corporate Governance Report" and the "Consolidated Report on the Payments Made to Government" until the date of this audit opinion, the rest of the annual report and the annual financial report is estimated to be provided to us after the date of the auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, to consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Comments on the Directors' Report

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

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

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

Opinion

In our opinion, the directors' report for the Company was prepared in accordance with the valid legal requirements, comprising the details in accordance with Section 243a Austrian Company Code UGB, and is consistent with the financial statements.

Statement

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

Additional information in accordance with Article 10 EU regulation

We were elected as auditor by the ordinary general meeting at June 3, 2022. We were appointed by the Supervisory Board on July 14, 2022. We are auditors without cease since the financial year 2011.

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

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

Responsible Austrian Certified Public Accountant

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

Vienna, March 9, 2023

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Alexander Wlasto m.p.
Wirtschaftsprüfer/Certified Public Accountant

Katharina Schrenk m.p.
Wirtschaftsprüferin/Certified Public Accountant

Financial Statements
Balance sheet as of December 31, 2022

Assets

	Note	in EUR	in EUR 1,000
		2022	2021
A. Fixed assets	1		
I. Intangible assets			
1. Concessions, industrial property rights and similar rights and benefits and licenses derived therefrom		16,117,122	26,450
2. Payments on accounts		530,351	—
		16,647,473	**26,450**
II. Tangible assets			
1. Land and buildings on third party land		976,489	1,378
2. Other fixtures and fittings, tools and equipment		9,420,441	8,833
		10,396,930	**10,211**
III. Financial assets			
1. Shares in affiliated companies		13,173,470,909	13,237,375
2. Loans to affiliated companies		4,058,758,842	5,233,753
3. Securities (loan stock rights) held as fixed assets		4,506,435	4,506
4. Other loans		39,228	56
		17,236,775,413	**18,475,690**
		17,263,819,816	**18,512,351**
B. Current assets			
I. Receivables and other assets	2		
1. Trade receivables		—	168
thereof with a remaining maturity of more than one year		—	—
2. Receivables from affiliated companies		3,478,078,495	2,369,801
thereof with a remaining maturity of more than one year		—	—
3. Other receivables and assets		21,665,114	20,339
thereof with a remaining maturity of more than one year		—	—
		3,499,743,609	**2,390,308**
II. Securities and interests			
1 Other securities		273,374,624	183,472
III. Cash on hand, checks, cash at banks		**2,570,616,223**	676,350
		6,343,734,456	**3,250,129**
C. Prepaid expenses and deferred charges		**29,727,324**	**37,577**
D. Deferred tax assets	3	**4,483,811**	**6,393**
		23,641,765,408	**21,806,451**

Liabilities

	Note	in EUR	in EUR 1,000
		2022	2021
A. Shareholders' equity	4		
I. Nominal capital called up and paid in			
Nominal capital subscribed		327,272,727	327,273
Nominal amount of treasury shares		(201,674)	(261)
		327,071,053	**327,011**
II. Capital reserves			
1. Appropriated reserve		1,748,012,990	1,745,870
2. Unappropriated reserve		333,728	334
		1,748,346,718	**1,746,203**
III. Capital reserve for share based payments		**11,890,348**	**11,338**
IV. Revenues reserves			
1. Unappropriated reserve		2,722,341,860	2,720,832
2. Reserve for treasury shares		201,674	261
		2,722,543,534	**2,721,094**
V. Unappropriated income		**1,994,495,997**	**1,003,590**
thereof income brought forward		251,326,508	31,458
		6,804,347,649	**5,809,237**
B. Provisions	5		
1. Provisions for severance payments		11,361,239	10,965
2. Provisions for pensions		64,628,374	52,482
3. Provisions for taxes		26,014,711	28,274
4. Other provisions		73,410,968	58,765
		175,415,292	**150,487**
C. Liabilities	6		
1. Bonds		9,500,000,000	10,250,000
thereof with a remaining maturity of less than one year		1,250,000,000	750,000
thereof with a remaining maturity of more than one year		8,250,000,000	9,500,000
2. Amounts due to banks		100,043,159	353,924
thereof with a remaining maturity of less than one year		43,159	253,924
thereof with a remaining maturity of more than one year		100,000,000	100,000
3. Trade payables		38,475,642	36,815
thereof with a remaining maturity of less than one year		38,475,642	36,815
thereof with a remaining maturity of more than one year		—	—
4. Payables to affiliated companies		6,658,039,657	4,948,676
thereof with a remaining maturity of less than one year		6,658,039,657	4,948,676
5. Other liabilities		365,444,008	257,312
thereof with a remaining maturity of less than one year		345,476,385	233,333
thereof with a remaining maturity of more than one year		19,967,623	23,978
thereof with a remaining maturity of less than one year		8,292,034,843	6,222,749
thereof with a remaining maturity of more than one year		8,369,967,623	9,623,978
		16,662,002,466	**15,846,727**
		23,641,765,408	**21,806,451**

Income statement

Income statement

	Note	in EUR	in EUR 1,000
		2022	2021
1. Sales	7	**246,607,948**	**225,212**
2. Other operating income	8		
a) Income from the disposal of fixed assets		798,753	68
b) Income from the reversal of provisions		3,223,751	474
c) Other		545,919	543
		4,568,424	**1,085**
3. Expenses for materials and purchased services	9		
a) Expenses for materials		(368,438)	(313)
b) Expenses for purchased services		(59,933,466)	(54,584)
		(60,301,904)	**(54,898)**
4. Personnel expenses	10		
a) Salaries		(115,144,760)	(122,635)
b) Social benefits		(43,931,141)	(30,928)
thereof expenses for pensions		(18,355,316)	(4,197)
aa) thereof expenses for severance payments and contributions to staff provision funds		(3,842,556)	(3,832)
bb) thereof expenses for statutory social security, payroll-related taxes and mandatory contributions		(20,633,068)	(22,227)
		(159,075,902)	**(153,563)**
5. Depreciation and amortization			
a) of fixed intangible and tangible assets		(17,325,164)	(11,437)
6. Other operating expenses	11		
a) thereof taxes not included in Taxes on income		(960,474)	(834)
b) Other		(78,114,994)	(68,562)
		(79,075,469)	**(69,396)**
7. Subtotal of items 1 to 6 (Operating Result)		**(64,602,066)**	**(62,997)**
8. Income from investments		**2,688,613,638**	**1,466,606**
thereof affiliated companies		2,683,479,684	1,461,267
9. Income from loans held as financial assets		**175,919,957**	**170,112**
thereof affiliated companies		175,909,071	170,079
10. Other interest and similar income		**728,808,319**	**228,329**
thereof affiliated companies		238,800,172	43,581
11. Income from the disposal and write-up of financial assets		**3,418,051**	**29,769**
thereof write-up		3,142,051	29,769
12. Expenses arising from financial assets		**(731,406,601)**	**(687,209)**
thereof impairments		(125,260,000)	(687,209)
thereof affiliated companies		(731,406,601)	(687,209)
13. Interest and similar expenses		**(1,012,459,386)**	**(500,378)**
thereof concerning affiliated companies		(229,693,708)	(96,137)
14. Subtotal of items 8 to 13 (Financial result)	12	**1,852,893,977**	**707,230**
15. Profit before taxation (subtotal of lines 7 and 14)		**1,788,291,911**	**644,233**
16. Taxes on income	13	**(45,122,422)**	**327,900**
thereof deferred taxes		(1,829,760)	6,504
17. Profit after taxation		**1,743,169,489**	**972,132**
18. Income brought forward from previous years		**251,326,508**	**31,458**
19. Unappropriated retained income		**1,994,495,997**	**1,003,590**

Notes

The accounts of **OMV Aktiengesellschaft**, Vienna, as of December 31, 2022 have been drawn up in accordance with the current version of the Austrian Commercial Code (ACC) as amended and in compliance with the general standard to provide a true and fair view of the assets, liabilities, financial position and earnings of the company.

