

7

reasons
why we're excited
about tomorrow

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At a Glance

Five-Year Summary

| | | 2018 | 2017 | 2016 | 2015 | 2014 ¹ |
|--|-----------------|---------|--------|--------|---------|-------------------|
| Sales ² | in EUR mn | 22,930 | 20,222 | 19,260 | 22,527 | 35,913 |
| Operating Result | in EUR mn | 3,524 | 1,732 | (32) | (1,661) | 1,149 |
| Profit from ordinary activities | in EUR mn | 3,298 | 1,486 | (230) | (1,909) | 792 |
| Taxes on income | in EUR mn | (1,305) | (634) | 47 | 654 | (265) |
| Net income for the year | in EUR mn | 1,993 | 853 | (183) | (1,255) | 527 |
| Net income attributable to stockholders of the parent | in EUR mn | 1,438 | 435 | (403) | (1,100) | 278 |
| Clean CCS Operating Result ³ | in EUR mn | 3,646 | 2,958 | 1,535 | 1,737 | 2,418 |
| Clean CCS net income attributable to stockholders of the parent ³ | in EUR mn | 1,594 | 1,624 | 995 | 1,148 | 1,132 |
| Balance sheet total | in EUR mn | 36,961 | 31,576 | 32,112 | 32,664 | 33,855 |
| Equity | in EUR mn | 15,342 | 14,334 | 13,925 | 14,298 | 14,514 |
| Net debt | in EUR mn | 2,014 | 2,005 | 2,969 | 4,038 | 4,902 |
| Average capital employed | in EUR mn | 16,850 | 15,550 | 17,943 | 19,972 | 19,760 |
| Cash flow from operating activities | in EUR mn | 4,396 | 3,448 | 2,878 | 2,834 | 3,666 |
| Capital expenditure | in EUR mn | 3,676 | 3,376 | 1,878 | 2,769 | 3,832 |
| Organic capital expenditure ⁴ | in EUR mn | 1,893 | 1,636 | 1,868 | 2,749 | 3,580 |
| Free cash flow | in EUR mn | 1,043 | 1,681 | 1,081 | (39) | 272 |
| Free cash flow after dividends | in EUR mn | 263 | 1,013 | 615 | (569) | (377) |
| Net Operating Profit After Tax (NOPAT) | in EUR mn | 2,097 | 987 | (88) | (1,119) | 627 |
| Clean CCS NOPAT ³ | in EUR mn | 2,196 | 2,169 | 1,325 | 1,522 | 1,697 |
| Return On Average Capital Employed (ROACE) | in % | 12 | 6 | 0 | (6) | 3 |
| Clean CCS ROACE ³ | in % | 13 | 14 | 7 | 8 | 9 |
| Return On Equity (ROE) | in % | 14 | 6 | (1) | (9) | 4 |
| Equity ratio | in % | 42 | 45 | 43 | 44 | 43 |
| Gearing ratio | in % | 13 | 14 | 21 | 28 | 34 |
| Earnings Per Share (EPS) | in EUR | 4.40 | 1.33 | (1.24) | (3.37) | 0.85 |
| Clean CCS Earnings Per Share ³ | in EUR | 4.88 | 4.97 | 3.05 | 3.52 | 3.47 |
| Cash flow per share ⁵ | in EUR | 13.46 | 10.56 | 8.82 | 8.68 | 11.24 |
| Dividend Per Share (DPS) ⁶ | in EUR | 1.75 | 1.50 | 1.20 | 1.00 | 1.25 |
| Payout ratio | in % | 40 | 113 | n.m. | n.m. | 147 |
| Employees as of December 31 | | 20,231 | 20,721 | 22,544 | 24,124 | 25,501 |
| Production | in kboe/d | 427 | 348 | 311 | 303 | 309 |
| Proved reserves | in mn boe | 1,270 | 1,146 | 1,030 | 1,028 | 1,090 |
| Total refined product sales | in mn t | 20 | 24 | 31 | 30 | 31 |
| Natural gas sales volumes ⁷ | in TWh | 114 | 113 | 109 | 110 | 114 |
| Lost-Time Injury Rate (LTIR) | per mn h worked | 0.30 | 0.34 | 0.40 | 0.27 | 0.44 |

¹ As of 2015, figures for 2014 were adjusted according to IAS 8

² Sales excluding petroleum excise tax

³ Adjusted for special items. Clean CCS figures exclude inventory holding gains/losses (CCS effects) resulting from the fuels refineries and OMV Petrol Ofisi.

⁴ Organic capital expenditure is defined as capital expenditure including capitalized Exploration and Appraisal expenditure excluding acquisitions and contingent considerations.

⁵ Cash flow from operating activities

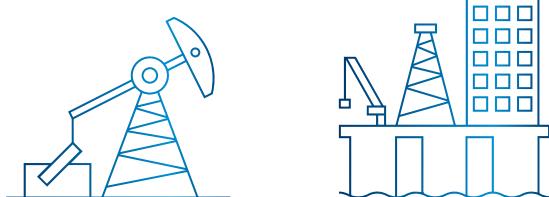
⁶ 2018: As proposed by the Executive Board and confirmed by the Supervisory Board, subject to confirmation by the Annual General Meeting 2019.

⁷ As of 2015, this KPI reflects only third-party volumes and excludes trading volumes, historical figures were adjusted accordingly.

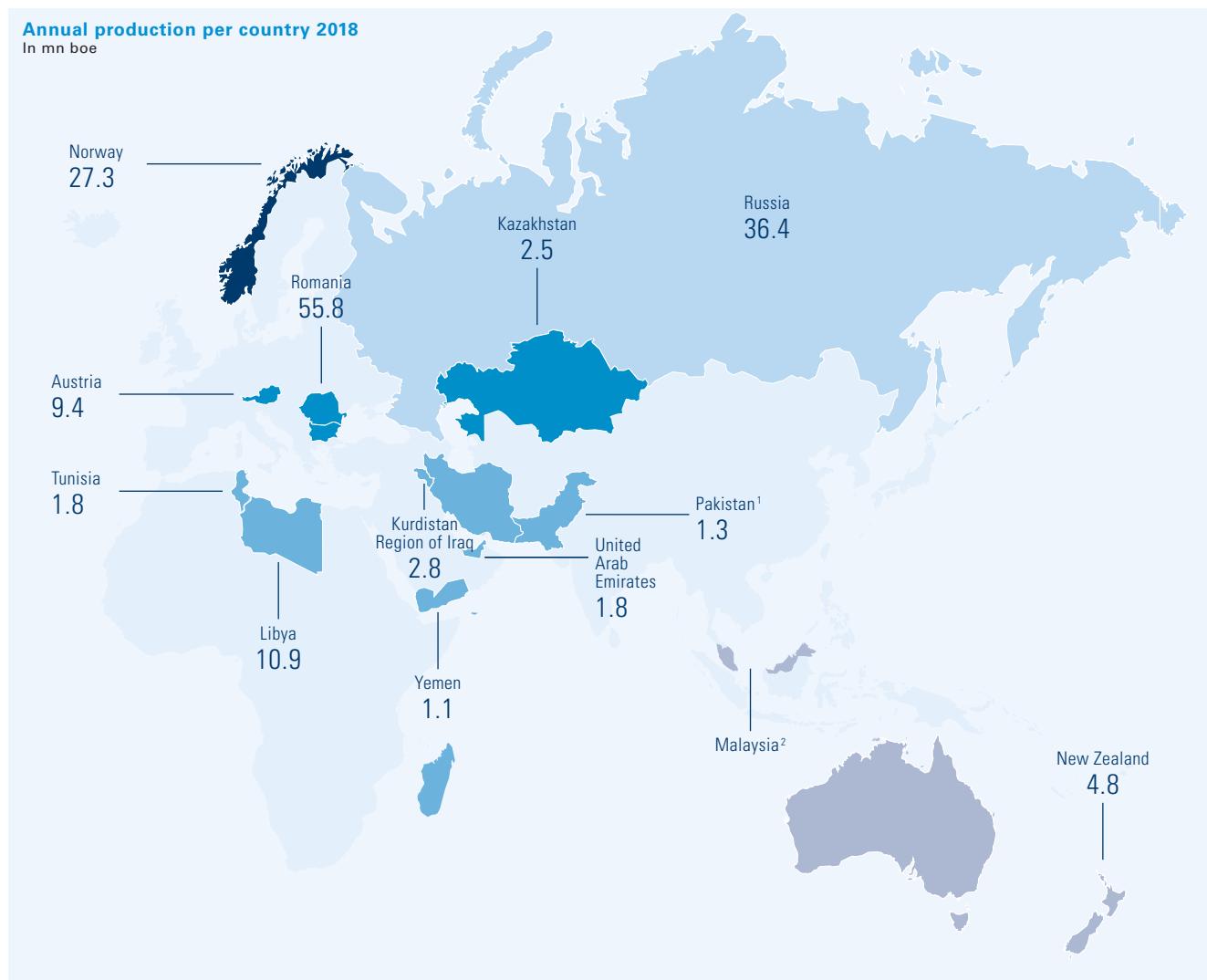
Fields of Activity

Upstream

OMV Upstream explores and produces oil and gas in its five core regions Central and Eastern Europe, Russia, the North Sea, Middle East and Africa, and Asia-Pacific. Daily production in 2018 was 427 kboe/d (equal to 156 mn boe). While gas production accounted for 57% of production, oil amounted to 43%. At year-end, proven reserves amounted to 1.27 bn boe.



| Central and Eastern Europe | Russia | North Sea | Middle East and Africa | Asia-Pacific |
|----------------------------|--------|-----------|--------------------------|--------------|
| Austria | | | | |
| Bulgaria | | | | |
| Romania | | | | |
| Kazakhstan | | | | |
| | | Norway | | |
| | | | Kurdistan Region of Iraq | |
| | | | Libya | |
| | | | Madagascar | |
| | | | Pakistan ¹ | |
| | | | Tunisia | |
| | | | United Arab Emirates | |
| | | | Yemen | |



¹ The upstream business in Pakistan was divested on June 28, 2018.

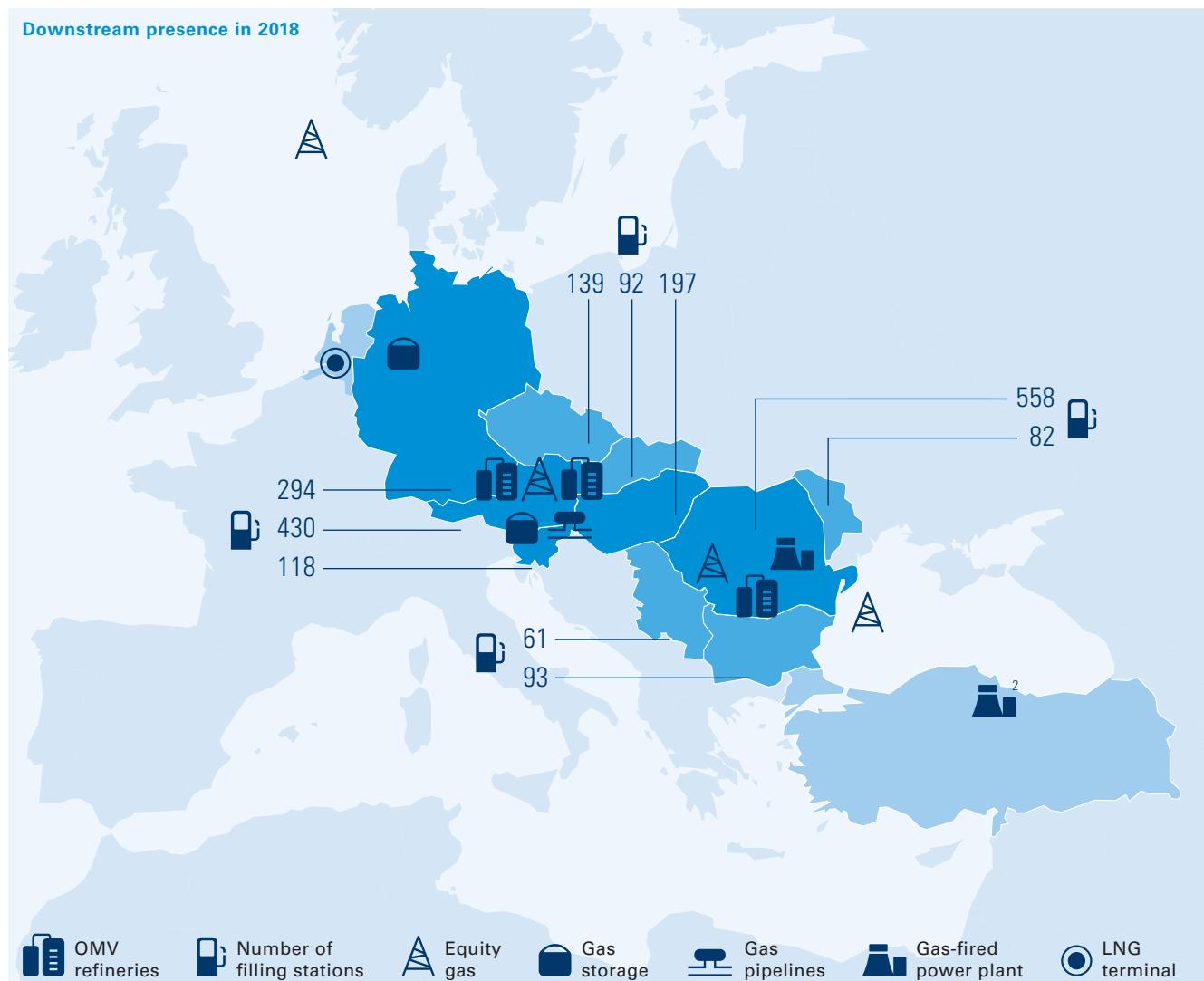
² On January 31, 2019 OMV acquired a 50% interest in SapuraOMV Upstream Sdn. Bhd. In addition to the Malaysian footprint, SapuraOMV Upstream has exploration assets in New Zealand, Australia and Mexico.

Downstream

Downstream Oil (incl. Petrochemicals) operates three refineries in Austria, Germany and Romania, an international multibrand filling station retail network, and a high-quality commercial business. In 2018, OMV processing capacity was 17.8 mn t. Downstream Gas operates across the gas value chain from the wellhead to the burner tip of the end customer with a fully integrated gas business.¹ It includes the Group's power business activities, with one gas-fired power plant in Romania.



| Downstream Oil & Gas market | Downstream Oil market | Downstream Gas market |
|-----------------------------|-----------------------|-----------------------|
| Austria | Bulgaria | Netherlands |
| Germany | Czech Republic | Turkey |
| Hungary | Moldova | |
| Romania | Serbia | |
| Slovenia | Slovakia | |



¹ OMV's gas business is operated in strict adherence to the applicable gas unbundling rules.

² OMV divested the Samsun power plant in Turkey on September 6, 2018.

7 reasons why we're excited about tomorrow

7 reasons that pinpoint what will determine the future success of our industry. 7 reasons that show what makes our company special.

In recent years OMV has proven that it delivers on its promises. We have secured a healthy foundation, formulated a clear strategy, and are bringing it to life together with over 20,000 employees worldwide. We understand our business and we know what is important today along with what we need to be successful tomorrow. Last but by no means least, we have customers, shareholders, and partners who have placed their trust in us for decades. We wish you an exciting journey through the world of OMV.