The valuation of assets and liabilities is based on the principle of individual valuation assuming going concern. In OMV´s view the Covid-19 pandemic does not impact the going concern assumption. No Covid-19 grants were used by OMV Aktiengesellschaft in 2022.

The measures to address the climate crisis affect OMV AG to the extent that the material assets and income are related to investments in subsidiaries that are affected by significant uncertainties around the changes in the mix of energy sources over the next 30 years, particularly in the areas of Exploration & Production and Refining & Marketing.

OMV has considered the short- and long-term effects of climate change and energy transition in preparing the financial statements. In 2022, OMV defined the first time concrete short-, medium-, and long-term targets for its emissions reductions and committed to becoming a net-zero emissions company by 2050.

The significant accounting estimates performed by management incorporate the future effects of OMV’s own strategic decisions and commitments on having its portfolio adhered to the energy transition targets, short and long-term impacts of climate risks and energy transition to lower carbon energy sources together with management’s best estimate on global supply and demand, including forecasted commodities prices.

OMV’s mid term plan (MTP) assumptions are based on a scenario in which OECD countries will achieve the net zero emissions goal between 2050 and 2070 (equivalent to a path between the IEA “net zero emissions” (NZE) and “sustainable development” (SDS) scenarios) and non-OECD countries will implement all announced decarbonization pledges in full and on time (equivalent to the IEA “announced pledges scenario” (APS)).[1]

Based on this scenario, expectations about the future demand and prices for the relevant commodities were developed. These estimates are used for the measurement of the investments in the subsidiaries.

The attack of Russia on Ukraine on February 24, 2022, led to developments that had a significant impact on the financial statements primarily in connection with direct and indirect investments in subsidiaries which are active in the gas business in the Exploration & Production segment and are linked to OMV Aktiengesellschaft via cash pooling and profit and loss transfer agreements.

The total payments made by OMV as financial investor under the financing agreements for Nord Stream 2 amounted to EUR 729 mn. The total outstanding amount including accrued interest as of March 5, 2022 amounted to EUR 1 bn and was fully impaired, negatively impacting the financial result of the related company.

Whereas OMV purchased on average 7.6 TWh per month of natural gas under long-term supply agreements with Gazprom in Austria and Germany in the first quarter of 2022, there were curtailments of gas delivery volumes since mid of June and no deliveries to Germany since end of August 2022. In the second half of 2022, OMV imported on average 2.6 TWh per month of natural gas based on these contracts. The curtailments of gas delivery volumes required adjustments to OMV’s hedging ratios and replacement purchases on the market resulting in a negative financial impact. The uncertainty regarding future curtailments and delivery volumes remains and could result in further substantial losses, in particular in case actual deliveries materially deviate from previously hedged volumes leading to partially unmitigated gas price exposure from Gazprom supply contracts.

In order to replace the missing quantities and to meet the delivery obligations, additional transport capacities were purchased and the storage facilities were filled.

No onerous contract provisions have been recognized for the long-term gas supply contracts with Gazprom. The pricing of these contracts is based on current hub prices and it is not possible to estimate any negative

[1] Based on World Energy Outlook 2021 report published by International Energy Agency (IEA). The sustainable development scenario (SDS) which was not included in the IEA World Energy Outlook 2022 report is a normative scenario used to model a “well below 2°C” pathway as well as the achievement of other sustainable development goals and its outcomes are close to the “announced pledges scenario” (APS).

impact from future gas curtailments. The hedges related to the supply from these contracts are measured at fair value and not subject to hedge accounting.

The management does not currently see the going concern of the company as being threatened by the climate crisis and the Ukraine crisis and will continue to monitor the effects of aspects of climate change and the energy transition in the future.

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

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

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

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

Accounting and valuation policies

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

Depreciation is based on the following useful economic lives:

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

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

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

Low-value assets up to EUR 800 are capitalized and fully written off in the year of acquisition, and are shown as additions and disposals in the statement of fixed assets.

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

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

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

On the balance sheet **deferred taxes** are reported either under deferred tax assets or provisions for taxes and in the income statement under the item Taxes on income. A tax group was formed with effect from January 1, 2005, under section 9 KStG (Corporate Tax Act), with OMV Aktiengesellschaft as the top-tier corporation. OMV Aktiengesellschaft forms a tax group in accordance with section 9 of the Austrian Corporate Income Tax Act 1988 (KStG), which aggregates the taxable profits and losses of all the Group's main subsidiaries in Austria and possibly arising losses of one foreign subsidiary (OMV AUSTRALIA PTY LTD). Due to group taxation, tax group members that make profits pay OMV Aktiengesellschaft tax contributions equal to the corporate tax attributable to those profits. If a tax group member with a shareholding of 100% makes an annual tax loss, OMV Aktiengesellschaft pays it a tax contribution of 25% of the transferred tax loss or the applicable corporate tax rate if different, for tax group members with a shareholding below 100% tax losses are allocated into an internal tax loss carryforward. Within this tax group, OMV Aktiengesellschaft retains the profits and losses of 11 of its domestic subsidiaries on the basis of profit and loss pooling agreements. Furthermore, OMV Aktiengesellschaft has a tax pooling agreement based on the liability method with all tax group companies.

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

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

OMV Aktiengesellschaft has both **defined contribution and defined benefit pension plans**. In the case of defined contribution plans, OMV has no obligations beyond payment of the agreed premiums, and no provision is therefore recognized. In contrast, participants in defined benefit plans are promised pensions at certain levels. Defined benefit pension obligations are accounted for by setting up provisions for pensions, or by means of payments to an external pension fund. The risks associated with these defined benefit pension plans remain with OMV.

Provisions for pensions, severance payments and jubilee payments are calculated using the projected unit credit method, which divides the costs of the estimated benefit entitlements over the whole period of employment, and takes future increases in remuneration into account. The actuarial gains and losses for the current financial year are disclosed under personnel expenses or other operating income, depending on the overall development of the provision.