FINANCIAL CALENDAR

| | |
|------------------|--|
| April 10, 2019 | Trading Update Q1 2019 |
| May 3, 2019 | Results January–March 2019 |
| May 4, 2019 | Record date for the Ordinary Annual General Meeting ¹ |
| May 14, 2019 | Ordinary Annual General Meeting |
| May 21, 2019 | Dividend ex-date |
| May 22, 2019 | Dividend record date |
| May 23, 2019 | Dividend payment date |
| July 9, 2019 | Trading Update Q2 2019 |
| July 31, 2019 | Results January–June and Q2 2019 |
| October 9, 2019 | Trading Update Q3 2019 |
| October 30, 2019 | Results January–September and Q3 2019 |
| January, 2020 | Trading Update Q4 2019 |
| February, 2020 | Results January–December and Q4 2019 |
| March, 2020 | Publication of the Annual Report 2019 |

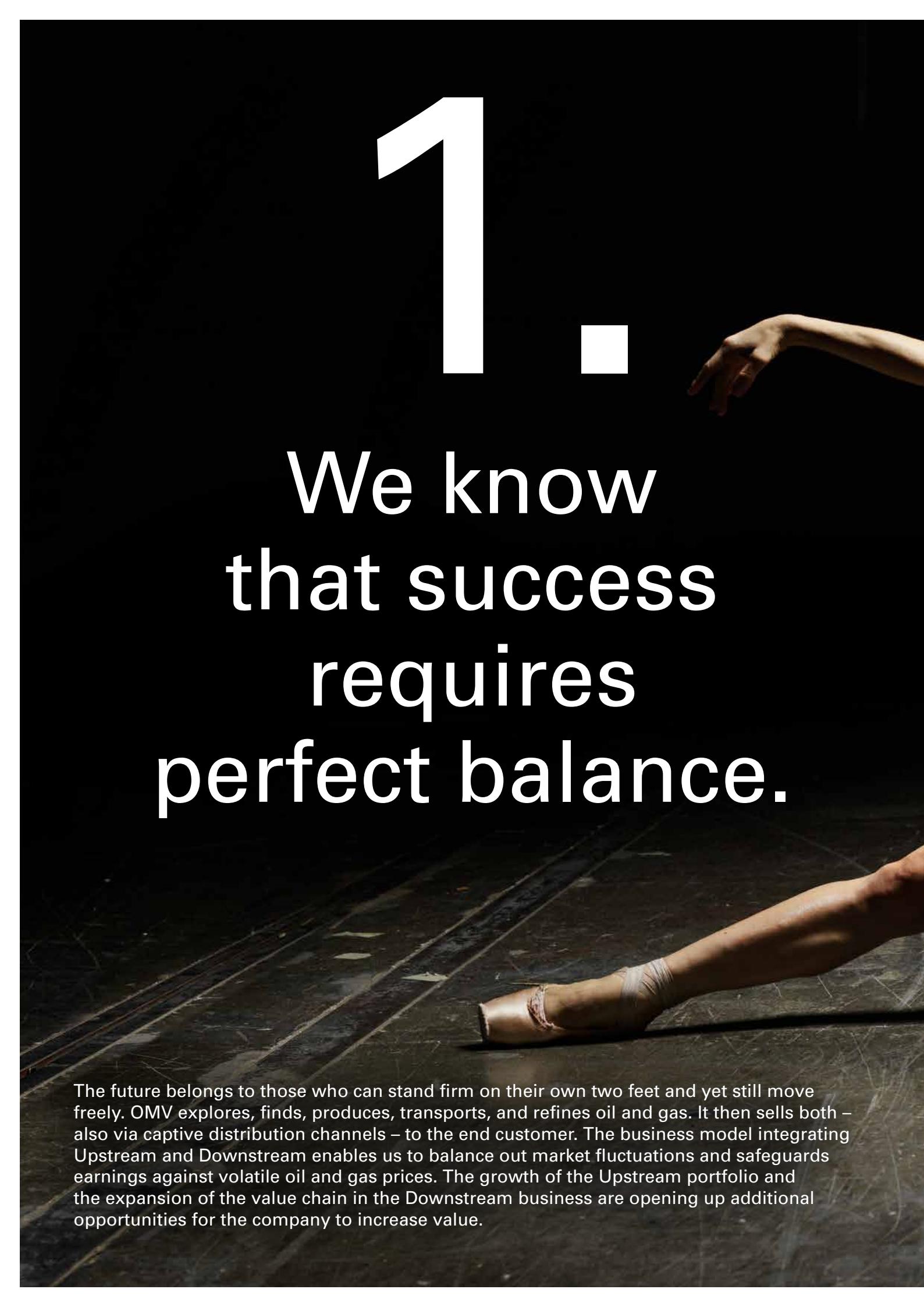


Please check here for final confirmation:
www.omv.com/financial-calendar

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We know that success requires perfect balance.

The future belongs to those who can stand firm on their own two feet and yet still move freely. OMV explores, finds, produces, transports, and refines oil and gas. It then sells both – also via captive distribution channels – to the end customer. The business model integrating Upstream and Downstream enables us to balance out market fluctuations and safeguards earnings against volatile oil and gas prices. The growth of the Upstream portfolio and the expansion of the value chain in the Downstream business are opening up additional opportunities for the company to increase value.



Liudmila Konovalova, prima ballerina of the Vienna State Ballet. OMV is the general sponsor of the Vienna State Opera.



2 ■

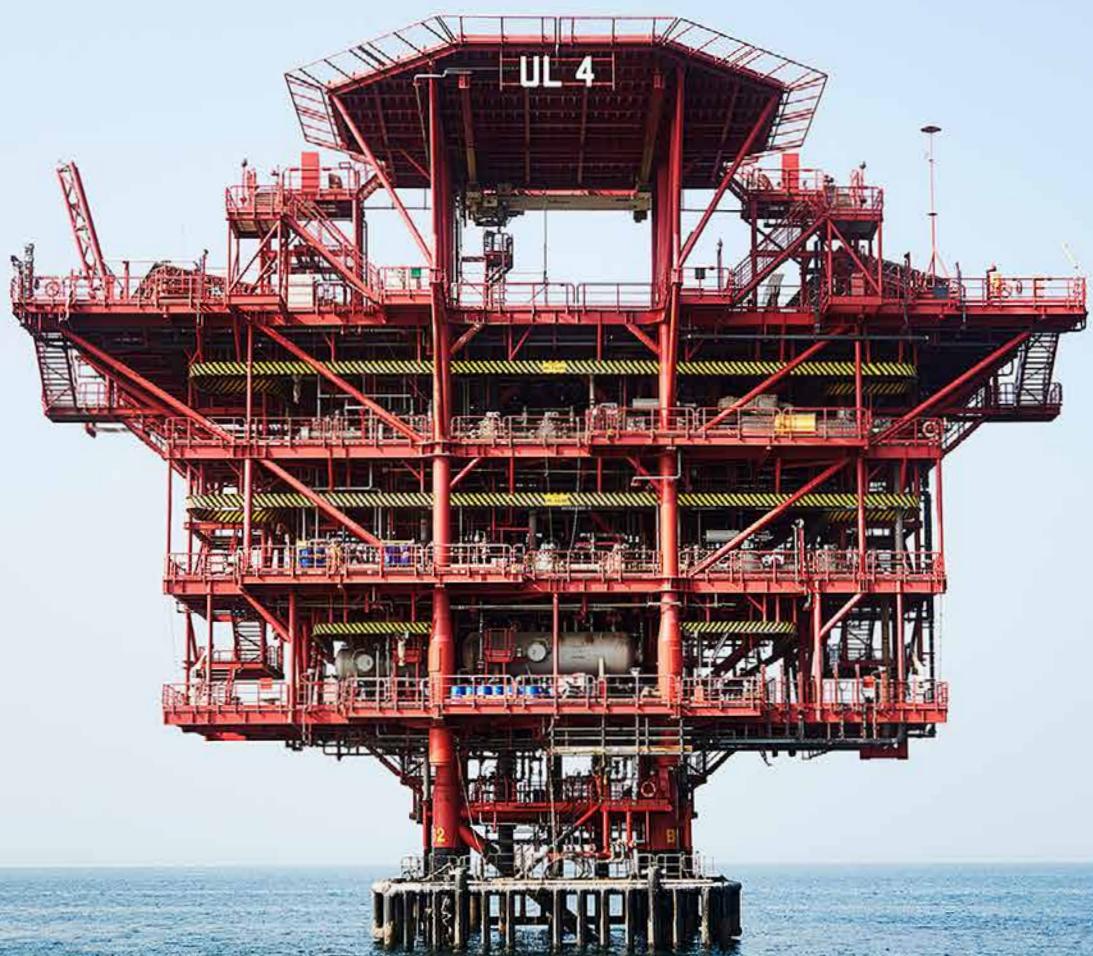
We explore new worlds.

Anyone who wants to be excited about tomorrow has to be willing to travel new paths. In 2018, OMV acquired substantial assets in Abu Dhabi and New Zealand and took its first step toward Southeast Asia with an upstream stake in Malaysia. By establishing Asia-Pacific as the fifth core region, the Upstream Business Segment is securing valuable resources and diversifying its geographic profile. And this adds strategic value: In future OMV will be even more capable of mitigating geopolitical crises. Downstream internationalization toward the Middle East and Asia is also opening up attractive potential in the world's largest growth region for oil, gas, and petrochemicals.

3.

We grow production, profitability, and reserves.

Wherever you look, global energy demand is rising. In order to be ideally equipped for international markets, OMV is committed to organic growth and the strategic acquisition of profitable assets. The goal by 2025: doubling production to 600,000 barrels a day and increasing reserves to over two billion barrels of oil equivalent. And the increase in efficiency has been just as successful: In the past three years we have managed to practically halve production costs.



Umm Lulu offshore field, Abu Dhabi. OMV stake: 20 percent.

4.

We are stepping
on the gas toward
our energy future.

Gas is not only gaining importance in relation to mobility and heating. As a key source for the new energy era, it also facilitates an exit from coal, thereby making an immediate and essential contribution to reducing CO₂ and protecting the climate. OMV's strategy is strongly aligned toward gas: increasing the share of gas in the Upstream portfolio to over 50 percent, becoming the leading integrated gas supplier from Northwest to Southeast Europe, doubling gas sales in Europe, and growing market share in Germany to ten percent. In addition, OMV intends to expand its logistics services in transportation, storage, and at the Baumgarten gas hub.



5.

We refine valuable resources.



Crude oil is a valuable raw material. But even with crude, it's all about what you make of it. And this is why OMV's strategy for the future involves refining instead of burning. Here we have increased our commitment to developing and producing more valuable products by promoting the production of innovative precursor products in petrochemicals such as for lighter cars, modern packaging solutions, or medical applications. At the same time, OMV is expanding its production capacities for jet fuel. All of this results in higher profitability and outstanding results that are welcome news for every stakeholder.



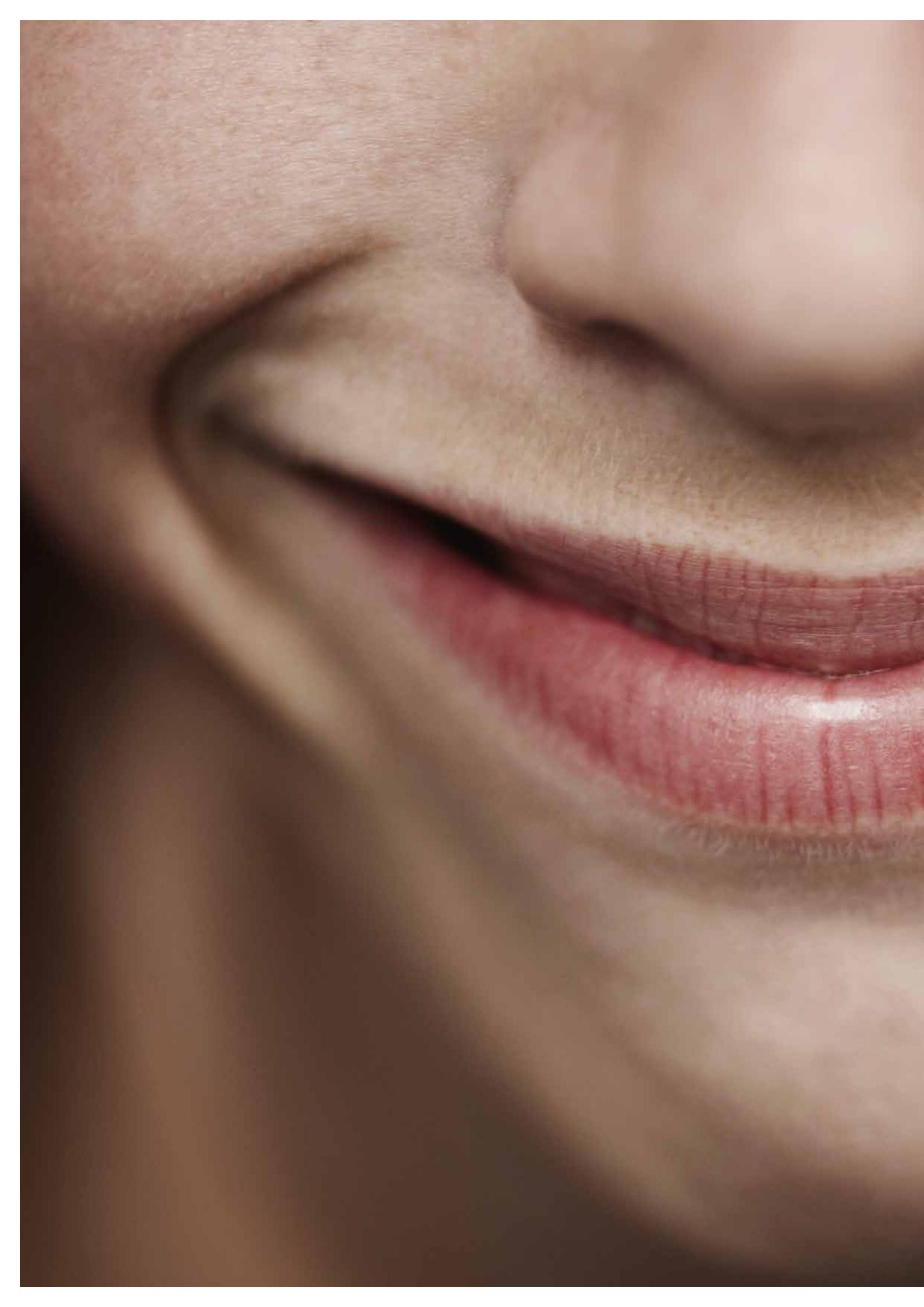


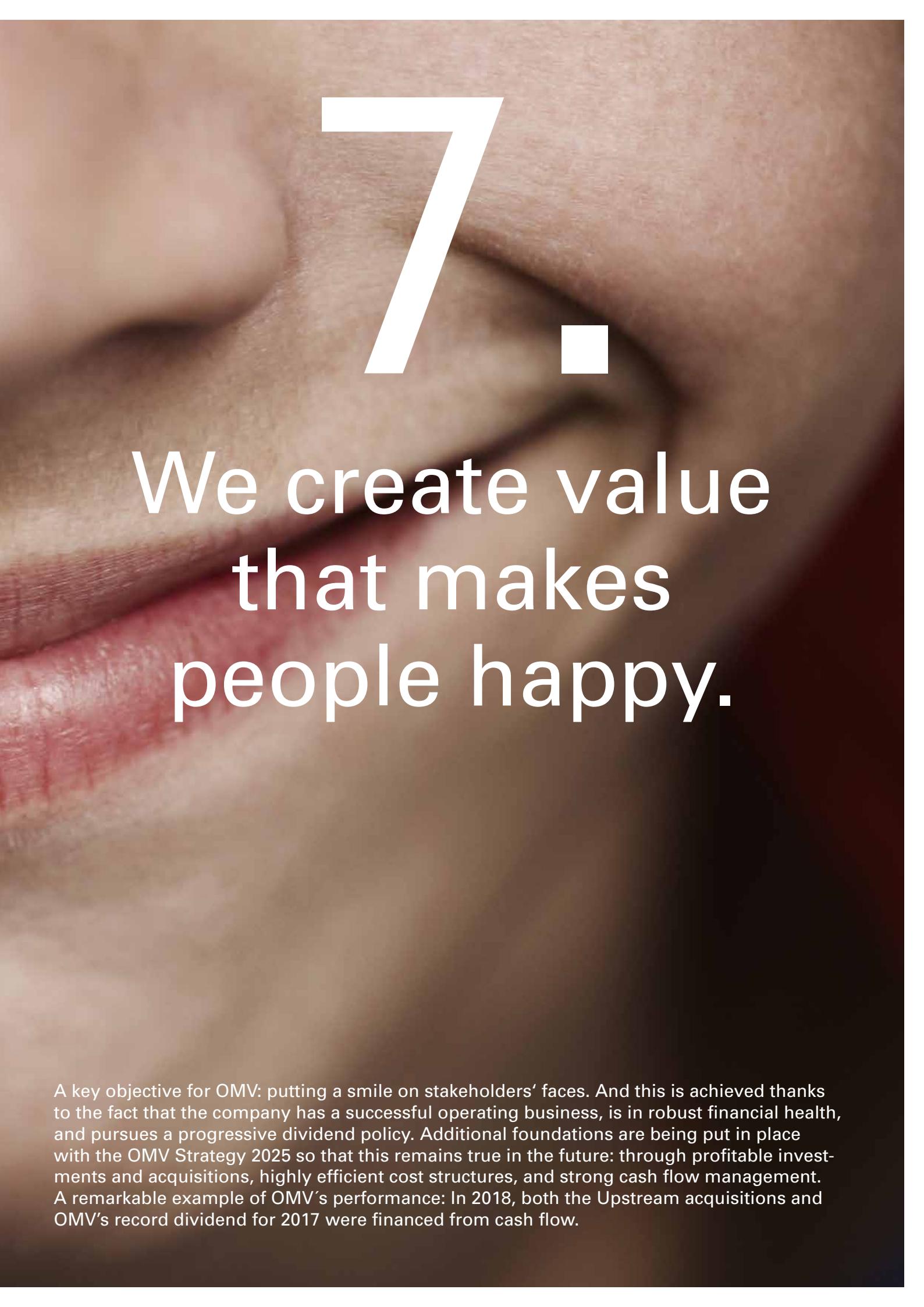
6. □

We research the resources of tomorrow.