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

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

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

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

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

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

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

Long Term Incentive (LTI) plans

LTI plans with similar conditions are granted annually to the Executive Board and selected senior managers in the Group. At vesting date, shares will be granted to the participants. The number of shares is determined depending on the achievement of defined performance criteria. The defined performance criteria may not be amended during the performance period of the LTI plans. However – in order to maintain the incentivizing character of the program – the Remuneration Committee will have discretion (until LTI Plan 2020 for the Executive Board) to adjust the threshold/ target/maximum levels of the free cash flow in case of material changes in external factors such as oil and gas prices. The adjustment is possible in both directions and will be determined by the Remuneration Committee. The Executive Board has the discretion to adjust the thresholds/targets/maximum levels of the free cash flow for Senior Managers accordingly. Disbursement is made in cash or in shares. From 2022 onwards OMV Petrom LTIP payment is made in shares only. Executive Board members and senior managers as active participants of the plans are required to build up an appropriate volume of shares and to hold those shares until retirement or departure from the company. For senior managers, if the LTIP eligibility lapses, but they are still in an active employment with the company, the shareholding requirement expires when the last LTIP is paid out. The shareholding requirement is defined as a percentage of the annual gross base salary, for the Executive Board, and as a percentage of the respective Target Long-Term Incentive for the senior managers. Executive Board members have to fulfill the shareholding requirement within five years after the initial respective appointment. Until fulfillment of the shareholding requirement the disbursement is in form of shares whilst thereafter the plan participants can decide between cash or share settlement. As long as the shareholding requirements are not fulfilled the granted shares after deduction of taxes are transferred to a trustee deposit, managed by the Company.

For share-based payments the grant date fair values are spread as expenses over the three years performance period with a corresponding increase in shareholders' equity. In case of assumed cash-settlements a provision is made for the expected future costs of the LTI plans at balance sheet date based on fair values.

In 2021 Borealis introduced a LTI plan, which is harmonized with the above described LTI Plan. The shareholding requirement is only applicable to the Executive Board members of Borealis and not to senior managers.

A discount rate of 1.13% was used for the provision calculations (2021: 1.06%).

Long Term Incentive Plans

	2022 plan	2021 plan	2020 plan	2019 plan
Start of plan	01/01/2022	01/01/2021	01/01/2020	01/01/2019
End of performance period	31/12/2024	31/12/2023	31/12/2022	31/12/2021
Vesting date	31/03/2025	31/03/2024	31/03/2023	31/03/2022
Shareholding requirement				
Executive Board Chairman	200% of annual gross base salary	200% of annual gross base salary	200% of annual gross base salary	200% of annual gross base salary
Executive Board Deputy Chairman	175% of annual gross base salary	175% of annual gross base salary	175% of annual gross base salary	175% of annual gross base salary
Other Executive Board members	150% of annual gross base salary	150% of annual gross base salary	150% of annual gross base salary	150% of annual gross base salary
Senior managers	75% of the respective Target Long Term Incentive	75% of the respective Target Long Term Incentive	75% of the respective Target Long Term Incentive	75% of the respective Target Long Term Incentive
Expected shares as of December 31, 2022 (OMV Group)	**314,218 shares**	**601,126 shares**	**245,060 shares**	**—**
Maximum shares as of December 31, 2022 (OMV Group)	**708,987 shares**	**847,200 shares**	**452,909 shares**	**—**
Fair value of plan (in EUR 1,000) as of December 31, 2022 [1] (OMV Group)	**15,010**	**29,213**	**11,983**	**—**
Provision (in EUR 1,000) as of December 31, 2022	**1,105**	**4,537**	**5,906**	**—**

[1] Excluding incidental wage costs

Equity Deferral

The Equity Deferral serves as a long-term compensation instrument for the members of the Executive Board that promotes retention and shareholder alignment in OMV, combining the interests of management and shareholders via a long-term investment in restricted shares. The holding period of the Equity Deferral is three years from vesting. The plan also seeks to prevent inadequate risk-taking.

The Annual Bonus is capped at 180% of the target Annual Bonus. A minimum of one third of the Annual Bonus (is granted in shares. The determined bonus achievement is settled per March 31 following the period end whereby at the statement of financial position date the target achievements and the share price is estimated (the latter on basis of market quotes).

Given the volatility of commodity prices and market conditions inherent to the industry, the variable remuneration plans give the Remuneration Committee the authority (in line with general practices in the Oil and Gas industry) to adjust the threshold, target, and maximum levels based on actual oil/gas prices and EUR/USD exchange rates compared with assumptions at the time the targets were set. Adjustments are applied in both directions. They are determined by the Remuneration Committee and published in the Remuneration Report. The granted shares after deduction of taxes are transferred to a trustee deposit, managed by the Company, to be held for three years.

The following table refers to OMV Group:

Personal investment held in shares [1]

	12/31/2022
Active Executive Board members	
Stern	17,158
Pleininger[2]	58,227
Florey	46,068
van Koten	1,084
Former Executive Board members	
Seele[3]	16,157
Skvortsova[4]	3,335
Gangl[5]	16,680
Total — Executive Board	**158,709**
Other senior managers	237,825
Total personal investment	**396,534**

[1] Personal investment held in shares refer to open LTI plans as well as to Equity Deferral if shares are held in the OMV trustee deposit.
[2] Johann Pleininger resigned from the Executive Board effectively December 31, 2022.
[3] Rainer Seele resigned from the Executive Board effectively August 31, 2021.
[4] Elena Skvortsova resigned from the Executive Board effectively October 31, 2022.
[5] Thomas Gangl took part in 2019 in LTIP as both senior manager as well as Executive Board member. In LTIP 2020 he took part as Executive Board member. In 2021 he took part as both Executive Board member as well as senior manager. He resigned from the Executive Board effectively March 31, 2021.

Total expense

In 2022 expenses related to share based payment transactions were as follows.

Expenses related to share base payment transactions

In EUR 1,000

	2022[1]	2021
Total expenses arising from share based payment transactions	**7,119**	**16,361**
thereof cash settled	3,323	11,586
thereof equity settled	3,796	4,775

[1] thereof EUR 1,585 thousand are included in item Income from the release of provisions

Notes to the balance sheet

1 Fixed assets

Movements in fixed assets in 2022 are shown in the statement of fixed assets. The Land and buildings item includes land valued at EUR 611 thousand (2021: EUR 663 thousand).

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

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

In EUR 1,000

	2022	2021
Maturing in one year	440	514
Maturing in the next five years	969	1,188

Loans with maturities of up to one year amounted to EUR 896,612 thousand (2021: EUR 3,620 thousand).

Loans

In EUR 1,000

	2022	2021
Domestic		
OMV Exploration & Production GmbH	3,325,203	4,325,661
OMV Finance Services GmbH	733,556	662,472
OMV Austria Exploration & Production GmbH	—	242,000
OMV (Tunesien) Production GmbH	—	3,620
BSP Bratislava-Schwechat Pipeline GmbH	—	—
EGW Heimstätte GmbH	39	56
Total	**4,058,798**	**5,233,809**

The loan to OMV Finance Services GmbH has increased in 2022 by EUR 71,084 thousand.

In the reporting period the following loans were repaid: OMV Exploration & Production GmbH EUR 1,003,600 thousand, OMV Austria Exploration & Production GmbH EUR 242,000 thousand and OMV (Tunesien) Production GmbH USD 4,444 thousand. The loan granted to BSP Bratislava-Schwechat Pipeline GmbH was fully impaired in 2020.

2 Accounts receivable and other assets

Accounts receivable and other assets

In EUR 1,000

	2022		2021	
	≤1 year	>1 year	≤1 year	>1 year
Trade Receivables	—	—	168	—
Receivables from affiliated companies	3,478,078	—	2,369,801	—
thereof trade	32,645	—	19,635	—
thereof financing	699,537	—	443,248	—
thereof profit pooling	2,142,235	—	1,263,596	—
thereof other	603,662	—	643,323	—
Other receivables and assets	21,665	—	20,339	—
Total	**3,499,744**	**—**	**2,390,308**	**—**

The item Other receivables and assets includes EUR 20,610 thousand (2021: EUR 19,806 thousand) in corporate tax prepayments.

The Other receivables and assets item doesn’t include material income due after balance sheet date.

3 Deferred tax assets

Deferred taxes essentially result from different valuation rules and distribution standards. Due to sufficient taxable profits in future, deferred tax assets of EUR 4,484 thousand (2021: 6,393 thousand) were recognized in the reporting period.

The valuation of deferred taxes as of December 31, 2022 was done with the future tax rate of 23 % starting with the year 2024. The expected effect of the reversal of deferred taxes in the year 2023 (with 24 % corporate tax rate) is not material for year end closing as of December 31, 2022. The valuation of deferred taxes as of December 31, 2021 was done with the corporate tax rate valid at that time (25 %).

The fiscal option to recognize deferred tax assets relating to loss carry forwards is not exercised.

4 Stockholders´equity

The **capital stock** of OMV Aktiengesellschaft consists of 327,272,727 (2021: 327,272,727) fully paid no par value shares with a total nominal value of EUR 327,272,727 (2021: EUR 327,272,727). There are no different classes of shares and no shares with special rights of control. All shares are entitled to dividends for the financial year 2022, with the exception of treasury shares held by OMV Aktiengesellschaft.

As the authorized capital granted by the Annual General Meeting on May 14, 2014 expired on May 14, 2019, the Annual General Meeting decided upon a new authorized capital on September 29, 2020. Specifically, it authorized the Executive Board until September 29, 2025 to increase the share capital of OMV with the consent of the Supervisory Board – at once or in several tranches – by an amount of up to EUR 32,727,272 by issuing up to 32,727,272 new no-par value common voting shares in bearer form in return for contributions in cash. The capital increase can also be implemented by way of indirect offer for subscription after taking over by one or several credit institutions according to Section 153 Paragraph 6 Austrian Stock Corporation Act. The issue price and the conditions of issuance can be determined by the Executive Board with the consent of the Supervisory Board.

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

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

Capital reserves have been formed by the contribution of funds into OMV Aktiengesellschaft by its shareholders over and above the capital stock, on the basis of their ownership relationship.

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

On June 2, 2021 the Annual General Meeting authorized the Executive Board for a period of five years from the adoption of the resolution, therefore, until and including June 1, 2026, subject to the approval of the Supervisory Board, to dispose of or utilize repurchased treasury shares or treasury shares already held by the Company to grant to employees, executive employees and/or members of the Executive Board/management boards of the Company or its affiliates including for purposes of share transfer programs, in particular long term incentive plans including equity deferrals or other stock ownership plans, and to thereby exclude the general purchasing right of shareholders (exclusion of subscription rights). The authorization can be exercised as a whole or in parts or even in several tranches by the Company, by a subsidiary (Section 189a number 7 Austrian Commercial Code) or by third parties for the account of the Company.

The nominal value of the **treasury shares** acquired is openly deducted from the capital stock in accordance with Section 229 Paragraph Number 1a Austrian Commercial Code. The difference between the nominal amount and the acquisition cost is offset against the revenue reserves.Changes in **treasury shares** were as follows:

Treasury shares

In EUR 1,000

	Number of shares	Cost
January 1, 2021	**297,846**	**3,280**
Disposals	(36,520)	(401)
December 31, 2021	**261,326**	**2,879**
Disposals	(59,652)	(655)
December 31, 2022	**201,674**	**2,224**

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

Number of shares in issue

	Number of shares	Treasury shares	Shares in issue
January 1, 2021	**327,272,727**	**297,846**	**326,974,881**
Used for share-based compensations	—	(36,520)	36,520
December 31, 2021	**327,272,727**	**261,326**	**327,011,401**
Used for share-based compensations	—	(59,652)	59,652
December 31, 2022	**327,272,727**	**201,674**	**327,071,053**

5 Provisions

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

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

Development defined benefit plans and jubilee payments

In EUR 1,000

	2022			2021		
	Pensions	Severance payments	Jubilee payments	Pensions	Severance payments	Jubilee payments
Present value of funded obligations	114,085	—	—	110,779	—	—
Market value of plan assets	(49,457)	—	—	(58,298)	—	—
Provision for funded obligations	**64,628**	**—**	**—**	**52,482**	**—**	**—**
Present value of unfunded obligations	—	11,361	7,139	—	10,965	5,586
Provision for unfunded obligations	**—**	**11,361**	**7,139**	**—**	**10,965**	**5,586**
Provision as of January 1	**52,482**	**10,965**	**5,586**	**52,862**	**11,563**	**5,135**
Expense for the year	12,346	2,053	1,815	136	1,145	664
Payments to funds	(199)	—	—	(516)	—	—
Benefits paid	—	(1,373)	(173)	—	(1,287)	(232)
Group transfer	—	(284)	(89)	—	(456)	19
Provision as of December 31	**64,628**	**11,361**	**7,139**	**52,482**	**10,965**	**5,586**
Interest cost	1,248	90	66	1,453	124	71
Current service cost	—	355	393	—	405	370
Expected return on plan assets	(1,514)	—	—	(1,699)	—	—
Recognized actuarial (gains)/losses	12,612	1,608	1,356	382	616	223
Expenses of defined benefit plans for the year	**12,346**	**2,053**	**1,815**	**136**	**1,145**	**664**

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

Assumptions for calculation

	2022			2021		
	Pensions	Severance	Jubilees	Pensions	Severance	Jubilees
Capital market interest rate	1.25%	1.10%	1.35%	1.15%	0.90%	1.20%
Future increases in salaries	—	4.90%	4.90%	—	3.50%	3.50%
Future increases in pensions	2.60%	—	—	2.10%	—	—
Long-term rate of return on plan assets	3.00%	—	—	2.70%	—	—

The biometrical basis for the calculation of provisions for pensions, severance and jubilee entitlements is provided by AVÖ 2018 P – Rechnungsgrundlagen für die Pensionsversicherung (Computational Framework for Pension Insurance) – Pagler & Pagler, using the variant for salaried employees.

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

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

Allocation of plan assets as of December 31

	2022		2021	
	VRG IV Austria	VRG VI Austria	VRG IV Austria	VRG VI Austria
Asset category				
Equity securities	22.93%	23.48%	23.52%	24.92%
Debt securities	46.17%	44.37%	52.87%	50.99%
Cash and money market investments	6.65%	6.62%	6.23%	6.15%
Other	24.25%	25.53%	17.38%	17.94%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**

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

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

In 2022, defined benefit related contributions for 2022 to APK-Pensionskasse AG of EUR 55,442 thousand (2021: EUR 3,165 thousand) are planned.

Other provisions largely consist of the following:

Other provisions

In EUR 1,000

	2022	2021
Personnel provisions	45,084	46,431
Sundry provisions	28,327	12,334
Total	**73,411**	**58,765**

Personnel provisions include a provision for the Long Term Incentive Plan amounting to EUR 11,549 thousand (2021: EUR 14,834 thousand). Provisions with a residual term of more than one year were discounted at an interest rate of 1.13% (2021: 1.06%).

The provisions for taxes item comprises a corporate income tax provision for the recapture of losses by foreign tax group members at top-tier corporate level in the amount of EUR 26,015 thousand (2021: EUR 28,274 thousand).