If you want to make a sustainable difference to the way resources are used, you had better take things in hand. This is why OMV will invest up to EUR 500 million in innovative projects by 2025. The best example of this is the ReOil® research project: By converting plastic waste into oil, we have managed to produce 100 liters of crude per hour from 100 kg of used plastic in our pilot plant in the Schwechat Refinery. What's more, the OMV Sustainability Strategy 2025 strives to continuously improve the entire company's carbon footprint. By 2025, it should be decreased by 19 percent versus 2010 for operations and by four percent for the product portfolio.





7 ■

We create value that makes people happy.

A key objective for OMV: putting a smile on stakeholders' faces. And this is achieved thanks to the fact that the company has a successful operating business, is in robust financial health, and pursues a progressive dividend policy. Additional foundations are being put in place with the OMV Strategy 2025 so that this remains true in the future: through profitable investments and acquisitions, highly efficient cost structures, and strong cash flow management. A remarkable example of OMV's performance: In 2018, both the Upstream acquisitions and OMV's record dividend for 2017 were financed from cash flow.

Growth requires strategic thinking, sound judgment, and passion.

OMV has developed into an extremely healthy and competitive company. The realignment of the portfolio in Upstream and Downstream, as well as the consistent management of costs and cash flow, have put the company on a highly efficient and profitable footing. A footing that allows us to face the future with confidence.

Aasta Hansteen – one of the building blocks in OMV's record-breaking production volumes.



OMV Strategy 2025: integrated growth, internationalization, expanding the gas position, further improvements to processes and performance.

With the OMV Strategy 2025, presented in March 2018, OMV has written a new chapter on its journey toward the future. The guiding principle: profitable growth across every aspect of the successful integrated business model. Growth in value and in size, which is both international and sustainable.

In Upstream we intend to double our production and reserves and safeguard our business in the long term through a cost-optimized portfolio. However, strategic growth also calls for a geographically well-balanced portfolio, with which we can mitigate economic and political risks as effectively as possible. The acquisition of the Shell assets in New Zealand was an important step in establishing Asia-Pacific as the fifth OMV core region. In addition, we are active in Southeast Asia for the first time with the acquisition of a 50 percent stake in the new Malaysian joint venture company SapuraOMV Upstream. Alongside future growth in daily production in Malaysian offshore gas fields, this joint venture gives us access to exploration blocks in New Zealand, Australia, and Mexico. Our 20-percent stake in the attractive offshore gas fields SARB and Umm Lulu in Abu Dhabi has improved our growth prospects for production and reserves. And we expect a similar impact from the planned entry into two Achimov blocks in Siberia. In Norway we have been able to record substantial exploration success with the Hades and Iris discovery, as well as the first gas supplies from the Aasta Hansteen field.

With the purchase of a 15-percent share in ADNOC Refining and in a to-be-established global Trading Joint Venture announced in January 2019, OMV will also be represented throughout the entire value chain in Abu Dhabi, from the borehole to petrochemicals. This will enable us to leverage our proven expertise in utilizing the integrated business model to what has the potential to become one of the world's largest integrated sites. Upon closing of the transaction, we will immediately grow our refining capacity by 40 percent at a single stroke and be able to export 70 percent of the production to the growth markets of Asia, the Middle East, and Africa.

Gas is becoming ever more of a priority in our production.

The vision to refine high-value resources

OMV has one of the most profitable downstream businesses in Europe. What's more, our retail business achieved its all-time best results in 2018. The highly developed refinery network of Schwechat-Burghausen-Petrobrazi and the sale of a high percentage of our products via captive channels are just two reasons for this. In the coming years, we will continue to expand our own sales and distribution network. In particular, our avanti network of automatic filling stations is set to grow from 240 to 440 stations by 2025. In the alternative fuels sector, the OMV filling stations for natural gas, hydrogen, and electricity, together with Austria's first high-power charging stations opened with IONITY, as well as our SMATRICS joint venture mean that we are well positioned for any future market developments.

We are safeguarding our long-term profitability and competitiveness by producing higher-value products and refining crude. Here we are planning investments of many hundreds of millions of euros in Burghausen alone to expand petrochemical capacities, which are set to contribute to production increases from 2021 onward. In line with market developments, we will also be producing more jet fuel, thereby significantly extending our competitive advantage. We will export our successful integrated refinery-petrochemicals model to international growth markets. In particular, we intend to leverage the sharp rise in demand in Asia for refinery, petrochemical, and downstream products to fuel further growth.

Gas: multifaceted growth driver and contributor to energy transition

As one of Europe's most profitable downstream businesses, we will export our know-how and business model to key future markets.

To become the leading integrated gas supplier from Northwest to Southeast Europe: As ambitious as the strategic goal may sound, OMV is actually extremely well placed to secure this position. Especially because gas in combination with renewables is currently the best answer to the challenges of climate change: The unavoidable exit from coal is only possible with gas, CNG cars as well as LNG for trucks and shipping could immediately lead to substantial reductions in CO₂ emissions, and the power-to-gas technology will soon make it possible to store sustainable power.

Forecasts by the International Energy Agency suggest that by 2030 the European Union will import more than 80 percent of its growing demand for natural gas. And OMV covers the entire value chain from production to transportation and storage through to sales: We produce equity gas in Austria, Romania, Russia, and Norway. Our infrastructure extends from the gas hub in Baumgarten to the LNG regasification capacities at the Gate terminal in Rotterdam, the trading platform and gas exchange functions of the Central European Gas Hub, as well as a pipeline network operated by Gas Connect Austria through to substantial storage capacities with future-proof services and gas filling stations. And no less important is our effective partnership with Gazprom going back decades. It was reconfirmed in 2018 by the extension of supply contracts to 2040 and the increase in supplies to Austria by one billion cubic meters per year. In addition, the construction of the Nord Stream 2 pipeline is a crucial component for the security of supply for Austria and Europe. Rapid progress is being made on the pipeline and the first gas is set to be transported to Europe at the end of 2019.



The Baumgarten gas hub plays a key role in Europe's energy supply.

Think digital – in every dimension

The future success of OMV will also depend on its digital fitness. From intelligent drill heads at depths of thousands of meters to the virtual depiction of all refinery processes through to the implementation of robotics and process automation in the course of Finance 4.0, there is enormous potential for us to leverage. The OMV Digital Journey approved in 2018 lays out how we will be promoted to the premier league: as part of the DigitUP initiative, five lighthouse projects and more than 70 individual projects will be implemented in Upstream. Here, the "Digital Office of the Future" will mean that all relevant data and documents worldwide can be accessed in real time, just a click away. And with the "Realtime Digital Oilfield" we can automate and digitalize processes using sensor technology and artificial intelligence. With the digital scheduling tool eTOP, Downstream Oil has already made the complex issue of turnaround management intuitive in every refinery. And thanks to "autoTRADER," Downstream Gas is able to develop automated trading strategies around the clock for the European gas market with the help of algorithms. The digitalization of the entire company is supported by central IT platforms, which are being expanded in stages across the group. With SAP S/4HANA, we are introducing the latest SAP software and thereby securing the basis for optimizing and automating our business processes.

Even in a digital world, our employees will remain at the heart of our business. A lot of things will be easier, but also new and different. This is why we want to grow an innovation-friendly corporate culture, technical skills, and collaborations. With this in mind, we are also planning projects as part of the Digital Journey through collaborations with Schlumberger and other partners including start-ups and universities.

We intend to join the premier league in digitalization.



Maintain oil, grow gas – in a responsible way.

As an oil and gas company, OMV operates in one of the world's most challenging industries. Managing our company in a responsible way requires us to reconcile an array of legitimate interests held by employees, shareholders, the environment, and society as a whole. We address these needs in our OMV Sustainability Strategy 2025. An integral part of our corporate strategy has been defining 15 measurable targets under five focus areas. These include determining the contribution we will make to turning around climate trends and what we need to achieve in terms of occupational safety, human rights, and innovations.

Until the day when replacement technologies are found that can come close to meeting the growing demand for energy, we will not be able to forgo oil. The decisive factor is using it as carefully and responsibly as possible. This is what we refer to as "Oil & Gas at its best." This means that in future we want to refine more oil and burn less of it for energy production. We process it into precursor products for the plastics industry for critical medical, industrial, and everyday products. This is how we add value for OMV, for our customers, and for the environment. What's more, we serve as international trailblazers with our innovation projects. In our ReOil® research project we recycle used plastics into valuable synthetic crude for fuels and petrochemical applications. In our Co-Processing project we produce more sustainable fuel without any reduction in quality by including biogenic oils in processing in our refineries. We are an international leader in Upstream with our Enhanced Oil Recovery methods. Environmentally friendly production methods have allowed us to achieve crude recovery rates that exceed international benchmarks, thereby making better and more efficient ecological use of our production areas. Across the group we are set to consistently enhance the carbon efficiency of our operations and product portfolio. One significant factor here is to drive up the share of gas to over 50 percent of our total production.

In 2018, OMV was the first and only Austrian company to be listed on the Dow Jones Sustainability Index.

Well equipped for all future drive technologies.

When it comes to employees, the issue of diversity is right at the top of the agenda until 2025. We intend to increase the percentage of women at management level from 18 percent in 2017 to 25 percent.





Sustainable production: producing high-value fuels and petrochemical applications from used plastics.

We want to increase our dividend year-on-year or at least maintain it at the previous year's level.

Healthy and highly competitive

In 2018, OMV once again has proven that it is capable of creating sustainable value. We achieved the highest earnings in the company's history. The 2018 acquisitions in Abu Dhabi and New Zealand as well as OMV's record dividend for the year 2017 were financed from cash flow. A solid financial position, an increase in shareholder value, and attractive returns for shareholders remain the guiding lights of our value-focused finance strategy. As part of our progressive dividend policy, we want to increase our dividend year-on-year or at least maintain it at the previous year's level.

The combination of our strong cash flow and robust balance sheet provides the basis for further growth and yet another reason to be excited about tomorrow.

1

TO OUR SHAREHOLDERS

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“OMV’s strategy proved to be a key success factor.”

A conversation with Rainer Seele, Chairman of the Executive Board and CEO of OMV, about the financial year 2018, OMV’s strategy – and about joy.

Mr. Seele, can joy actually be a factor in management?

I do think so. After all, it’s only when we do things with joy and enthusiasm that we do them really well. Of course, it goes without saying that it’s not only my joy that matters, but the joy of other people as well – the employees and the shareholders. Ultimately, what counts is leading the Company to sustainable success and creating values that are of benefit to all: to the Company and its owners, as well as to society.

What gave you the most joy in 2018?

To be honest, a lot of things. In March, we introduced the new “OMV Strategy 2025” and started to execute it right away. Then, at the end of the year, a number of successful activities were reflected in a highly gratifying figure: Our clean CCS Operating Result of EUR 3.6 billion was the best result in the history of the Company. We are very pleased about this, and I believe our shareholders are too, since, together with the Supervisory Board, we will propose a dividend of EUR 1.75 per share to the Annual General Meeting – that’s a record as well.

Was there also cause for concern during 2018?

The geopolitical situation is worrying me to a certain extent. Trade conflicts and threats of sanctions are having an influence on the economic climate and the oil price is extremely volatile. In 2018, it fell from its annual high of USD 86.2 in October to an annual low of USD 50.2 at year end. In this challenging environment, OMV’s strategy proved to be a key success factor. Our integrated upstream and downstream business model enabled us to balance fluctuations in prices and the markets and to show an impressively stable profitability. In addition, our measures to diversify our portfolio geographically are taking effect. Today, OMV is far more resilient to regional conflicts than before.

You mentioned the new strategy. What is the status? How much have you already been able to implement?

Together with our employees we have in fact already implemented the large majority of our strategic initiatives. We have strengthened our integration, made progress with our geographical diversification, and continued to streamline our portfolio with four acquisitions and four divestments. We have also grown significantly. The two transactions in Abu Dhabi underline our long-term commitment in the country of our second-largest core shareholder. With our participation in Malaysia and the takeover of the Shell assets in New Zealand, we have been able to establish Asia-Pacific as our fifth core region. We have now a broad international portfolio.



» We have strengthened our integration, made progress with our geographical diversification, and continued to streamline our portfolio.

RAINER SEELE
Chairman of the Executive Board

In 2018, you paid all multi-billion acquisitions and the dividend out of your cash flow.

How do you do that?

It is essential to look at profitability and have costs under control. In the past year, we have managed to reduce our production costs to USD 7 per barrel on average, and we have paid close attention to profitability and short-term cash flows at every step of our growth. In other words, as regards acquisitions we have concentrated on regions with low costs and projects where operations were already up and running or where production was about to begin. As a result, we were able to increase our operating cash flow to over EUR 4 billion in 2018, while simultaneously laying the foundation for further growth. We will not only maintain the strong position of last year, we will further grow it – in the medium term we are aiming for an operating cash flow of over EUR 5 billion.

In the increasing debate on climate protection, criticism of oil and gas companies is growing louder. How do you handle this?

By showing that we are making a contribution to climate protection. Last year, we presented a Sustainability Strategy which is an integral part of our Corporate Strategy. We set ourselves clear and measurable targets, also and particularly in the area of carbon efficiency. By 2025, we will reduce the carbon intensity of our operations by 19 percent compared to the 2010 levels. At the same time, we will also lower the carbon intensity of our product portfolio by 4 percent – among others, due to the fact that we are focusing increasingly on gas.

You are known as a strong advocate of gas. Why?

Because gas is a real problem solver. I will give you two examples. With natural gas vehicles, or more precisely with the use of CNG for passenger cars and LNG for trucks and long-haul transportation, we could reduce carbon emissions from road transportation by at least 20 percent. And, if we were to switch from coal to gas for all power generation, we would reduce carbon emissions by 50 percent. We wouldn't even need to develop any new technology to do this. It could be implemented immediately. As a result, the demand for gas

will increase over the coming years. OMV is getting ready for this development. With 57 percent, we are already producing more gas than oil. And we'll be continuing in this direction.

Isn't that just a short-term solution?

Quite the opposite. For a long time, gas was underrated as a bridging technology only. The truth, however, is that gas not only provides a vital and immediate solution, but also enables the storage and use of alternative energy resources on a large scale in the form of power-to-gas technology. Thus, gas is actually a key pillar of the energy transition.

Shouldn't a sustainability strategy include more than mere carbon efficiency?

I agree with you there. And, in fact, it does. We have defined areas beyond carbon efficiency in which we want to improve. These include topics ranging from safety, health, and environmental protection all the way to diversity, social responsibility, and innovative energy solutions.

Can you give me some examples of concrete goals?

We want to raise the share of women at management level to 25 percent by 2025, for example. And by the way, that's not just so as to solve the gender inequality issue. It would quite simply be foolish not to use the enormous potential of female employees. In addition, over the same period we will be investing up to EUR 500 million in developing innovative energy solutions for a low-carbon future.

What innovations do you have in mind?

I'm primarily thinking of our ReOil® project. We are in the pilot phase of this project and the operation of our pilot plant is very promising.

What is the project about?

To put it simply, the ReOil® process converts plastic waste back into premium synthetic crude oil that can be further processed to create fuels or high-quality plastics. We hold patents in all key markets for this specialized process, which we have developed.

There is constant talk of a world without oil. What do you think about that?

I do not consider that realistic, nor even feasible, based on current knowledge. While the demand for fossil fuels for road travel will decline, heavy goods and air traffic will not be able to manage without oil and gas. And think of petrochemicals. Just look around you. Virtually all everyday products contain high-performance petroleum-based materials. Practically everything that surrounds us, everything we use, is based in one form or another on oil as feedstock. Oil is a valuable resource, which will increasingly be refined and burned less in future.

Plastics, too, are increasingly the target of criticism

Now, here we need to distinguish between the material itself and the partially unsatisfactory management of its disposal. In addition, I'm thinking of premium plastics that are needed, for example, for lightweight construction of electric vehicles or for medical devices. Plastics are used in the area of renewable energies as well, for example, for the coatings of wind turbines or the production of solar panels. At the end of their life cycle, we can use our ReOil® process to turn plastic waste back into crude oil and establish an environmentally friendly circular economy.

Do you believe that the demand for oil and gas will continue to increase?

Yes, that's what I believe. The International Energy Agency figures speak for themselves. However, there are likely to be different trends on different continents. Here in Europe we will find that demand differs from that in Asia, for example. Asia is one of the largest growth markets for our industry. That's why we have invested there by establishing an upstream venture in Malaysia with our local partner Sapura, which produces gas for the regional market.

Is the downstream market in Asia attractive for you, as well?

Yes, it is a highly interesting market for us. However, we will supply it with the refining capacities in the Middle East, which we have acquired recently. Here I am referring to the acquisition of a 15 percent share in ADNOC Refining and a yet-to-be-established global trading joint venture in Abu Dhabi. This transaction reflects the entire logic of our Strategy 2025 in a single project. We are participating in one of the world's largest and best refining assets and increasing our refining capacities by 40 percent at one stroke. As a result, we are represented in Abu Dhabi from the well to petrochemicals, in other words, from production to refining of the crude oil throughout the entire value chain. And 70 percent of production is exported, above all, to the growth market Asia.