6 Liabilities

Liabilities

In EUR 1,000

	2022		2021	
	≤1 year	>1 year	≤1 year	>1 year
Bonds	1,250,000	8,250,000	750,000	9,500,000
Amounts due to banks	43	100,000	253,924	100,000
Accounts payable from trade	38,476	—	36,815	—
Accounts payable to affiliates	6,658,040	—	4,948,676	—
thereof trade	1,413	—	2,271	—
thereof financing	4,365,888	—	3,419,973	—
thereof clearing	1,189,238	—	1,069,368	—
thereof profit pooling	606,147	—	—	—
thereof other	495,354	—	457,063	—
Other liabilities	345,476	19,968	233,333	23,978
thereof taxes	273,705	—	153,967	—
thereof social security expenses (including personnel reduction plans)	7,245	19,758	7,291	23,528
Total	**8,292,035**	**8,369,968**	**6,222,749**	**9,623,978**

In the business year the EUR 750,000 thousand bond, issued in 2012, was redeemed.

In 2021, the EUR 300,000 thousand privat placement was redeemed, as well as the EUR 500,000 thousand bond issued in 2011. The hybrid notes of tranche 1 issued in 2015, with a first call date in 2021, were called and redeemed at their principal amount of EUR 750,000 thousand on November 30, 2021.

In April 2020, OMV issued a bond in a size of EUR 1,750,000 thousand in three tranches, thereof two tranches of EUR 500,000 thousand each and one of EUR 750,000 thousand.

In June 2020, another bond with a size of EUR 1,500,000 thousand, in two tranches of EUR 750,000 thousand each, was issued.

In September 2020, OMV issued additional hybrid bonds with a total size of EUR 1,250,000 thousand: the first tranche of EUR 750,000 thousand bears a fixed interest rate of 2,5% until, but excluding, September 1, 2026 while the second tranche with a size of EUR 500,000 thousand bears a fixed interest rate of 2,875% until, but excluding, September 1, 2029.

The EUR 500,000 thousand bond issued in 2010 was redeemed in February 2020.

On December 7, 2015, OMV issued hybrid notes with an aggregate size of EUR 1,500,000 thousand, in two tranches of EUR 750,000 thousand each. Tranche 1 bore a fixed interest coupon of 5.250% until its redemption on November 30, 2021; tranche 2 bears a fixed interest coupon of 6.250% until, but excluding, December 9, 2025.

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

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

Bonds issued

	Nominal	Coupon	Date of issue	Repayment
Industrial bonds	EUR 500,000,000	0.75% fixed	December 2018	12/04/2023
	EUR 750,000,000	0.00% fixed	June 2020	06/16/2023
	EUR 500,000,000	1.50% fixed	April 2020	04/09/2024
	EUR 500,000,000	0.00% fixed	July 2019	07/03/2025
	EUR 1,000,000,000	1.00% fixed	December 2017	12/14/2026
	EUR 750,000,000	3.50% fixed	September 2012	09/27/2027
	EUR 500,000,000	2.00% fixed	April 2020	04/09/2028
	EUR 500,000,000	1.875% fixed	December 2018	12/04/2028
	EUR 750,000,000	0.75% fixed	June 2020	06/16/2030
	EUR 750,000,000	2.375% fixed	April 2020	04/09/2032
	EUR 500,000,000	1.00% fixed	July 2019	07/03/2034
Hybrid bonds	EUR 750,000,000		December 2015	
	EUR 500,000,000		June 2018	
	EUR 750,000,000		September 2020	
	EUR 500,000,000		September 2020	
Total	**EUR 9,500,000,000**			

Other liabilities include interest expenses for bonds of EUR 61,540 thousand (2021: EUR 66,718 thousand) and personnel reduction expenses of EUR 24,844 thousand (2021: EUR 29,046 thousand). These expenses will be payable after the balance sheet date.

Liabilities with maturities of more than one year include the following liabilities with maturities of more than five years: bond liabilities amounting to EUR 5,500,000 thousand (2021: EUR 6,250,000 thousand) and liabilities for personnel reduction plans amounting to EUR 5,574 thousand (2021: EUR 7,552 thousand).

Notes to the income statement

7 Sales

Sales

In EUR 1,000

	2022	2021
Domestic	202,230	180,943
Foreign	44,378	44,269
Total	**246,609**	**225,212**

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

8 Other operating income

Other operating income

In EUR 1,000

	2022	2021
Income from the disposal of fixed assets other than financial assets	799	68
Income from the reversal of provisions	3,224	474
Other	546	543
Total	**4,568**	**1,085**

Other operating income includes income from the reversal of personnel provisions in the amount of EUR 3,193 thousand (2021: EUR 474 thousand).

The position Other mainly includes employee deductible for office canteen, various bonuses and compensation for supervisory board functions.

9 Expenses for materials and purchased services

Expenses for materials and purchased services

In EUR 1,000

	2022	2021
Cost of materials	368	313
Cost of purchased services	59,933	54,584
Total	**60,302**	**54,898**

The expenses for purchased services mainly include services provided by third parties for ongoing activities amounting to EUR 8,896 thousand (2021: EUR 7,980 thousand) and other services provided by OMV Petrom Global Solutions SRL amounting to EUR 7,175 thousand (2021: EUR 6,936). External software services in the amount of EUR 39,612 thousand (2021: EUR 38,023 thousand) were purchased in the reporting period.

10 Personnel expenses

The item Salaries includes expenses for share based payments for which we refer to table “Expenses related to share based payment transactions” in the section Long Term Incentive (LTI) plans and Equity Deferral part of the annual bonus. Expenses related to provisions for jubilee payments amount to EUR 1,749 thousand (2021: EUR 593 thousand).

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

In EUR 1,000

	2022	2021
Expenses for severance payments	2,357	2,451
Payments to employee benefit funds	1,485	1,381
Defined contribution personnel expense	4,385	4,617
Defined benefit personnel expense	13,970	(420)
Total	**22,198**	**8,029**

Expenses for personnel reduction programs are included in the position Expenses for severance payments amounting to EUR 394 thousand (2021: EUR 1,430 thousand) as well as in the position Defined benefit personnel expense with an expense amounting to EUR 1,273 thousand (2021: income EUR 891 thousand).

The income in the position Defined benefit personnel expenses in the past financial year consisted both of the discontinuation of obligations and of changes in parameters.

The breakdown of expenses for severance payments and pensions is as follows:

Expenses for severance payments and pensions

In EUR 1,000

	2022		2021	
	Severance	Pensions	Severance	Pensions
Current and former members of Executive Board	218	1,062	211	1,077
Senior executives	295	422	1,222	354
Other employees	1,722	4,259	1,783	2,384
Actuarial (gains) and losses	1,608	12,612	616	382

11 Other operating expenses

Other operating expenses

In EUR 1,000

	2022	2021
Taxes not shown under item 16 (Taxes on income)	960	834
Other	78,115	68,562
Total	**79,075**	**69,396**

The Taxes item largely concerns fees paid to Austrian Financial Market Authority. Other expenses include: EUR 19,206 thousand in services delivered by OMV Group companies (2021: EUR 18,566 thousand), EUR 9,363 thousand in advertising expenditure (2021: EUR 10,910 thousand), EUR 26,872 thousand in legal and consultancy fees (2021: EUR 18,098 thousand), EUR 3,615 thousand rental expenses (2021: EUR 5,522 thousand), EUR 2,042 thousand insurance expense (2021: EUR 2,390 thousand), EUR 5,865 thousand in communication expenses (2021: EUR 5,170 thousand), leased personnel EUR 1,695 thousand (2021: EUR 1,440 thousand) and EUR 1,361 thousand in maintenance (2021: EUR 1,762 thousand).