What can we expect from OMV in the coming year?

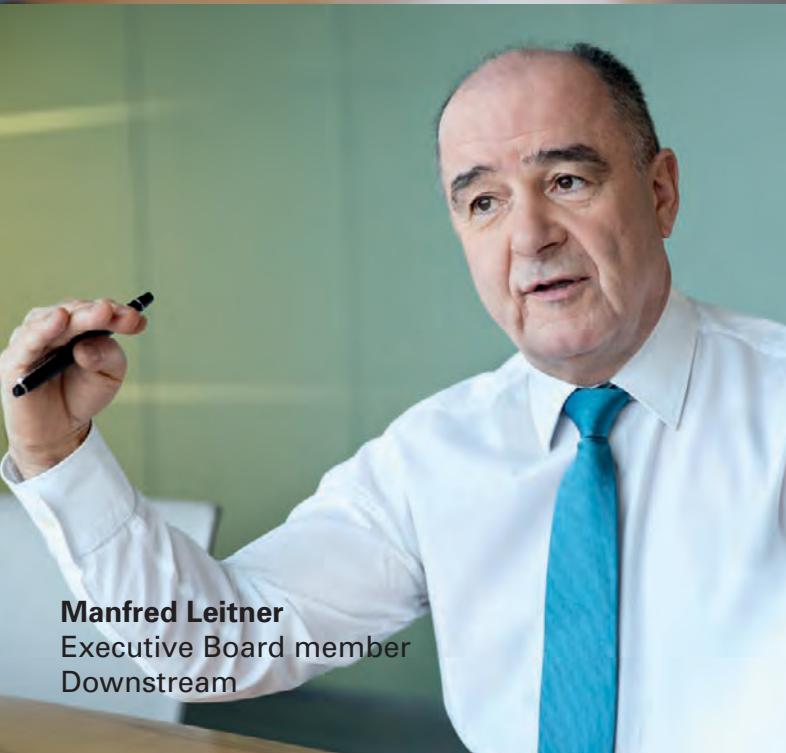
OMV will continue its path of profitable growth. In the past year, we have achieved important milestones of our strategy. In Upstream, we already have a project pipeline that will allow us to expand production to 500,000 barrels a day in 2019, provided the situation in Libya is stable. Now, we want to concentrate on the development of these projects and the closing of the already announced acquisitions. This relates to our entry in ADNOC Refining in Abu Dhabi and our participation in Achimov 4/5 in Russia. At present, there are no further large-scale transactions on our agenda. Similarly, Downstream will again support our commercial success in 2019. The utilization rate of our refineries will be above the level of the previous year, and we will further increase sales volumes in the gas business.

Vienna, March 2019

Rainer Seele m.p.



Reinhard Florey
Chief Financial Officer



Manfred Leitner
Executive Board member
Downstream



Johann Pleininger
Deputy Chairman of the Executive Board
Executive Board member Upstream



OMV Executive Board

Rainer Seele
Chairman of the Executive Board
Chief Executive Officer



Dear Shareholders,

It is with great satisfaction that I look back on an extraordinarily successful 2018. This past financial year, OMV distinguished itself not only with an exceptional financial performance, but also with the decisive steps the Company has taken in implementing its long-term Corporate Strategy.

Key milestones were achieved: OMV was able to expand and further internationalize its successful integrated business model in line with the strategy unveiled in early 2018. Thereby, OMV is preparing to meet future challenges and strengthens its competitive ability and profitability. The successful financial performance during the past year made a crucial contribution to implementing OMV's growth path. Thanks to the best Clean CCS Operating Result in its history, the Company was able to generate a positive free cash flow after dividends in spite of the completed major acquisitions. OMV's strong financial position is also reflected in the proposed record dividend of EUR 1.75 per share, by means of which you, dear shareholders, partake in OMV's successes.

In the following, I would like to inform you about the Supervisory Board's work during the 2018 financial year.

Composition of the Executive Board and Supervisory Board

With the extension of Reinhard Florey's mandate in May 2018, the Executive Board affirmed the composition of the executive team. The period of tenure for Reinhard Florey was extended by two years until June 2021. Following the resignations of Murtadha Al Hashmi and Ahmed Matar Al Mazrouei, the Annual General Meeting on May 22, 2018, elected Alyazia Ali Al Kuwaiti and Mansour Mohamed Al Mulla to the Supervisory Board. Alyazia Ali Al Kuwaiti was named the second Deputy Chairperson of the Supervisory Board. I, Peter Löscher, announced in September 2018 that I will step down at the conclusion of the Annual General Meeting in May 2019.

In March 2018, the employee representatives nominated Angela Schorna, who will serve her first term on the Supervisory Board. Wolfgang Baumann resigned from the Supervisory Board at the same time.

Supervisory Board activities

The Supervisory Board carried out its activities during the financial year with great care and in accordance with the law, the Company's Articles of Association, and the Internal Rules. It oversaw the Executive Board's governance of OMV and advised it in decision-making processes on the basis of detailed written and verbal reports as well as constructive discussions between the Supervisory Board and the Executive Board. The Executive Board provided the Supervisory Board with regular, timely, and comprehensive reports on the Company's operations, on the general economic situation in its key markets, and the overall business environment, as well as on the opportunities and risks to OMV's business development.



» OMV was able to expand and further internationalize its successful integrated business model.

PETER LÖSCHER
Chairman of the Supervisory Board

OMV successfully continued its growth path into the 2018 financial year and made significant progress in implementing its strategic goals. The Supervisory Board's activities were therefore particularly focused on evaluating possibilities for major investments and acquisitions.

The offshore concession agreement signed at the beginning of the year with ADNOC for two oil fields in Abu Dhabi will supplement reserves and increase production, which represents a considerable contribution toward meeting the strategic goals. By signing another concession agreement in December 2018 for offshore gas fields in Abu Dhabi, OMV also strengthened its cooperation with ADNOC along the value chain in the gas business.

The Supervisory Board also intensively dealt with the acquisition of a 15% interest in ADNOC Refining and a yet-to-be-established global trading joint venture. The relevant agreement was signed at the start of 2019. OMV is now in a position to build a competitive, integrated refinery and petrochemical center around ADNOC's already existing refinery facilities.

OMV is intent on establishing Asia-Pacific as one of its new core regions. Important milestones in this process have been reached: OMV took over Shell's Upstream business in New Zealand and created a joint venture with Sapura Energy.

Activities of Supervisory Board committees

In addition to preparing the decision regarding the extension of Reinhard Florey's mandate, the **Presidential and Nomination Committee** placed particular focus on the issue of long-term Executive Board succession planning during the 2018 financial year.

The continuous training program for members of the Supervisory Board developed in the prior year by the Presidential and Nomination Committee was implemented in the 2018 financial year. The program serves, among others, as a platform for lively exchange with external experts on current topics relevant to the oil and gas industry.

The **Remuneration Committee** conducted a comprehensive external evaluation of the Executive Board's remuneration system in 2018. This included a revision of the variable remuneration plans in line with market practice. In addition to regulatory requirements, the latest developments on responsible and sustainable incentive setting were considered. The introduction of a cap on total annual remuneration and a customary malus mechanism are especially noteworthy in this context. Particular attention was paid to simplifying remuneration plans and representing data in the annual remuneration report in an even more transparent manner.

» **This past financial year, OMV distinguished itself not only with an exceptional financial performance, but also with the decisive steps the Company has taken in implementing its long-term Corporate Strategy.**

In 2018, the **Audit Committee** looked at important topics related to accounting processes, the internal audit program, risk management, and the Group's internal control system. The OMV Group's auditor, Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., participated in each of the Audit Committee's meetings, and the Supervisory Board regularly took advantage of the opportunity to discuss matters with the auditor without the presence of the members of the Executive Board.

Meetings of the **Portfolio and Project Committee** are held regularly prior to the meetings of the Supervisory Board. The committee used its meetings in 2018 to prepare decisions regarding key investment and M&A projects on the basis of extensive information and intensive discussions. In addition, it repeatedly dealt with strategic considerations regarding the long-term focus of the Company's portfolio.

Further details regarding the activities of the Supervisory Board and its committees can be found in the (consolidated) Corporate Governance Report.

Annual financial statements and dividends

Following a comprehensive audit and discussions with the auditor during meetings of the Audit Committee and the Supervisory Board, the Supervisory Board has approved the directors' report and the consolidated annual report pursuant to section 96(1) of the Austrian Stock Corporation Act as well as the annual financial statements and the 2018 consolidated annual financial statements pursuant to section 96(4) of the Stock Corporation Act. Both the annual financial statements and the consolidated annual financial statements for 2018 received an unqualified opinion from the auditing company Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. The Supervisory Board also approved the (consolidated) Corporate Governance Report audited by both the Supervisory Board and the Audit Committee as well as the (consolidated) report on payments to government agencies. The Supervisory Board found no issues during the audits. Following the audit, the Supervisory Board accepted the Executive Board's proposal to distribute a dividend of EUR 1.75 per share and to carry the remaining amount forward to new account. The Supervisory Board will audit the separate consolidated non-financial report (sustainability report) individually, and this report will be published separately and after the annual report together with the corresponding Supervisory Board report.

The 2018 financial year was not only successful in financial terms – the major acquisitions secured by OMV will shape the Company's future lastingly. On behalf of the entire Supervisory Board, I would like to thank the Executive Board and all employees for their commitment and successful work in the 2018 financial year. I would like to give special thanks to OMV's shareholders for their continued trust as well as to all of OMV's customers and partners.

Vienna, March 13, 2019

For the Supervisory Board

Peter Löscher m.p.

OMV on the Capital Markets

2018 was a challenging year for European equity markets, as trade tensions and geopolitical uncertainty hit market sentiment and performance. All country indexes across Europe were down through 2018, with the vast majority seeing double-digit declines. OMV stock closed the year at EUR 38.25, a 28% decline compared to year-end 2017.

Financial markets

A surge in trade tensions and geopolitical events has been one of the forces behind market weakness in 2018, increasing concerns around future global economic growth. In Europe, practically all sectors declined through 2018, with cyclical sectors underperforming. The UK's departure from the EU remained as unclear as ever. The likelihood of a no-deal Brexit increased, hurting investor sentiment, in particular towards the UK and Ireland. On the continent, political turmoil has been on the rise as

well, most notably in Italy, where the new government announced ambitious spending plans, and in France, which was hit by weeks of protests. Likewise, it has been a volatile year for oil prices. In 2018, the market saw some of its highest prices in almost four years along with some of the largest single-day drops. Oil prices fell to their lowest levels since October 2017. Accordingly, oil and gas stocks were characterized by high volatility. While some oil and gas equities showed a strong upward movement, others experienced a downturn. On average, however, oil and gas stocks were down slightly.

At a glance

| | 2018 | 2017 | 2016 | 2015 | 2014 ¹ |
|---|-----------|--------|--------|--------|-------------------|
| Number of outstanding shares ² | in mn | 326.73 | 326.50 | 326.45 | 326.36 |
| Market capitalization ² | in EUR bn | 12.50 | 17.29 | 10.96 | 8.53 |
| Volume traded on the Vienna Stock Exchange | in EUR bn | 9.13 | 8.84 | 6.04 | 7.13 |
| Year's high | in EUR | 56.24 | 54.14 | 34.78 | 30.46 |
| Year's low | in EUR | 37.65 | 32.37 | 21.45 | 20.70 |
| Year end | in EUR | 38.25 | 52.83 | 33.56 | 26.13 |
| Earnings Per Share (EPS) | in EUR | 4.40 | 1.33 | (1.24) | (3.37) |
| Book value per share ² | in EUR | 36.44 | 34.35 | 33.44 | 35.76 |
| Cash flow per share ³ | in EUR | 13.45 | 10.56 | 8.82 | 8.68 |
| Dividend Per Share (DPS) ⁴ | in EUR | 1.75 | 1.50 | 1.20 | 1.00 |
| Payout ratio | in % | 40 | 113 | n.m. | n.m. |
| Dividend yield ² | in % | 4.58 | 2.84 | 3.58 | 3.83 |
| Total Shareholder Return (TSR) ⁵ | in % | (25) | 61 | 34 | 24 |

¹ As of 2015, figures for 2014 were adjusted according to IAS 8

² As of December 31

³ Cash flow from operating activities

⁴ 2018: as proposed by the Executive Board and confirmed by the Supervisory Board; subject to confirmation by the Annual General Meeting 2019

⁵ Assuming reinvestment of the dividend

OMV share price performance and volume

OMV shares closed the year down 28% compared to the previous year's close. Assuming dividend reinvestment, the total shareholder return was minus 25%. OMV's share price started the year at EUR 52.83 and climbed to a high for the year of EUR 56.24 on January 10. Subsequently, OMV's share price declined, falling below the EUR 50 level

in February before starting to recover through April. In the second half, OMV stock followed a downward trajectory, hitting a low of EUR 37.65 on December 27 and closing the year at EUR 38.25. The daily trading volume of OMV shares in 2018 averaged 385,176 (2017: 407,689). At the end of 2018, OMV's total market capitalization was at EUR 12.5 bn compared to EUR 17.3 bn at the end of 2017.

OMV share price performance 2018 (based on 100)

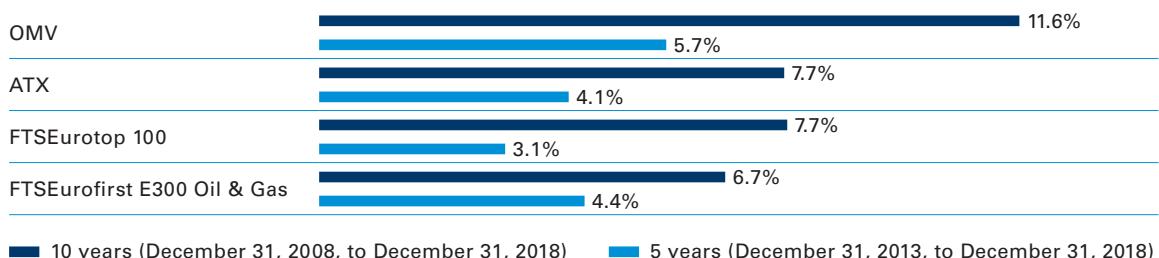


OMV shares underperformed benchmark indexes and peers in a negative market environment, after having strongly outperformed the market in 2017. In 2018, the Austrian ATX gave up 20% of its value. Over the same period, the FTSEurotop 100 global industry benchmark tumbled 13%, while FTSEurofirst E300 Oil & Gas fell by 5%. Measured

over a five-year period, the return generated by OMV shares outperformed index returns. An investor who acquired OMV stock worth EUR 100 at the end of 2013 and reinvested the dividends in additional shares saw the value of their investment increase to EUR 132 at the end of 2018, an average annual return of 5.7%.

OMV shares: long-term performance compared with indexes

Average annual increase with dividends reinvested¹



■ 10 years (December 31, 2008, to December 31, 2018) ■ 5 years (December 31, 2013, to December 31, 2018)

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

Proposed dividend of EUR 1.75 per share for 2018

On May 22, 2018, OMV's Annual General Meeting approved a dividend of EUR 1.50 per share for 2017 as well as all other agenda items including the Supervisory Board elections, the Long Term Incentive Plan 2018, and the Matching Share Plan 2018. The Executive Board will propose a dividend of EUR 1.75 per share for 2018 at the next ordinary Annual General Meeting on May 14, 2019, an increase of 17% over the previous year. The dividend yield, based on the closing price on the last trading day of 2018, amounts to 4.58%.

Dividend policy

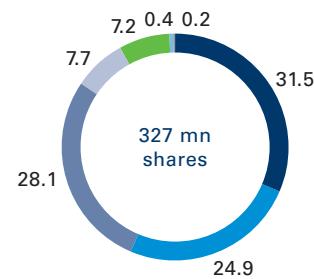
OMV is committed to delivering an attractive and predictable shareholder return through the business cycle. According to its dividend policy, OMV aims to increase dividends every year or at least to maintain the level of the respective previous year.

OMV shareholder structure

OMV's shareholder structure remained relatively unchanged in 2018 and was as follows at year end: 43.0% free float, 31.5% Österreichische Beteiligungs AG (ÖBAG, representing the Austrian government)¹, 24.9% Mubadala Petroleum and Petrochemicals Holding Company (MPPH), 0.4% employee share programs, and 0.2% treasury shares.