12 Financial income and expenses

Income from investments amounting to EUR 2,688,614 thousand (2021: EUR 1,466,606 thousand) includes EUR 2,142,235 thousand (2021: EUR 1,263,596 thousand) from profit-pooling arrangements, EUR 541,245 thousand in dividends from affiliated companies (2021: EUR 197,671 thousand) and EUR 5,134 thousand (2021: EUR 5,339 thousand) from other investment income. As of the balance sheet date, there were profit and loss pooling agreements with the following companies: OMV Solutions GmbH, OMV Downstream GmbH, OMV Insurance Broker GmbH and OMV Gas Logistics Holding GmbH.

Income from financial assets includes write-ups to financial assets amounting to EUR 3,418 thousand (2021: EUR 29,769 thousand), thereof EUR 3,142 thousand (2021: EUR 29,769 thousand) to loans and EUR 276 thousand (2021: EUR nil) write up OMV AUSTRALIA PTY LTD.

The expenses arising from financial assets include EUR 606,147 thousand (2021: EUR nil) in expenses arising from profit pooling agreements, a EUR 121,000 thousand impairment of the participation value of OMV Solutions GmbH (2021: EUR 538,600 thousand), as well as EUR 4,260 thousand (2021: EUR 148,266) of the participation value of OMV Gas Logistic Holding GmbH. In the prior year an additional impairment loss related to OMV AUSTRALIA PTY LTD in the amount of EUR 343 thousand was included.

13 Taxes on income

Taxes on income

In EUR 1,000

	2022	2021
Current taxes	43,293	(321,396)
thereof		
release of provision for future tax compensation of Austrian tax group members	—	(191,001)
group tax member compensation	84,442	(112,748)
corporate income tax group expense	(2,186)	17,027
group tax member compensation from previous years	(38,963)	(34,674)
Deferred taxes	1,830	(6,504)
Total	**45,122**	**(327,900)**

Group tax member compensation also comprise EUR 56,258 thousand (2021: EUR 7,244 thousand) corporate tax expense from the provision of reversal due to the planned exit of two tax group members.

The reported deferred tax expense amounting to EUR 1,830 thousand (2021: income EUR 6,504 thousand) mainly resulted from the capitalization of recoverable deferred taxes.

Supplementary information

14 Interest rate risk management and derivatives

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

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

Where necessary, the Company hedges its own and Group companies' foreign currency risks. OMV Aktiengesellschaft has entered into hedges with banks, and partly transferred them to Group companies. As of December 31, 2022, the main exposures were related to the EUR-NOK and EUR-USD exchange rates. Foreign currency transactions are used to hedge the period until March 2023.

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

Currency derivatives: Forwards

In EUR 1,000

	2022				2021			
		Fair value				Fair value		
	Notional value	positive	negative	Carrying value	Notional value	positive	negative	Carrying value
Currency forwards	601,637	3,537	(3,543)	—	408,772	1,731	(1,715)	—

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

.

Without hedge accounting, provisions for onerous contracts amounting to the negative fair value would have to be recognized based on the so-called ”imparity realization principle” in the amount of EUR 3,543 thousand (2021: EUR 1,715 thousand).

OMV Aktiengesellschaft employs currency swaps for liquidity management purposes.

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

Currency derivatives: FX Swaps

In EUR 1,000

	2022			2021		
	Notional value	Fair value	Carrying value	Notional value	Fair value	Carrying value
FX Swap EUR-CZK	10,322	(45)	(45)	—	—	—
FX-Swap EUR-HUF	72,909	(1,897)	(1,897)	13,569	(29)	(29)
FX Swap USD-HUF	—	—	—	18,960	54	—
FX Swap EUR-NOK	2,490,418	(25,328)	(25,941)	515,963	3,146	(269)
FX Swap EUR-AUD	18,816	(30)	(30)	—	—	—
FX Swap USD-NOK	—	—	—	641,719	(8,022)	(10,467)
FX Swap EUR-NZD	7,779	(40)	(40)	—	—	—
FX Swap USD-AUD	—	—	—	18,892	(129)	(129)
FX Swap EUR-USD	159,756	(360)	(360)	933,303	(644)	(794)

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

15 Governing bodies, employees and related parties

The average number of employees was:

Average

	2022	2021
Salaried employees	871	862
Total	**871**	**862**

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

Remuneration received by the Executive Board

In EUR 1,000

	2022								
	active members of the Executive Board as of December 31, 2022				**former members of the Executive Board**				
	Stern	Pleininger[2]	Florey	van Koten	Skvortsova[4]	Seele[6]	Gangl[7]	Leitner[9]	Total
Short Term Benefits	**1,588**	**1,474**	**1,546**	**853**	**1,162**	**1,573**	**123**	**—**	**8,319**
Fixed (base salary)	990	750	810	575	575	549	—	—	**4,250**
Variable (cash bonus)[1]	588	712	687	249	498	1,017	123	—	**3,874**
Benefits in kind	10	13	49[3]	29	89[5]	6	—	—	**195**
Post Employment benefits	**248**	**188**	**203**	**144**	**144**	**138**	**—**	**—**	**1,063**
Pension fund contributions	248	188	203	144	144	138	—	—	**1,063**
Share based benefits	**285**	**1,335**	**1,032**	**105**	**209**	**3,125**	**371**	**697**	**7,159**
Variable (Equity Deferral 2021)	285	436	335	105	209	427	51	—	**1,848**
Variable (LTIP 2019)	—	899	697	—	—	2,698	319[8]	697	**5,311**
Remuneration received by the Executive Board	**2,121**	**2,997**	**2,781**	**1,102**	**1,515**	**4,836**	**493**	**697**	**16,540**

[1] The variable components relate to target achievement in 2021, for which bonuses were paid in 2022.
[2] Johann Pleininger resigned from the Executive Board effectively December 31, 2022 and his contract ends on April 30, 2023.
[3] Including schooling costs and related taxes.
[4] Elena Skvortsova resigned from the Executive Board effectively October 31, 2022 and her contract ends on June 14, 2023.
[5] Including rental and storage costs and related taxes.
[6] Rainer Seele resigned from the Executive Board effectively August 31, 2021 and his contract ended on June 30, 2022.
[7] Thomas Gangl resigned from the Executive Board effectively March 31, 2021.
[8] Thomas Gangl received additionally a cash payment in the amount of EUR 83 thousand based on the Senior Manager LTIP 2019.
[9] Manfred Leitner resigned from the Executive Board effectively June 30, 2019.