Shareholder structure

In %

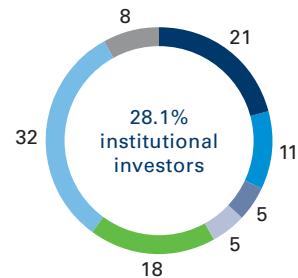


| | |
|--|------|
| ÖBAG | 31.5 |
| MPPH/Abu Dhabi | 24.9 |
| Institutional investors | 28.1 |
| Unidentified free float | 7.7 |
| Identified retail ownership/brokerage & trading accounts | 7.2 |
| Employee share programs | 0.4 |
| Own shares | 0.2 |

An analysis of our shareholder structure carried out at the end of 2018 showed that institutional investors held 28.1% of OMV's shares. At 32%, investors from the United States made up the largest regional group of institutional investors. The proportion of investors from the United Kingdom amounted to 21%, while shareholders from France held 11%. Norwegian and Austrian ownership account for 5% each.

Geographical distribution of institutional investors

In %



| | |
|----------------|----|
| United Kingdom | 21 |
| France | 11 |
| Norway | 5 |
| Austria | 5 |
| Rest of Europe | 18 |
| United States | 32 |
| Rest of world | 8 |

¹ With effect as of February 20, 2019, Österreichische Bundes- und Industriebeteiligungen GmbH was transformed into a joint-stock company and renamed as Österreichische Beteiligungs AG.

The capital stock of OMV Aktiengesellschaft amounts to EUR 327,272,727 and consists of 327,272,727 no-par-value bearer shares. At year-end 2018, OMV held a total of 542,151 treasury shares. The number of shares in free float was therefore 326,730,576. The capital stock consists entirely of common shares, and due to OMV's adherence to the one-share, one-vote principle, there are no classes of shares that bear special rights. A consortium agreement between the two major shareholders, ÖBAG and MPPH, contains established arrangements for coordinated action and restrictions on the transfer of shareholdings.

Environmental, Social, and Governance (ESG) performance

OMV places great importance on working with ESG rating agencies. OMV aims to act responsibly towards the environment and society, which has been reflected in further improvement of its ESG rating in 2018. OMV joined the Dow Jones Sustainability Index (DJSI), being the only Austrian company included. The inclusion places OMV among the top 10% oil and gas companies in terms of ESG. Launched in 1999, the DJSI World represents the gold standard for corporate sustainability and is the first global index to track the leading sustainability-driven companies.

OMV reached Prime Status according to ISS-oekom rating, with B- score. This positions the company among 5% of the best ESG performing oil & gas companies, according to the rating. Besides these outstanding achievements, OMV has maintained its inclusion in several ESG indexes. OMV received the highest "AAA" score from MSCI Global Sustainability Index for the sixth year in a row. OMV was reconfirmed as a constituent of two MSCI indexes: ACWI ESG Leaders Index and ACWI SRI Index. Furthermore, OMV was reconfirmed as a member of the FTSE4Good Index Series, which are used by a wide variety of market participants to create and assess responsible investment funds. In 2018, OMV achieved an outstanding CDP score of A- (leadership) for Climate Change. OMV maintained its inclusion in the STOXX® Global ESG Leaders and ECPI® indexes. After another assessment by EcoVadis – a platform analyzing ESG performance of suppliers – OMV maintained its Silver supplier status.

Good credit ratings

The OMV Group is evaluated by rating agencies Moody's and Fitch. On May 21, 2018, Moody's upgraded OMV's issuer rating from Baa1 to A3 with a stable outlook. This reflects the improved business profile following the transformation process over the last two years as well as OMV's strong financial health. Fitch confirmed OMV's rating of A- with a stable outlook on June 7, 2018.

Analyst coverage

At the end of 2018, OMV was covered by 21 financial analysts who regularly publish research reports on OMV. This ensures OMV good visibility in the financial community. At the end of 2017, about one-quarter of these analysts had issued a "sell" recommendation, with the remainder equally split between "hold" and "buy." At the end of 2018, none of the analysts recommended selling OMV shares and almost three-quarters gave OMV a "buy" rating. The average target price valuation increased from EUR 52 per share last year to EUR 58 at the end of 2018.

Investor Relations activities

Ensuring active, candid dialogue with the capital market is a top priority at OMV. It is Investor Relations' mission to provide comprehensive insight into OMV's strategy and business operations to all capital market participants, thereby guaranteeing equal treatment of all stakeholders. Throughout 2018, OMV was in constant dialogue with investors and analysts, and hosted a Capital Markets Day in London to present the OMV Strategy 2025. Two investor group visits and one analyst group visit in Austria provided insights into OMV's Upstream and Downstream activities. Finally, the Executive Board and the Investor Relations department strengthened and deepened relationships with analysts and investors through numerous road shows and conferences across Europe, North America, and Asia.

2

DIRECTORS' REPORT

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About OMV

OMV's market capitalization amounted to EUR 12.5 bn

OMV produces and markets oil and gas, innovative energy, and high-end petrochemical solutions – in a responsible way. OMV has a balanced international Upstream portfolio, while its Downstream Oil and Gas businesses feature a European footprint. In 2018, Group sales amounted to EUR 23 bn and year-end market capitalization was about EUR 12.5 bn. The majority of OMV's 20,231 employees work at its integrated European sites.

In the Upstream Business Segment, OMV focuses on the exploration, development, and production of oil and gas in its five core regions of Central and Eastern Europe, Russia, the North Sea, Middle East and Africa, and Asia-Pacific. At the end of 2018, OMV had proven reserves (1P) of 1.27 bn boe and proven and probable reserves (2P) of 2.16 bn boe. The Reserve Replacement Rate (RRR) was 180% in 2018. Daily production was 427 kboe/d in 2018 (2017: 348 kboe/d), which equals a total production of 156 mn boe. While gas production accounted for 57% of production, oil amounted to 43%.

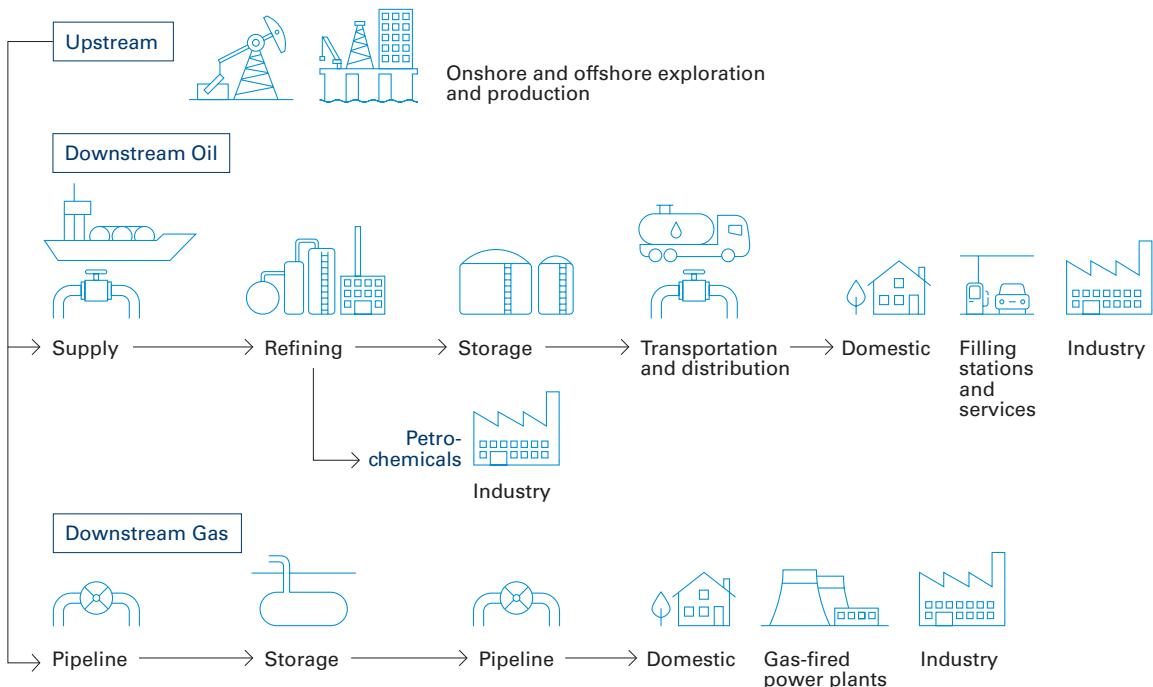
The Downstream Business Segment consists of the Downstream Oil and the Downstream Gas businesses. Downstream Oil operates three refineries: Schwechat (Austria) and Burghausen (Germany), both of which feature integrated petrochemical pro-

duction, and the Petrobrazi refinery (Romania), which mainly processes Romanian crude. OMV has an annual processing capacity of 17.8 mn t. The total refined product sales were 20.26 mn t in 2018 (2017: 23.82 mn t). The retail network consists of 2,064 filling stations in ten countries with a strong multibrand portfolio.

In Downstream Gas, the natural gas sales volume was 113.8 TWh in 2018 (2017: 113.4 TWh). OMV owns gas storage facilities with a capacity of 30 TWh and a 51% share in Gas Connect Austria, operating a 900 km natural gas pipeline network. The Central European Gas Hub (CEGH) is a well-established gas-trading platform. The node in Baumgarten (Austria) is Central Europe's largest entry and distribution point for Russian gas. OMV operates a gas-fired power plant in Romania.

OMV is one of Austria's largest listed industrial companies

Our value chain



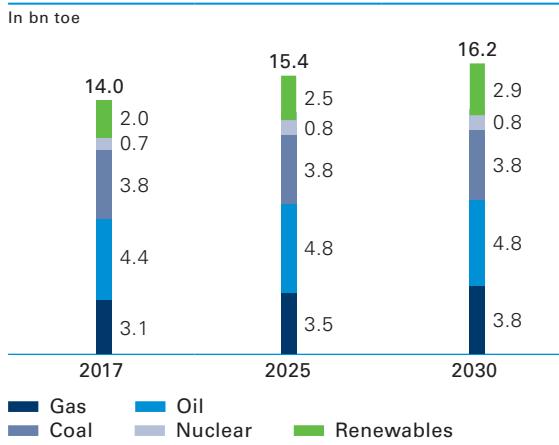
Strategy

The OMV Strategy 2025 builds on the proven concept of integration. Based on a balanced growth strategy in Upstream and Downstream, the size and geographical reach of OMV will be expanded considerably to participate in attractive growth opportunities outside of Europe. OMV strives to substantially increase the clean CCS Operating Result to at least EUR 5 bn by 2025. Since the strategy was introduced in March 2018, significant milestones have already been reached.

Market outlook

Global energy demand continues to grow and will be met predominantly through traditional energy sources.

World energy demand by primary energy sources



Source: IEA New Policies Scenario, World Energy Outlook 2018

Global energy demand will continue to increase and is expected to rise by 16% by 2030, driven by GDP and population growth. Oil and gas demand continues to rise and will account for more than 50% of global energy demand. Natural gas will be the strongest-growing primary energy source among fossil fuels.

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

Natural gas will be the strongest-growing primary energy source among fossil fuels, supported by a decarbonization policy and stricter emissions standards. Gas demand will grow at an annual rate of 1.6% up to 2030. Demand for power generation as the main gas-consuming sector will expand further throughout the world, including Europe, replacing power generation from coal.

Oil and gas demand will continue to increase in the next decade

The growth in global demand for petrochemical products is tied to the general development of the economy. The growing petrochemicals market will also be an important consumer of oil and gas. Olefins such as ethylene, propylene, and butadiene are major building blocks for the chemical industry. Their derivatives, such as polyolefins, offer unique properties and economic benefits such as low material costs, as well as easy and fast processing. Petrochemicals are increasingly used, substituting other energy-intensive materials due to their advantageous characteristics. They are essential for various industries such as packaging, construction, transportation, healthcare, pharmaceuticals, and electronics.

This growth will be primarily driven by Asia-Pacific, following the economic development in the region. Demand in mature markets such as Europe, North America, and Japan will continue to stay healthy and develop in line with GDP.

Naphtha, an oil derivative product, is expected to remain the main feedstock for the petrochemical industry. Other feedstocks include coal, primarily in China, associated gas in the Middle East, and shale gas in North America.

Strategic cornerstones – OMV set to become bigger and more valuable

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

Strategy 2025 expands on the proven concept of integration on an international level

Increase clean
CCS Operating Result
to at least EUR 4 bn
by 2020 and at least
EUR 5 bn by 2025

a strong gas market presence in Europe. We will continue to improve our performance and extend our record of operational excellence. OMV strives to increase the clean CCS Operating Result to at least EUR 4 bn by 2020 and at least EUR 5 bn by 2025. The growth will be driven equally by Upstream and Downstream and will be achieved both organically and through acquisitions. Strategic partnerships will remain an important lever to access attractive projects, with long-term perspectives and value creation.

Upstream

OMV Upstream will generate profitable growth by increasing quality of the portfolio, while remaining focused on cash generation. The target production levels of 500 kboe/d and 600 kboe/d in 2020 and 2025, respectively, are reaffirmed. Production will ensure more than 50% natural gas in the future to improve long-term carbon efficiency and adapt to the changing mix in global energy demand. To ensure a Reserve Replacement Rate of more than 100% (three-year average) and an average reserve life of eight to ten years in the long term, 1P reserves will almost double to more than 2 bn boe by 2025. Portfolio growth will be achieved primarily through acquisitions in low-cost, hydrocarbon-rich regions, but also through organic exploration and investments. Average production costs will not exceed USD 8/boe. Strict cost management, a focus on

profitability, and prudent capital discipline will be of utmost importance as we take steps to reach these targets.

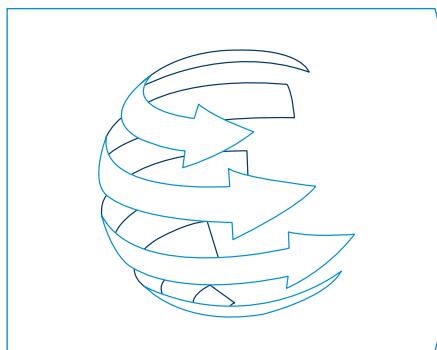
OMV will continue to focus its portfolio on five core regions. Portfolio expansion is being pursued with projects in OMV's core regions, with particular focus on the Middle East and Africa, Russia, and Asia-Pacific to ensure sustainable replacement with low-cost barrels and improve the Company's overall resilience.

Strategic partnerships with long-term value creation prospects will continue to be an important pathway for OMV to access material volumes of oil and gas reserves. Working together with selected national oil companies as well as with strong international oil companies supports our expansion into our core regions and bolsters our technological capabilities, while also minimizing operational and financial risks.

OMV Upstream is planning to invest between EUR 1.3 and 1.7 bn annually for organic growth and operations until 2025. OMV will increase its annual budget for exploration and appraisal activities from EUR 300 mn (2018) to EUR 350 mn in 2019 in line with the growing necessity to replace produced reserves. This translates into 15 to 20 exploration drillings to be expected per year.

Upstream reserves
to almost double
to more than
2 bn boe by 2025

OMV – Strategy 2025



Leverage on proven concept of **integration**

Significantly **internationalize**
Upstream and Downstream

Build **strong gas market presence** in Europe

Drive **operating result**

Upstream – strategic achievements

Since the announcement of the OMV Strategy 2025 in March 2018, we have made major progress in implementing our strategy. The highlights are summarized below:

- ▶ Generated strong earnings with a clean Operating Result of EUR 2.0 bn in 2018
- ▶ Gas production increased to 57% of the total portfolio
- ▶ Production costs reduced to USD 7/boe in 2018
- ▶ Fast-track strategy execution: high-quality portfolio expanded through acquisitions in New Zealand, United Arab Emirates (UAE), and Malaysia
- ▶ Asia-Pacific is developed into a core region following the expansion in New Zealand and the acquisition of a 50% stake in a new joint venture company in Malaysia named SapuraOMV Upstream
- ▶ Three-year average Reserve Replacement Rate increased to 160%
- ▶ 1P reserves base increased to 1.3 bn boe at year-end 2018

Landmark transactions

New Zealand

- ▶ Expanded footprint by increasing stake in existing assets for a price of USD 579 mn
- ▶ Adding up to 100 mn boe of recoverable resources
- ▶ Immediate production contribution at closing
- ▶ Strong free cash flow contribution
- ▶ OMV has capitalized on its experience in New Zealand since 1990 to increase the oil and gas recovery rates.

Abu Dhabi

- ▶ Acquired a 20% stake in two oil fields in Abu Dhabi for USD 1.5 bn
- ▶ Greenfield developments with huge reserves of 450 mn boe
- ▶ Long term plateau of 43 kboe/d from 2023
- ▶ Long term stable and substantial free cash flow contribution
- ▶ Strengthening strategic partnership with ADNOC and building material position in one of the world's richest regions in hydrocarbons

Malaysia

- ▶ Acquired a 50% stake in a new joint venture company named SapuraOMV Upstream for USD 540 mn and USD 85 mn future contingency payment
- ▶ 260 mn boe of life of field production, 90% gas
- ▶ Plateau production of ~60 kboe/d (100%) expected by 2023
- ▶ SapuraOMV Upstream expected to be free cash flow positive in 2020
- ▶ OMV capitalizes on the increasing LNG demand and growing Asian markets.
- ▶ SapuraOMV Upstream will be the platform for further regional growth.

Downstream Oil

In Downstream Oil, OMV will further strengthen its competitive position in Europe. OMV will modify its European refining assets by reflecting expected demand changes and shifting to higher-value products. By 2025, up to EUR 1 bn will be invested in the refineries in Austria, Germany, and Romania. More than 50% of the investments will be used to expand OMV's position in the petrochemical sector. The three sites will continue to be operated as one integrated refinery system, optimizing asset utilization and maximizing margins through the exchange of intermediate products. OMV is well positioned to capture the benefits of marine fuel market changes in 2020 from new IMO regulations. OMV's site flexibility allows to further reduce its low heavy fuel oil yield of 2% with no additional investments by 2020. Western refineries will become heavy fuel oil free by 2025.

Excellently positioned to capture significant upside from new IMO regulations

The retail business will increase fuel sales in the premium and discount segments. The number of discount stations will be expanded in Austria, Germany, and Slovenia. The concept will be tested in Hungary. The focus of the premium retail network is on increasing the market share of the premium product "MaxxMotion" as well as developing additional customer-oriented service and shop offerings. In order to safeguard revenue and profitability in Europe, OMV will increase the share of our refineries' production sold through captive sales channels from 47% to 55% by 2025. This will ensure resilience and a refinery utilization rate of over 90% in the long term, which is well above the average in Europe.

Downstream Oil to export successful European refining and petrochemical business model to international growth markets

Building on our strong expertise as one of Europe's leading refiners, we strive to export our successful European refining and petrochemical business model to international growth markets. By 2030, fuel demand is expected to grow significantly in Asia, as well as in the Middle East and Africa. Petrochemicals demand is set to increase in all regions, especially in Asian markets. Overall, Asia will absorb more than 90% of the growth in global oil demand. Thus, OMV aims to nearly double its refining capacity by 2025, establishing one to two core regions outside Europe.

Downstream Oil – strategic achievements

Since the announcement of the OMV Strategy 2025 in March 2018, we have made major progress in implementing our strategy. The highlights are summarized below:

- ▶ Strong contribution to Group financials with a clean CCS Operating Result of EUR 1.6 bn
- ▶ Fast-track strategy execution: signed acquisition of a 15% interest in ADNOC Refining and in a to-be established Trading Joint Venture at the end of January 2019
- ▶ Increased share of refineries' production sold through captive sales channels to 49% supported by storage tank acquisitions and an increased number of discount filling stations
- ▶ Utilization rate of the refineries of 92% achieved, despite a six-week planned turnaround at the Petrobrazi refinery
- ▶ ReOil®: fuel production from waste plastic facility developed from an R&D phase into a pilot project integrated into our refinery

Landmark transactions: OMV becomes shareholder in ADNOC Refining

- ▶ Signed acquisition of a 15% interest in ADNOC Refining and in a to-be established Trading Joint Venture
- ▶ Refining complex is situated in Ruwais, in the United Arab Emirates
- ▶ Decisive step taken to grow the Downstream Oil business beyond Europe
- ▶ OMV becomes strategic partner in the 4th largest refinery in the world, integrated into petrochemicals, with a total capacity of 922 kbbl/d
- ▶ Increase in OMV's refining and petrochemical capacity by around 40% and 10%, respectively
- ▶ OMV will be part of an already profitable business with strong domestic sales and access to attractive markets such as Asia-Pacific
- ▶ Future significant value creation from organic and self-funded growth
- ▶ Further increase in profitability through OMV's world-class operational and commercial expertise

Downstream Gas

OMV will become the leading integrated supplier with a strong market presence from Northwest to Southeast Europe. By 2025, OMV gas sales will grow to more than 20 bcm, thereby aiming at a 10% market share in Germany, Europe's largest gas market. OMV will increasingly market natural gas from own upstream production as well as imported gas volumes. European demand for natural gas is expected to remain stable until 2030, with upside potential of 40 bcm primarily driven by a switch from coal to natural gas in power generation. In the same time period, European natural gas production is rapidly declining, causing an increasing supply gap that needs to be filled. In this environment, OMV's integrated position in the European market will be strengthened by rising equity gas volumes from projects in Norway and Romania and long-term supply contracts with Gazprom.

The Nord Stream 2 pipeline is advantageous for OMV's gas strategy and will secure as well as increase consistent and reliable long-term gas supplies to Europe and the Central European Gas Hub in Baumgarten, Austria.

Downstream Gas – strategic achievements

Since the announcement of the OMV Strategy 2025 in March 2018, we have made progress in implementing our strategy. The highlights are summarized below:

- ▶ Gas sales in Germany increased by 50%, reaching a market share of 2.6% in 2018
- ▶ Successful market entry in the Netherlands
- ▶ Extension of natural gas supplies from Russia to Austria until 2040; increase in gas supplies from Gazprom by 1 bcm per year
- ▶ Divestment of the Samsun power plant in Turkey

Finance

OMV's value-driven finance strategy aims to enable growth, drive performance, and reward shareholders. A set of strategic and financial criteria are taken into account when making an investment decision. Growth will be executed on a solid financial base, with the following long-term targets being the foundation of OMV's finance strategy:

- ▶ Positive free cash flow after dividends, taking a progressive dividend policy into account
- ▶ Clean CCS ROACE of at least 12%
- ▶ Increase clean CCS Operating Result to at least EUR 4 bn by 2020 and to at least EUR 5 bn by 2025
- ▶ Increase cash flow generation¹ to above EUR 5 bn in the mid term
- ▶ Grow clean CCS net income attributable to stockholders
- ▶ Ensure financial stability through a maximum gearing ratio of ≤30%
- ▶ Maintain a strong "investment-grade" credit rating

OMV aims to increase the clean CCS Operating Result to at least EUR 4 bn by 2020 and to at least EUR 5 bn by 2025. OMV targets attractive shareholder returns and aims to increase dividends every year or to at least maintain them at the respective

prior year's level. Further growth will be enabled through capital expenditures and acquisitions already communicated. For the period 2018 to 2025, OMV plans to make annual investments averaging EUR 2.0 to 2.5 bn. In addition, a total acquisition budget of EUR 10 bn is planned, over a span of eight years, to be split equally between Upstream and Downstream.

Since the announcement of the Strategy 2025, OMV has executed the vast majority of its efforts to transform the company and deliver on our strategy. The number of acquisitions in Upstream and Downstream have substantially strengthened the portfolio and its profitability. In the short and medium term there are no further big acquisitions planned, apart from the ones communicated (i.e., the acquisition of a 24.98% stake in Achimov 4A/5A).

A set of strategic and financial criteria is taken into account when making an investment decision. Growth will be executed on a solid financial base, with a gearing ratio lower than or equal to 30%, while maintaining a strong investment-grade credit rating. The financial strategy will drive performance through its focus on cash, operational excellence, and resilience of the portfolio. Furthermore, the Company will continue to enhance its operating efficiency. The goal of the new efficiency program is to reduce costs by EUR 100 mn in 2020 compared with 2017.

In 2018, important milestones for the achievement of long-term financial objectives were reached:

- ▶ Clean CCS Operating Result increased from EUR 3.0 bn in 2017 to EUR 3.6 bn in 2018
- ▶ Free cash flow positive by year end after dividends as well as after acquisitions
- ▶ Clean CCS ROACE of 13%
- ▶ Operating cost savings target of EUR 100 mn achieved ahead of schedule in 2018
- ▶ Strong balance sheet maintained, with a gearing ratio of 13%
- ▶ Record dividend payment of EUR 1.50 per share
- ▶ Moody's credit rating upgrade to A3 from Baa1

Operating cost savings target of EUR 100 mn achieved ahead of schedule in 2018

¹ Defined as sources of funds

Sustainability

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

OMV's approach to sustainability

In the era of energy transition, the goal of OMV's business is to provide "oil & gas at its best." The growing demand for energy and accelerating climate change pose immense challenges for the energy sector. The key lies in finding the balance between climate protection efforts, affordable energy, and reliable supply. This means producing and using oil and gas as sensibly and responsibly as possible to safeguard the energy supply. We pledge to conduct our business responsibly by protecting the environment, aiming to be an employer of choice, and creating long-term value for our customers, shareholders, and society.

In line with the sustainable approach to the business, OMV has developed the Sustainability Strategy 2025 as an integral part of OMV's Corporate Strategy 2025. The Strategy includes 15 measurable targets set in the five focus areas: Health, Safety, Security, and Environment (HSSE), Carbon Efficiency, Innovation, Employees, as well as Business Principles and Social Responsibility. For a lower-carbon future OMV will invest up to EUR 500 mn by 2025 in innovative energy solutions such as ReOil® and Co-Processing and will implement carbon efficiency measures.

15 sustainability targets

Investments of up to EUR 500 mn in innovative energy solutions

► **Health, Safety, Security, and Environment (HSSE):** Health, safety, security, and protection of the environment have top priority in all activities. Proactive risk management is essential for realizing OMV's HSSE vision of "ZERO harm – NO losses." OMV targets:

- Zero work-related fatalities
- Stabilize Lost-Time Injury Rate¹ at below 0.30 (per 1 million working hours)
- Keep leading position for Process Safety Event Rate²

📘 Further details can be found in the Health, Safety, Security, and Environment chapter on page 51.

► **Carbon Efficiency:** OMV focuses on improving the carbon efficiency of its operations and product portfolio. OMV is fully committed to acting on climate change mitigation and responsible resource management. OMV targets:

- Lower OMV's carbon intensity of operations³ by 19% by 2025 (vs. 2010)
- Reduce the carbon intensity of OMV's product portfolio⁴ by 4% by 2025 (vs. 2010)
- Zero routine flaring and venting of associated gas by 2030

► **Innovation:** OMV's innovation efforts focus on optimizing production, exploring high-end petrochemical solutions, developing innovative energy solutions, and embracing digital technologies. Innovation is facilitated by investment and partnerships in research and development of innovative technological solutions. OMV targets:

- Develop ReOil® into an industrial-scale process (unit size of ~200,000 t per year) with commercially viable economics
- Raise the share of sustainable feedstock co-processed in the refineries to ~200,000 t per year by 2025
- Increase the recovery factor in the CEE region in selected fields by 5 to 15 percentage points until 2025 through innovative Enhanced Oil Recovery methods

📘 Further details can be found in the Upstream (page 64) and Downstream (page 71) chapters.

¹ Lost-Time Injury Rate is the frequency of injuries leading to lost working days, relative to one million working hours of employees and contractors.

² See Abbreviations and Definitions for definition of a Process Safety Event (PSE)

³ CO₂ equivalent emissions produced to generate a certain business output using the following business-specific metric (Upstream: t CO₂ equivalent/toe produced, Refineries: t CO₂ equivalent/t throughput, Power: t CO₂ equivalent/MWh produced) consolidated to an OMV Group Carbon Intensity Operations Index, based on weighted average of business segments' carbon intensity

⁴ OMV carbon intensity of product portfolio measures the CO₂ equivalent emissions generated through usage of OMV's products sold to third parties in t CO₂ equivalent/toe sold.

► **Employees:** OMV is committed to building and retaining a talented expert team for international and integrated growth. The focus of its diversity strategy is on gender and internationality. OMV targets:

- ▶ Increase share of women at management level¹ to 25% by 2025
- ▶ Keep high share of executives with international experience² at 75%

 Further details can be found in the Employees chapter on page 53.

► **Business Principles and Social Responsibility:** OMV strives to uphold equally high ethical standards at all locations. OMV is a signatory to the United Nations (UN) Global Compact, 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. OMV targets:

- ▶ Promote awareness of ethical values and principles: conduct in-person or online business ethics training courses for all employees
- ▶ Assess Community Grievance Mechanism of all sites against UN Effectiveness Criteria³ by 2025
- ▶ Conduct human rights training courses for all employees exposed to human rights risks⁴ by 2025
- ▶ Increase the number of supplier audits covering sustainability elements to more than 20 per year by 2025

Carbon efficiency performance

OMV recognizes climate change as one of the most important global challenges. OMV integrates risks and opportunities related to climate change impacts into the development of the Company's business strategy and the planning of operational activities. In this regard, OMV aims to reduce its carbon footprint in an effort to mitigate the impact of its operations and product portfolio on climate change. In order to reduce the greenhouse gas (GHG) emissions of its operations, OMV implements measures aimed at optimizing its operational processes, increasing energy efficiency, and reducing methane

emissions through leakage detection and improvement of asset integrity. For example, as a result of the Upstream Energy Efficiency Program at OMV Petrom, 30 gas-to-power (G2P) and combined heat and power plants (CHP) were installed. Phasing out existing routine flaring and venting by 2030 forms part of OMV's commitment to the World Bank initiative "Zero routine flaring by 2030."

OMV made substantial business decisions in 2018, which will lead to a higher share of natural gas in the OMV Upstream production portfolio. OMV started the production of the mainly gas-based assets of Aasta Hansteen in Norway, continued the negotiations for the direct interest in the Russian gas extraction of the Achimov 4A/5A gas formation and will also benefit of the future gas production of SapuraOMV Upstream in Malaysia. Additionally, OMV extended the Russian natural gas supply contracts until 2040. The higher share of natural gas in OMV's overall product portfolio will contribute to the reduction of the product portfolio's carbon intensity.

In 2018, OMV achieved for the third time in a row an outstanding CDP Climate Change score of A– (Leadership). With its CDP Climate Change score, OMV is among eleven companies in the global oil and gas sector that achieved a leadership score and among the top four companies across all sectors in Austria.

Share of natural gas in the product portfolio increased

CDP Climate Change score A–

Business principles and social responsibility performance

Business ethics and compliance

OMV has a Code of Business Ethics in place that applies to all employees. A dedicated cross-regional compliance organization, consisting of 29 compliance experts, ensures that OMV standards are consistently met across the Group. In 2018, 2,238 employees (2017: 688 employees) received in-person or online business ethics training. The "Integrity Platform" provides an anonymous whistleblowing mechanism for OMV employees and external stakeholders, such as suppliers, in relation to the issues of non-compliance with the legal regulations, the Code of Business Ethics, or other internal guidelines of the OMV Group.

¹ Management level: executives and advanced career level

² More than or equal to three years of living and working abroad

³ Legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, based on engagement and dialog

⁴ 1,059 employees in corporate functions managing human rights risks as well as the corresponding functions in countries with elevated human rights risk

Supplier compliance

OMV has a Code of Conduct in place that ensures suppliers support OMV's principles and mitigates supply chain risks such as forced labor, slavery, corruption, and human trafficking. All suppliers are obliged to comply with the content of the Code of Conduct. In 2018, OMV performed a comprehensive assessment in terms of the environmental, social, and governance (ESG) performance of five suppliers and conducted nine audits that include sustainability elements. OMV will follow the defined road map and plans to perform more than ten audits with sustainability elements by 2020.

Human rights

191 social initiatives implemented, supporting the UN Sustainable Development Goals

Following the UN Guiding Principles on Business and Human Rights, OMV considers human rights to be an important aspect of our risk management which is integrated into our decision-making processes. In 2018, we conducted 30 human rights risk assessments at country level to evaluate OMV's human rights-related activities in existing engagements and assess any human rights risk in potential future engagements. A total of 243 employees received training on human rights topics through the e-learning tool and in-person training sessions (2017: 423). As professional training is essential to ensure compliance with our human rights commitment, we have set ourselves the goal of training, by 2025, all employees who are exposed to human rights topics. By 2018, 11% of the target group was trained. In addition, an internal awareness campaign on human rights was implemented. No incidents of human rights violations (child labor, harm to indigenous people, or discrimination) were reported in 2018 (2017: 0).

Community relations and development

OMV has an active partnership with the communities in all countries in which the Company operates its business and is committed to adding value to these societies. As part of OMV's stakeholder dialog, we have implemented a community grievance mechanism at all operating sites. In 2018, OMV registered 1,058 grievances (2017: 1,226) from the community grievance mechanism. All the grievances were handled in accordance with OMV's internal procedures.

OMV has set itself the goal of bringing its Community Grievances Management (CGM) system in line with the effectiveness criteria of the United Nations Guiding Principles and conducted a pilot audit of the CGM at OMV Petrom, Romania. The recommendations identified as a result of the audit will be analyzed and implemented at OMV Petrom to enhance the effectiveness of the CGM as a community engagement resource. With 965 registered grievances, the Romanian grievance procedure accounts for 91% of all OMV grievances received in 2018. OMV implemented 191 social initiatives in 17 countries, focusing on the needs of the local communities and on supporting the UN Sustainable Development Goals. In 2018, more than 2,800 members of communities (2017: 5,100) received training for better job opportunities or financial support to start their own business. Over 900,000 persons have benefitted from our community development projects.

More information about OMV's Environmental, Social, and Governance (ESG) ratings and index inclusions can be found in the OMV on the Capital Markets chapter on page 36.

Management approaches and performance details for all material topics will be reported in the stand-alone OMV Sustainability Report 2018. This report serves also 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 protection of the environment are key values at OMV. The integrity of OMV's operating facilities, loss prevention, proactive risk management, and acting on climate change mitigation are essential for reaching OMV's HSSE vision of "ZERO harm – NO losses."