Remuneration received by the Executive Board

In EUR 1,000

	2021								
	active members of the Executive Board as of December 31, 2021					former members of the Executive Board			
	Stern[3]	Pleininger	Florey	Skvortsova	van Koten[7]	Seele[8]	Gangl[9]	Leitner[12]	Total
Short Term Benefits	**693**	**1,772**	**1,775**	**1,375**	**302**	**2,554**	**650**	**—**	**9,121**
Fixed (base salary)	686	750	755	575	288	1,100	144	—	**4,297**
Fixed (one-off payment)	—	—	—	535[5]	—	—	—	—	**535**
Variable (cash bonus)[1]	—	1,009	973[4]	163	—	1,442	504	—	**4,090**
Benefits in kind	7	13	47	102[6]	14	13	3	—	**199**
Post Employment benefits	**180**	**188**	**189**	**144**	**72**	**275**	**31**	**—**	**1,077**
Pension fund contributions	180	188	189	144	72	275	31	—	**1,077**
Termination benefits	**—**	**—**	**—**	**—**	**—**	**—**	**23[10]**	**—**	**23**
Share based benefits	**—**	**1,087**	**896**	**106**	**—**	**2,477**	**196**	**409**	**5,172**
Variable (Equity Deferral 2020)	—	323	270	106	—	401	196	—	**1,297**
Variable (LTIP 2018)[2]	—	764	626	—	—	2,076	—[11]	409	**3,876**
Total	**872**	**3,046**	**2,860**	**1,625**	**374**	**5,306**	**900**	**409**	**15,393**

[1] The variable component relates to target achievement in 2020, for which bonuses were paid out in 2021 and included 50% of the cash payments due in 2020 under the Annual Bonus 2019 for the active Executive Board members in 2020 which were postponed to January 2021.
[2] Including 50% of the cash payments due in 2020 under the LTIP 2017 for the active Executive Board members in 2020 (for the cash portion, if applicable) which have been postponed to January 2021.
[3] Alfred Stern joined the Executive Board effectively April 1, 2021.
[4] Including schooling costs and related taxes.
[5] Elena Skvortsova received a one-off payment in settlement of the variable remuneration demonstrably forfeited as a result of her move from Linde Group to OMV AG.
[6] Including moving and rental costs and related taxes.
[7] Martijn van Koten joined the Executive Board effectively July 1, 2021.
[8] Rainer Seele resigned from the Executive Board effectively August 31, 2021 and his contract ended on June 30, 2022.
[9] Thomas Gangl resigned from the Executive Board effectively March 31, 2021.
[10] Thomas Gangl received an annual leave compensation payment amounting to EUR 23 thousand.
[11] Thomas Gangl received a cash payment in the amount of EUR 115 thousand based on the Senior Manager LTIP 2018.
[12] Manfred Leitner resigned from the Executive Board effectively June 30, 2019.

The members of the Executive Board and the members of the Supervisory Board are covered by directors and officers liability insurance (D&O) and legal costs insurance. A large number of other OMV employees also benefit from these two forms of insurance, and the insurers levy lump-sum premiums, which are not specifically attributed to the Board members.

In 2022 remuneration expenses for the Supervisory Board amounted to EUR 1,105 thousand (2021: EUR 625 thousand).

OMV Aktiengesellschaft is the parent company of the OMV Group and acts as a holding company. OMV Aktiengesellschaft also provides the other Group companies with corporate financial, management and other operational services.

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

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

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

Contingent liabilities are as follows:

Contingent Liabilities

In EUR 1,000

	2022	2021
Guarantees	**3,551,544**	**2,740,516**
thereof in favor of affiliated companies	3,551,332	2,740,189

The change in contingent liabilities mainly resulted from the increase of the guarantees issued for OMV Gas Marketing & Trading GmbH in the amount of EUR 743,313 thousand and the decrease of the guarantees issued for OMV Supply & Trading Limited in the amount of USD 113,511 thousand.

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

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

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

With a letter of financial support vis à vis OMV Gas Storage Germany GmbH, OMV Aktiengesellschaft has undertaken to provide adequate financial funding if necessary, which has been terminated in the current year effective with October 2023.

OMV Aktiengesellschaft has also provided a letter of financial support to OMV Gas Marketing & Trading GmbH to maintain its liquidity if necessary. This agreement is applicable for liabilities which fall due until December 31, 2024.

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

17 Dividend recommendation

Unappropriated income as per the end of the year 2022 amounted to EUR 1,994,496 thousand (2021: EUR 1,003,590 thousand). Thereof an amount of EUR 25,743 thousand (2021: EUR 27,711 thousand) must not be distributed according to Section 235 of the Austrian Commercial Code.

For 2022, the Executive Board of OMV Aktiengesellschaft proposes a dividend of EUR 2.80 (2021: EUR 2.30) per eligible share, which is subject to confirmation by the Annual General Meeting. Additionally the Executive Board of OMV Aktiengesellschaft will propose a special dividend of EUR 2.25 per eligible share, which is also subject to confirmation by the Annual General Meeting. The special dividend will be distributed in addition to and at the same time as the regular dividend. The dividend for 2021 was paid in June 2022 and amounted to EUR 752,263 thousand (2021: EUR 604,971 thousand).

18 Additional reporting

The consolidated report on payments to governments as well as the separate consolidated non-financial report are integrated in the Group’s annual report which is available on OMV’s website: www.omv.com > Investors > Publications.

19 Subsequent events

There were no subsequent events after the balance sheet date.

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

Direct Investments

	Currency	Equity as of Dec. 31, 2022	Net income/ loss in 2022	Equity interest in %
Domestic				
OMV Exploration & Production GmbH, Vienna [1]	in EUR 1,000	1,736,112	(116,198)	100
OMV Gas Logistics Holding GmbH, Vienna [1]	in EUR 1,000	96,152	57,591	100
OMV Insurance Broker GmbH, Vienna [1]	in EUR 1,000	45	(8)	100
OMV Downstream GmbH, Vienna [1]	in EUR 1,000	6,633,700	1,384,643	100
OMV Solutions GmbH, Vienna [1]	in EUR 1,000	489,709	(733,139)	100
Foreign				
Diramic Insurance Limited, Gibraltar	in EUR 1,000	105,204	1,249	100
OMV AUSTRALIA PTY LTD, Perth [1]	in AUD 1,000	(169,835)	582	100
OMV International Oil & Gas GmbH, Zug [2]	in CHF 1,000	1,707	342	100
OMV PETROM SA, Bucharest	in RON 1,000	39,144	10,288	51.16

[1] Tax group member under section 9 Corporate Tax Act
[2] Figures from 2021

Supervisory Board

Mark Garrett
Chairman

Edith Hlawati
Deputy Chairwoman (since June 3, 2022)

Christine Catasta
Deputy Chairwoman (until June 3, 2022)

Saeed Al Mazrouei
Deputy

Alyazia Ali Al Kuwaiti

Stefan Doboczky

Karl Rose

Elisabeth Stadler

Jean-Baptiste Renard (since June 3, 2022)

Robert Stajic (since June 3, 2022)

Christoph Swarovski (until June 3, 2022)

Cathrine Trattner (until June 3, 2022)

Gertrude Tumpel-Gugerell

Delegated by the Works Council:
Alexander Auer
Angela Schorna
Mario Mayrwöger (since June 3, 2022)
Nicole Schachenhofer
Hubert Bunderla
Gerhard Singer (until June 3, 2022)

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

Presidential and Nomination Committee:
Garrett (Chairman), Hlawati (Deputy Chairwoman), Al Mazrouei (Deputy Chairman), Al Kuwaiti, Bunderla, Auer

Audit Committee:
Tumpel-Gugerell (Chairwoman), Stadler (Deputy Chairwoman), Al Kuwaiti (Deputy Chairwoman), Garrett, Stajic, Doboczky, Bunderla, Schorna, Auer

Portfolio and Project Committee:
Renard (Chairman), Stajic (Deputy Chairman), Al Mazrouei (Deputy Chairman), Al Kuwaiti, Doboczky, Rose, Auer, Bunderla, Schachenhofer

Sustainability and Transformation Committee:
Doboczky (Chairman), Renard (Deputy Chairman), Stadler, Al Kuwaiti, Stajic, Schachenhofer, Mayrwöger, Schorna

Remuneration Committee:
Garrett (Chairman), Hlawati (Deputy Chairwoman), Al Mazrouei (Deputy Chairman), Stadler, Tumpel-Gugerell

Executive Board

Alfred Stern

Chairman of the Executive Board
and Chief Executive Officer

Reinhard Florey

Chief Financial Officer

Martijn van Koten

Executive Vice President Fuels & Feedstock

Daniela Vlad

Executive Vice President Chemicals & Materials

Berislav Gaso

Executive Vice President Energy

Vienna, March 9, 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

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

Development of acquisition costs

In EUR 1,000

	As of Jan. 1, 2022	Additions
Intangible assets		
Concessions, industrial property rights and similar rights and benefits and licenses derived therefrom	46,425	2,498[1]
Payments on accounts	—	530
	46,425	**3,028**
Tangible assets		
Land and buildings on third party land	2,762	—
Other fixtures and fittings, tools and equipment	23,875	4,747
	26,637	**4,747**
Financial assets		
Shares in affiliated companies	17,430,189	61,080
Loans to affiliated companies	5,236,895	71,084
Securities (loan stock rights) held as fixed assets	4,506	—
Other loans	1,703	—
	22,673,293	**132,164**
	22,746,355	**139,939**

[1] Including assets taken over from affiliated companies: EUR 17 thousand (2021: EUR 346 thousand) intangible assets

Disposals	As of Dec. 31, 2022	Depreciation and amortization as of Dec 31, 2022 (cumulative)	Carrying value as of Dec. 31, 2022	Carrying value as of Dec. 31, 2021
—	48,923	32,806	16,117	26,450
—	530	—	530	—
—	**49,453**	**32,806**	**16,647**	**26,450**
52	2,710	1,734	976	1,378
3,878	24,744	15,323	9,420	8,833
3,930	**27,454**	**17,057**	**10,397**	**10,211**
—	17,491,270	4,317,799	13,173,471	13,237,375
1,249,220	4,058,759	—	4,058,759	5,233,753
—	4,506	—	4,506	4,506
17	1,686	1,646	39	56
1,249,237	**21,556,221**	**4,319,445**	**17,236,775**	**18,475,690**
1,253,167	**21,633,128**	**4,369,308**	**17,263,820**	**18,512,351**

Development of depreciation

In EUR 1,000

	As of Jan. 1, 2022	Depre-ciation	Impair-ments 2022	Write-up	Disposals	As of Dec. 31, 2022
Intangible assets						
Concessions, industrial property rights and similar rights and benefits and licenses derived therefrom	**19,975**	**6,837**	**5,994**	**—**	**—**	**32,806**
Tangible assets	—	—	—	—	—	—
Land and buildings on third party land	1,384	350	—	—	—	1,734
Other fixtures and fittings, tools and equipment	15,042	4,144	—	—	3,863	15,323
	16,426	**4,494**	**—**	**—**	**3,863**	**17,057**
Financial assets						
Shares in affiliated companies	4,192,815	—	125,260	276	—	4,317,799
Loans to affiliated companies	3,142	—	—	3,142	—	—
Securities (loan stock rights) held as fixed assets	—	—	—	—	—	—
Other loans	1,646	—	—	—	—	1,646
	4,197,603	**—**	**125,260**	**3,418**	**—**	**4,319,445**
	4,234,004	**11,331**	**131,254**	**3,418**	**3,863**	**4,369,308**

Abbreviations and Definitions

A

ACC
Austrian Commercial Code

ACCG
Austrian Code of Corporate Governance

AGM
Annual General Meeting

B

bbl
Barrel (1 barrel equals approximately 159 liters)

bbl/d
Barrels per day

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

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

bn
Billion

boe
Barrel of oil equivalent

boe/d
Barrel of oil equivalent per day

C

CAGR
Compounded annual growth rate

CAPEX
Capital expenditure

Capital employed
Equity including non-controlling interests plus net debt

cbm
Standard cubic meters (32°F/0°C)

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

CEE
Central and Eastern Europe

CEGH
Central European Gas Hub

cf
Standard cubic feet (60°F/16°C)

CGU
Cash generating unit

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

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

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

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

C&M
Chemicals & Materials business segment

Co&O
Corporate and Other

CPI
Consumer price index

E

ECL
Expected credit losses

E&P
Exploration & Production business segment

EPS
Earnings Per Share; net in-

come attributable to stockholders divided by total weighted average shares

EPSA
Exploration and Production Sharing Agreement

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

F

F&F
Fuels & Feedstock business segment

FVOCI
Fair value through other comprehensive income

FVTPL
Fair value through the statement of profit or loss

FX
Foreign exchange

G

G2P
Gas-to-power

GDP
Gross Domestic Product

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

H

HSSE
Health, Safety, Security, and Environment

I

IASs
International Accounting Standards

IFRSs
International Financial Reporting Standards

IMF
International Monetary Fund

K

kbbl/d
Thousand barrels per day

kboe
Thousand barrels of oil equivalent

kboe/d
Thousand barrels of oil equivalent per day

km²
Square kilometer

KPI
Key Performance Indicator

KStG
Austrian Corporate Income Tax Act

L

Leverage ratio
Net debt divided by capital employed, expressed as a percentage

LNG
Liquefied Natural Gas

LTIR
Lost-Time Injury Rate per million hours worked

M

min
Minute

mn
Million

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

MW
Megawatt

MWh
Megawatt hour

N

n.a.
Not available

NCI
Non-controlling interests

n.m.
Not meaningful

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

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

Net income
Net operating profit or loss after interest and tax

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

NOPAT
Net Operating Profit After Tax
Net income
+ Net interest related to financing
– Tax effect of net interest

related to financing
NOPAT is a KPI that shows the financial performance after tax, independent of the financing structure of the company.

O

ÖBAG
Österreichische Beteiligungs AG

OCI
Other comprehensive income

OECD
Organisation for Economic Co-operation and Development

OTC
Over-the-counter

P

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

Pearl
Pearl Petroleum Company Limited

R

R&M
Refining & Marketing business segment

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

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

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

S

Sales revenues
Sales excluding petroleum excise tax

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

T

t
Metric ton

toe
Metric ton of oil equivalent

TSR
Total Shareholder Return

TWh
Terawatt hour

U

UAE
United Arab Emirates

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Notes:
Figures in the tables and charts may not add up due to rounding differences. Differences between percentages are displayed as percentage points throughout the document.

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

Disclaimer regarding forward-looking statements:
This report contains forward-looking statements. Forwardlooking statements usually may be identified by the use of terms such as “outlook,” “believe,” “expect,” “anticipate,” “intend,” “plan,” “target,” “objective,” “estimate,” “goal,” “may,” “will” and similar terms, or by their context. These forwardlooking statements are based on beliefs, estimates 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 and does not intend 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.

Declaration according to § 124 (1) BörseG 2018

Statement of all Legal Representatives

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

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

Vienna, March 9, 2023

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.
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