HSSE strategy

To achieve this vision, the OMV Group's HSSE Strategy 2020/2025 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 competent people, as well as subject matter goals in the areas of:

- ▶ **Health:** Improve the ability to work through integrated health management.
- ▶ **Safety:** Build on sustainable safety for people and plants.
- ▶ **Security:** Protect people and assets from emerging malicious intentional threats.
- ▶ **Environment:** Minimize the environmental footprint throughout the entire lifecycle.

Health, safety, and security

In 2018, the combined Lost-Time Injury Rate (LTIR) for OMV employees and contractors was 0.30 (2017: 0.34), and our combined Total Recordable Injury Rate (TRIR) was 0.78 (2017: 0.79).

In Upstream, our combined efforts resulted in an LTIR of 0.38 (2017: 0.28). We were very sad to lose one OMV employee and two contractor employees in 2018 in an explosion followed by a fire during a routine workover operation at a well in Komsomolskoye, Kazakhstan. During 2018, we continued our efforts to improve our safety culture and focused our attention on interactive communication on site as well as utilizing user-friendly tools to impart basic safety rules to our employees and supervisors. A set of supplementary life-saving rules was rolled out to further support our HSSE Golden Rules. Assessments of high-risk activities, especially activities that caused severe incidents in the past, were continued: In 2018, the focus was on electrical safety, process safety, risk assessment, and the permit to work.

In Downstream, the focus was on leadership engagement and the quality and effectiveness of activities such as safety walks, incident investigation, and contractor HSSE audits. The LTIR was 0.25 (2017: 0.40). In 2018, special emphasis was placed on training in different emergency and crisis management scenarios. The successful turnaround of the Petrobrazi refinery in 2018, with up to 5,000 additional contractor employees on site without a single incident requiring medical treatment was a clear highlight.

Successful turnaround of the Petrobrazi refinery without a single incident

OMV Group safety performance

In mn hours worked

| Company | 2018 | 2017 |
|---------------------------------|------|------|
| Lost-Time Injury Rate | 0.29 | 0.24 |
| Total Recordable Injury Rate | 0.88 | 0.73 |
| Contractors | | |
| Lost-Time Injury Rate | 0.31 | 0.39 |
| Total Recordable Injury Rate | 0.74 | 0.82 |
| Total (Company and contractors) | | |
| Lost-Time Injury Rate | 0.30 | 0.34 |
| Total Recordable Injury Rate | 0.78 | 0.79 |

Employees' well-being and health are the foundation for successful company performance as they are core elements of ensuring the ability to work. In 2018, OMV continued its long tradition of offering healthcare and health prevention, such as cardiovascular disease prevention programs, cancer awareness sessions, vaccinations, first aid courses, and health hours, which go far beyond local legal requirements.

During 2018, a number of key safety-related activities took place:

- ▶ The roll-out of the Group-wide Safety Culture Program was continued with a focus on the quality of management walk-arounds to help people gain a better understanding of the challenges in the field of operations and shore up trust between the workforce and management. In a pilot workshop in one Romanian Asset, new forms of employee engagement and coaching for safety were explored.

Roll-out of the Group-wide Safety Culture Program was continued

- ▶ Contractor HSSE management is key to OMV Group's safety performance. For this reason, the internal regulations framework was reviewed to simplify it and facilitate its practical application in the future.
- ▶ A systematic review and update process of internal HSSE regulations and processes was continued and the sharing of lessons learned from safety reports and incident investigations is further promoted.

A volatile geopolitical environment combined with enduring regional conflicts resulted in the 2018 security emphasis remaining on the Middle East and North Africa. Notwithstanding the challenges of operating securely in Yemen, Libya, and Tunisia, the threat and reality of terrorist attacks on mainland Europe and elsewhere further validate OMV's travel security policy and procedures governing all company travellers. In addition to the enduring terrorist threat, political extremism, criminality, and cyber threats remain very credible threat actors.

The OMV Security Standard was revised, further re-enforcing a flexible security strategy that enables OMV to operate in a variety of challenging and dynamic environments.

Progress on the resilience capability continued throughout 2018, with improvements in the practical and procedural aspects of OMV's Crisis Management and Business Continuity project.

Environmental management

Due to the nature of its operations, OMV has an impact on the environment. The Group strives to minimize that impact at all times, particularly in the areas of 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 to reduce emissions and discharges.

OMV is strongly committed to acting on climate change mitigation and responsible resource management and has accordingly set targets to manage and reduce the carbon footprint of its operations and products. The principal targets are to reduce OMV's overall operations carbon intensity by 19% by 2025 and to reduce the product carbon intensity

by 4% by 2025, both compared with 2010. This will be achieved by improving energy efficiency across all operations and implementing projects that reduce direct GHG emissions and by increasing the share of natural gas in our product portfolio.

OMV endorsed the World Bank initiative "Zero routine flaring by 2030." The phasing out of existing routine flaring and venting will make an essential contribution to achieving OMV's carbon targets. In 2018, for example, OMV Petrom Upstream continued to reduce its carbon intensity and put several new gas-to-power and combined heat and power plants into operation.

In 2018, there were two major hydrocarbon spills (level 3 to level 5 according to OMV definitions), with 36,874 liters of hydrocarbon spilled (2017: one major spill totaling 120,000 liters of hydrocarbon spilled). OMV continued to improve its oil spill response preparedness and capabilities.

Key environmental actions in 2018:

- ▶ Continued to implement the Group-wide Environmental Management standard, introducing the zero routine flaring and venting policy
- ▶ Reported for the first time the routine flaring amounts to the World Bank as endorser of the World Bank initiative "Zero routine flaring by 2030"
- ▶ Developed an Environmental Strategy 2025 as part of the overall HSSE Strategy 2020/2025 focusing on carbon and water management, as well as alignment with ISO 14001/ISO 50001
- ▶ Developed and rolled out a self-assessment tool to determine the level of compliance with the OMV Group Standard on Environmental Management and alignment with ISO 14001/50001
- ▶ Continued the roll-out of an Environmental Risk Assessment tool, which allows optimized data handling, prioritization, and action tracking
- ▶ Validation of three upstream greenhouse gas emissions reduction projects in accordance with ISO 14064-2
- ▶ First-time certification of OMV Tunisia in accordance with the ISO 50001 energy management standard and renewal of the ISO 14001 certificate

Target to reduce carbon intensity and further improve energy efficiency

Employees

In 2018, OMV reached new heights on its growth journey. The fantastic business results we achieved together with our 20,231 employees make us proud and confident about the future. Powered by our people, we translate energy into quality of life. We focus on creating an environment in which people can develop professionally and fulfill their personal aspirations in line with our business needs and according to our Principles (the "How").

Employer of choice

This year we clearly articulated why OMV is an employer of choice to attract top talents both in local markets and internationally. We asked our employees what makes them proud to work here. Their feedback was summarized as the "5 reasons to join OMV":

1. Our international journey
2. Being at the forefront of technology
3. How we work together (our Principles)
4. Personal and career development internationally within the OMV family
5. Being part of the diverse team

An employer branding campaign was launched in October 2018.

OMV's People Strategy

We know that it is the experience, skills, attitude, and commitment of our people at OMV that turn our strategy into reality. To unlock our organization's full potential we continue pursuing People priorities supporting OMV growth:

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

Consistency, transparency, and standardization in our People processes provide a backbone for growth. That is why we continue integrating and bringing them together in a central Group-wide IT platform ("My Success Factors") as part of our HR digitalization journey.

Highlights of 2018

Strong leadership is needed to ensure our growth is fast, profitable, and sustainable. We are investing into strengthening the capabilities of our managers through the **leadership development** initiatives that were anchored in the organization in 2017:

- ▶ 360° feedback for heads of department to practice the culture of open feedback and learning
- ▶ Cross-functional leadership sessions for middle managers with their teams to foster shared leadership responsibility
- ▶ First Time Leaders and Leading Leader programs, to prepare the participants for fulfilling their leadership role

Five reasons to join OMV

We need diverse, high-performing teams with a strong pipeline for business critical positions to accelerate our growth. In 2018, we rolled out a Group-wide **people review process**. Approximately 1,800 managers identified successors, evaluated these based on the PxP-Matrix (potential vs. personal impact), and provided feedback.

Within our **HR digitalization** agenda, our human resources processes have been simplified and automated further in **My Success Factors** – a state-of-the-art SAP-based tool that helps us strengthen our performance, learning, and digitally oriented corporate culture. In addition, **My Self Service** – based on SAP's latest Fiori application – was launched in October as a platform for employees to manage their personal administration in the easiest and fastest way possible.

OMV HR achieved the next step in the digitalization journey

Both platforms enable us to foster flexibility in the workplace as diverse organizational tasks can now be accomplished anytime and anywhere using mobile devices. Capitalizing on this trend, we are taking the next step to digitalize our ways of working.

Our new Group-wide **Recognition program** fosters employee engagement and supports our performance- and principle-led culture. In the program, our employees show appreciation for extraordinary results on the job and role modeling through attractive awards. Thanks to a simple workflow, it takes just a few clicks to nominate a colleague or a team to give an award to.

To fulfill the OMV strategy of expanding into and developing new core regions, we need a robust pipeline of experts with strong functional expertise, who are also keen to pursue an international career at OMV.

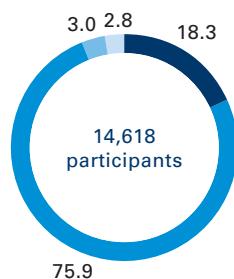
To enable this we have been investing in learning & development of our employees. In 2018, we increased our training offering, providing new courses (including online content) for employees to develop their functional, business, personal, and leadership skills. We have redefined career paths for all business areas fostering expert careers and making international career benefits clear and transparent.

Finally, our programs for early career development and collaboration with Gubkin University in Russia continue to deliver promising results in strengthening our talent pipeline.

As a basis for all our learning and development activities, we still focus primarily on our learning-on-the-job approach supported by internal knowledge transfer, mentoring and coaching, plus formal training. In 2018, 2,682 employees participated in training in Austria and 14,618 in the Group overall.

Number of training participants 2018^{1,2,3}

In %

Austria⁴

2,682

Romania/rest of Europe

11,091

Middle East/Africa

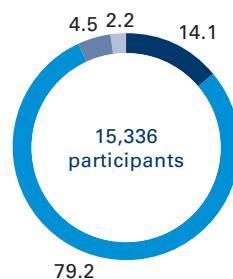
435

Rest of world

410

Number of training participants 2017^{1,2,3}

In %

Austria⁴

2,158

Romania/rest of Europe

12,149

Middle East/Africa

691

Rest of world

338

Money spent on training per region 2018^{1,2,3}

In %



In EUR

Austria⁴

2,643,692

Romania/rest of Europe

3,895,112

Middle East/Africa

144,238

Rest of world

385,599

Money spent on training per region 2017^{1,2,3}

In %



In EUR

Austria⁴

1,439,500

Romania/rest of Europe

2,928,900

Middle East/Africa

213,700

Rest of world

324,800

¹ Excluding conferences and training for external employees

² The graphs may contain rounding differences.

³ Number of employees who received at least one training

⁴ Excluding GAS CONNECT AUSTRIA GmbH, Avanti GmbH and DUNATÀR Kölajtermék Tároló és Kereskedelmi Kft.

Diversity

Diversity is an enormous strength that we are actively building on now and will continue to build on in the future. That is why we strive to continuously develop new initiatives and measures that promote diversity and equal opportunities at OMV. OMV is committed to its Group diversity strategy with a focus on gender and internationality. Being active in an industry with a strong technical focus, it is particularly challenging to achieve a satisfactory gender balance in all fields of business activity. OMV is committed to supporting the advancement of women to managerial positions. The strategic objective is to achieve the best diversity mix at senior management level. We aim to increase our female representation in senior leadership roles from 18% in 2017 to 25% by 2025. We support this through a number of initiatives such as mentoring, succession planning, and specific trainings, as well as initiatives to increase work-life flexibility.

The proportion of women in the Group is about 26%. In OMV's leadership development programs, the proportion of women in 2018 was 26% (22% in 2017). In OMV's Upstream integrated graduate development program for technical skill pools, the proportion of women was 25% in 2018 (22% in 2017). The topic of diversity has been incorporated in all leadership development programs and embedded in the OMV People Strategy.

OMV Group diversity strategy focus areas: gender and internationality

Employee key figures

At the end of 2018, OMV employed 20,231 employees in 26 countries. Compared with 2017, the number of employees in Austria increased by 4.3% and for the Group overall decreased by 2.4%.

Employees¹

Employees by region

| | 2018 | 2017 |
|----------------------------------|---------------|---------------|
| Austria | 3,632 | 3,482 |
| Romania/rest of Europe | 15,232 | 15,722 |
| Middle East and Africa | 683 | 1,093 |
| Rest of world | 684 | 424 |
| Total number of employees | 20,231 | 20,721 |

Diversity

| | | | |
|-------------------------------|------|-----------|-----------|
| Female | in % | 26 | 25 |
| Male | in % | 74 | 75 |
| Female Senior Vice Presidents | in % | 17 | 18 |
| | | 74 | 74 |

Number of nationalities²

¹ As of year end

² Excluding GAS CONNECT AUSTRIA GmbH, Avanti GmbH and DUNATÁR Kőolajtermék Tároló és Kereskedelmi Kft.

OMV Group Business Year

In the year 2018, OMV was able to improve the clean CCS Operating Result significantly to EUR 3.6 bn. Driven by strong results in both Upstream and Downstream business segments and the successful implementation of the cost reduction program, this remarkable result and an operating cash flow of EUR 4.4 bn was achieved. Free cash flow after dividends amounted to EUR 0.3 bn after major acquisitions and a record dividend.

Business environment

Having lasted several years, the global economic upturn passed its peak in mid-2018. The rate of growth in the **global economy** was 3.7%, down by 0.1% compared to the previous year's figure. Global trade volume increased by 4.0%, 1.3 percentage points less than in 2017. At 4.6%, the growth in economic output in developing and emerging economies was twice that in industrialized countries (2.3%), although in each case it was down by 0.1%.

A debt-financed tax reform enabled the USA to deliver marked GDP growth of 2.9% underpinned by investment and consumption, whereas GDP growth in the eurozone was significantly lower, at 1.9%. In contrast to expansionary monetary policy, which continued to have a stimulating effect, trade conflicts and the threat of sanctions had an adverse impact on the economic and investment climate.

Within the EU-28, the main influencing factor was a reduction of 0.4 to 0.7 percentage points in economic growth in large countries such as Germany, France, Italy, and the UK, which make up over 80% of EU economic output. In the EU countries in Central and Eastern Europe, the economy proved to be in a much more stable state, expanding at a strong rate of 4.2%, 2.3 percentage points above the EU average.

In **Germany**, waning demand for exports and a supply bottleneck in the automotive industry curbed economic growth, which slowed sharply to 1.5% in 2018. Domestically, the biggest growth drivers were investment and consumption. Foreign trade put a brake on growth, however, after import volumes increased at a stronger pace than exports.

In **Austria**, economic growth remained very stable in 2018, increasing by 0.1 percentage points compared with 2017 to 2.7%. The strong 4.2% expansion in industrial production and the 3.5% increase in investment were the main factors underpinning the positive state of the economy, to which a slight uptick in consumption growth also contributed. Exports rose by 4.7%, outstripping the 3.0% increase in imports by a clear margin.

Global oil demand rose by 1.2%

In **Romania**, which in 2017 expanded by 7.0%, making it the fastest-growing country in the region, the increase in GDP growth in 2018 was a noticeably weaker 4.0%. While domestic consumption expanded by 5.3% and industrial production by 4%, rising inflation, the current account deficit, and the 3.5% budget deficit clouded the economic picture.

Global oil demand rose by 1.2%, or 1.2 mn bbl/d, to 99.2 mn bbl/d in 2018, with the OECD countries (increase in demand solely in North America) accounting for a third and the non-OECD countries (mainly Asian countries) for two-thirds of the increase. In the fourth quarter of 2018, global demand surpassed 100 mn bbl/d for the first time.

Global oil production rose by 2.5 mn bbl/d to 99.9 mn bbl/d in 2018, more than twice as fast as demand, as a result of which stocks increased by 0.7 mn bbl/d. Almost 90% of the rise in global production was attributable to increased production in the USA, which lifted its oil output by 16% to 15.4 mn bbl/d.

Crude oil production in the OPEC countries remained almost unchanged year on year at 32.5 mn bbl/d – a decrease of 0.3%. Declines in production in Venezuela (-30%) and Iran (-6%) were offset by other OPEC members.

The agreement among the 24-member OPEC alliance to extend the cap on production, the withdrawal of the USA from the international nuclear deal with Iran, and the threat of sanctions combined to push up the price of Brent crude from USD 66.5/bbl to over USD 80/bbl by mid-May 2018. After stabilizing temporarily in early summer, the oil price rose by 25% between mid-August and early October to an annual high of USD 86.2/bbl, making the decline in price – by USD 36/bbl to an annual low of USD 50.2/bbl by year-end – all the more dramatic. This slump in price was due mainly to US production being much higher than originally forecast, the receding threat of US sanctions on importers of Iranian crude, and increasing concern about weak demand in the economy.

Brent crude was traded at an average of USD 71.31/bbl in 2018 and was therefore 32% more expensive than in the previous year. The EUR/USD **exchange rate** fluctuated between 1.25 and 1.13 in 2018. Although the US currency stabilized somewhat in the course of the year, the annual average of 1.18 represents a fall in value of 4.5%. On the Rotterdam market for mineral oil products, euro prices for the main products rose by between 15% for gasoline and 24% for middle distillates and heavy fuel oil.

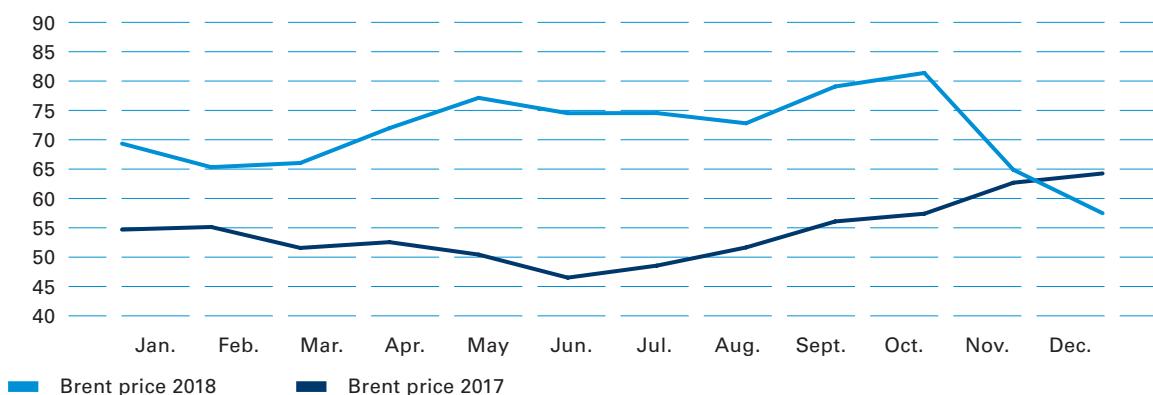
The **natural gas market in Austria** delivered a weaker performance than in the previous year. Demand fell by 4% year on year to around 8.6 bcm, or 96.7 TWh. The market for space heating saw a decline of 5% due to weather conditions, gas-fired power plants generated 9% less electricity, and only industrial consumption increased in response to economic conditions. Domestic natural gas production

dropped by 18% to 11.1 TWh, meaning that market coverage was also down to 11%. 85.6 TWh of demand were mainly met through net imports and by a slight withdrawal from storage. The volume in storage at year-end was 58.4 TWh, meaning that the filling level remained almost unchanged against the previous year at 63.7%.

Sales of mineral oil products in ten Central and Eastern European countries – OMV's relevant market – fell by approximately 1% in 2018 to around 144 mn t. In **Austria**, market volumes stagnated at 11.3 mn t, with demand for fuel about 1% higher, but demand for heating oil almost 15% lower. In **Germany**, total sales fell by 1.9 mn t, or 2%, to 95 mn t. With the exception of aviation fuel sales, which barely changed, all main products experienced weaker demand. In **Romania**, sales rose by around 1% to just under 9 mn t.

Crude price (Brent) – monthly average

In USD/bbl



Financial review of the year

Consolidated sales increased by 13% to EUR 22,930 mn. Higher oil, gas and product prices as well as higher sales volumes were partially offset by the missing contribution from OMV Petrol Ofisi following its divestment in 2017. The clean CCS Operating Result was substantially up by 23% from EUR 2,958 mn to EUR 3,646 mn, mainly due to a considerably higher Upstream result of EUR 2,027 mn (2017: EUR 1,225 mn). The Downstream clean CCS Operating Result decreased to EUR 1,643 mn (2017: EUR 1,770 mn). The clean Group tax rate in 2018 was 39% (2017: 25%), due to a considerably stronger Upstream contribution, particularly from high tax rate fiscal regimes such as Norway and Libya. The clean CCS net income amounted to EUR 2,108 mn (2017: EUR 2,035 mn).

Clean CCS net income attributable to stockholders slightly decreased to EUR 1,594 mn (2017: EUR 1,624 mn). Clean CCS Earnings Per Share marginally declined to EUR 4.88 (2017: EUR 4.97).

Net special items of EUR (149) mn were recorded in 2018 (2017: EUR (1,281) mn). In **Upstream**, the net special items amounted to EUR 95 mn in 2018 compared to EUR (7) mn in 2017. Special items in 2018 were mainly related to reversals of past impairments of EUR 105 mn in Romania and Norway, to temporary hedging effects of EUR 89 mn and to gains from divestments in Pakistan (EUR 52 mn) and Tunisia (EUR 39 mn). These effects were compensated by negative impacts from the financial assets related to the contingent consideration from the divestments of Rosebank and of OMV (U.K.) Limited amounting to EUR (78) mn, mainly as a

Record clean CCS Operating Result of EUR 3,646 mn

result of the shift of the expected final investment decision. Additionally, a special item was recorded to the amount of EUR (38) mn for the divestment of OMV's share in the Polarled pipeline and Nyhamna gas processing facilities in the North Sea region.

Downstream net special items amounted to EUR (219) mn (2017: EUR (1,242) mn) and were mainly related to the divestment of the Samsun power plant in Turkey (EUR (150) mn) and to the impairment of the Borealis fertilizer business of EUR (33) mn. The net special items in 2017 were mainly related to the divestment of OMV Petrol Ofisi.

In Corporate and Other, net special items amounted to EUR (26) mn in 2018 (2017: EUR (32) mn). Positive CCS effects of EUR 27 mn (2017: EUR 55 mn) were recognized in 2018.

OMV Group's reported Operating Result more than doubled in 2018 to EUR 3,524 mn (2017: EUR 1,732 mn). The net financial result improved to EUR (226) mn (2017: EUR (246) mn). With a Group tax rate of 40% (2017: 43%) the net income amounted to EUR 1,993 mn (2017: EUR 853 mn). Net income attributable to stockholders was EUR 1,438 mn compared to EUR 435 mn in 2017. Earnings Per Share more than tripled to EUR 4.40 compared to EUR 1.33 in 2017.

Key financials

| | | 2018 | 2017 | Δ |
|--|-----------|--------------|--------------|--------------|
| Sales¹ | in EUR mn | 22,930 | 20,222 | 13% |
| Clean CCS Operating Result² | in EUR mn | 3,646 | 2,958 | 23% |
| Clean Operating Result Upstream | in EUR mn | 2,027 | 1,225 | 66% |
| Clean CCS Operating Result Downstream | in EUR mn | 1,643 | 1,770 | (7)% |
| Clean Operating Result Corporate and Other | in EUR mn | (21) | (16) | 31% |
| Consolidation: elimination of inter-segmental profits | in EUR mn | (3) | (21) | (87)% |
| Clean Group tax rate | in % | 39 | 25 | n.m. |
| Clean CCS net income ² | in EUR mn | 2,108 | 2,035 | 4% |
| Clean CCS net income attributable to stockholders^{2,3} | in EUR mn | 1,594 | 1,624 | (2)% |
| Clean CCS EPS ² | in EUR | 4.88 | 4.97 | (2)% |
| Special items | | | | |
| thereof Upstream | in EUR mn | (149) | (1,281) | (88)% |
| thereof Downstream | in EUR mn | 95 | (7) | n.m. |
| thereof Corporate and Other | in EUR mn | (219) | (1,242) | n.m. |
| CCS effects: inventory holding gains/(losses) | in EUR mn | 27 | 55 | n.m. |
| Operating Result Group | | | | |
| Operating Result Upstream | in EUR mn | 2,122 | 1,218 | 74% |
| Operating Result Downstream | in EUR mn | 1,420 | 584 | 143% |
| Operating Result Corporate and Other | in EUR mn | (47) | (48) | (3)% |
| Consolidation: elimination of inter-segmental profits | in EUR mn | 28 | (21) | (234)% |
| Net financial result | in EUR mn | (226) | (246) | (8)% |
| Group tax rate | in % | 40 | 43 | n.m. |
| Net income | in EUR mn | 1,993 | 853 | 134% |
| Net income attributable to stockholders | in EUR mn | 1,438 | 435 | 231% |
| Earnings Per Share (EPS) | in EUR | 4.40 | 1.33 | n.m. |
| Cash flow from operating activities | in EUR mn | 4,396 | 3,448 | 28% |
| Free cash flow before dividends | in EUR mn | 1,043 | 1,681 | (38)% |
| Free cash flow after dividends | in EUR mn | 263 | 1,013 | (74)% |

¹ Sales excluding petroleum excise tax

² Adjusted for special items; clean CCS figures exclude fuels' inventory holding gains/losses (CCS effects) resulting from the fuels refineries and OMV Petrol Ofisi

³ After deducting net income attributable to hybrid capital owners and net income attributable to non-controlling interests

Positive free cash flow after dividends of EUR 263 mn despite a record dividend and major acquisitions

Special items and CCS effect

In EUR mn

| | 2018 | 2017 | Δ |
|-----------------------------------|--------------|----------------|--------------|
| Clean CCS Operating Result | 3,646 | 2,958 | 23% |
| Special items | (149) | (1,281) | (88)% |
| thereof: Personnel restructuring | (40) | (31) | n.m. |
| thereof: Unscheduled depreciation | 51 | 16 | n.m. |
| thereof: Asset disposal | 3 | (31) | n.m. |
| thereof: Other | (164) | (1,235) | n.m. |
| CCS effect | 27 | 55 | n.m. |
| Operating Result | 3,524 | 1,732 | 103% |

More details on special items and CCS effects
can be found in Note 4 of the consolidated financial
statements.

Notes to the income statement**Sales Revenues**

In EUR mn

| | 2018 | 2017 | Δ | % of Group total |
|---|---------------|---------------|------------|------------------------|
| Sales to third parties | | | | |
| Upstream | 2,170 | 1,329 | 63% | 9% |
| Downstream | 20,756 | 18,887 | 10% | 91% |
| thereof Downstream Oil | 14,707 | 14,065 | 5% | 64% |
| thereof Downstream Gas | 6,049 | 4,822 | 25% | 26% |
| Corporate and Other | 4 | 6 | (28)% | 0% |
| Total | 22,930 | 20,222 | 13% | 100% |
| Intersegmental sales | | | | |
| Upstream | 3,386 | 2,839 | 19% | 89% |
| Downstream | 74 | 79 | (7)% | 2% |
| thereof Downstream Oil | 48 | 34 | 39% | 1% |
| thereof Downstream Gas | 166 | 161 | 3% | 4% |
| thereof intrasegmental elimination Downstream | (139) | (116) | (21)% | (4)% |
| Corporate and Other | 335 | 349 | (4)% | 9% |
| Total | 3,795 | 3,267 | 16% | 100% |
| Total Sales (not consolidated) | | | | |
| Upstream | 5,556 | 4,168 | 33% | 21% |
| Downstream | 20,830 | 18,967 | 10% | 78% |
| thereof Downstream Oil | 14,755 | 14,099 | 5% | 55% |
| thereof Downstream Gas | 6,215 | 4,983 | 25% | 23% |
| thereof intrasegmental elimination Downstream | (139) | (116) | (21)% | (1)% |
| Corporate and Other | 339 | 355 | (4)% | 1% |
| Total | 26,725 | 23,490 | 14% | 100% |

Sales revenues
increased by 13%

Sales of the **Upstream** Business Segment increased by 33%, impacted by the gas business in Russia which was acquired in December 2017. Additionally, an improved market environment and higher lifted quantities in Norway and Libya contributed to higher sales revenues. Increase in the **Downstream** Business Segment was mainly driven by a higher pricing environment, with Downstream Oil sales amounting to 55% of the total not consolidated sales. The positive effects were partially offset by the divestment of OMV Petrol Ofisi in June 2017. After the elimination of the intersegmental sales, total sales **revenues to third parties** increased by 13% to EUR 22,930 mn. Sales to third parties split by geographical areas can be found in the Notes to the Consolidated Financial Statements (Note 4 – Segment Reporting).

Other operating income increased to EUR 517 mn in 2018 (2017: EUR 488 mn). 2018 was impacted by reversals of past impairments in amount of EUR 105 mn in Romania and Norway due to significantly improved operational performance. Moreover, other operating income contained a gain of EUR 52 mn related to the disposal of the Upstream companies active in Pakistan and a gain on disposal of the subsidiary OMV Tunisia Upstream GmbH amounting to EUR 39 mn. 2017 was impacted by a gain of EUR 137 mn upon the disposal of OMV (U.K.) Limited.

Income from equity-accounted investments

amounted to EUR 391 mn (2017: EUR 510 mn) and mainly reflected the 36% share of the result from the Borealis group amounting to EUR 327 mn (2017: EUR 394 mn). The decrease compared to 2017 was mainly due to a positive impact in the 2017 net result of Pearl Petroleum Company Limited, following the reach of a settlement over a dispute concerning certain matters under the Heads of Agreement at the Khor Mor and Chem-chemical fields amounting to EUR 90 mn.

Purchases (net of inventory variation), which include the cost of goods and materials that are used for conversion into finished or intermediary products as well as goods purchased for reselling, inventory changes and write-offs, totaled EUR (14,094) mn (2017: EUR (12,331) mn). **Other operating expenses** totaled EUR (485) mn in 2018 (2017: EUR (1,491) mn). 2017 included a loss of EUR (1,209) mn linked to the divestment of OMV Petrol Ofisi disposal group, while in 2018 a loss on the divestment of OMV Samsun Üretim Sanayi ve Ticaret A.Ş. of EUR (150) mn was included. Further details on changes in group structure can be found in Note 3 of the Notes to the Consolidated Financial Statements. **Research and development (R&D) expenses**, which are included in Other operating expenses, amounted to EUR (40) mn (2017: EUR (33) mn).

The **net financial result** improved to EUR (226) mn (2017: EUR (246) mn), mainly as a result of higher interest income, partly compensated by higher bank fees. Dividend income amounted to EUR 20 mn (2017: EUR 15 mn).

Income tax

| | 2018 | 2017 |
|----------------------------|----------------------|-----------|
| Current taxes | In EUR mn (1,007) | (492) |
| Deferred taxes | In EUR mn (298) | (142) |
| Taxes on income and profit | In EUR mn (1,305) | (634) |
| Effective tax rate | in % 40 | 43 |

The Group's **effective tax rate** decreased slightly to 40% (2017: 43%). For further details on taxes on income, please refer to Note 12 of the consolidated financial statements.

Summarized income statement

In EUR mn

| | 2018 | 2017 | Δ |
|--|--------------|--------------|-------------|
| Sales revenues | 22,930 | 20,222 | 13% |
| Other operating income | 517 | 488 | 6% |
| Net income from equity-accounted investments | 391 | 510 | (23)% |
| Purchases (net of inventory variation) | (14,094) | (12,331) | 14% |
| Production and operating expenses | (1,594) | (1,645) | (3)% |
| Production and similar taxes | (392) | (311) | 26% |
| Depreciation, amortization and impairment charges | (1,827) | (1,852) | (1)% |
| Selling, distribution and administrative expenses | (1,749) | (1,636) | 7% |
| Exploration expenses | (175) | (221) | (21)% |
| Other operating expenses | (485) | (1,491) | (67)% |
| Operating Result | 3,524 | 1,732 | 103% |
| Net financial result | (226) | (246) | (8)% |
| Taxes on income | (1,305) | (634) | 106% |
| Net income for the year | 1,993 | 853 | 134% |
| thereof attributable to hybrid capital owners | 78 | 103 | (24)% |
| thereof attributable to non-controlling interests | 477 | 315 | 51% |
| Net income attributable to stockholders of the parent | 1,438 | 435 | n.m. |

Operating Result
significantly increased
to EUR 3,524 mn

Cash flow performance

Cash flow from operating activities amounted to EUR 4,396 mn, up by EUR 948 mn compared to 2017, supported by positive net working capital effects and an improved market environment as well as higher dividends from Borealis.

Cash flow from investing activities showed an outflow of EUR (3,353) mn in 2018 compared to EUR (1,766) mn in 2017, containing the acquisition of a 20% stake in an offshore concession in Abu Dhabi that led to an outflow of USD (1.5) bn and the acquisition of Shell's Upstream business in New Zealand that led to an outflow of EUR (350) mn. Cash flow from investing activities in 2018 also included a cash outflow of EUR (275) mn related to the financing agreements for the Nord Stream 2 pipeline project. In 2017, the divestments of OMV (U.K.) Limited and OMV Petrol Ofisi led to an inflow of EUR 1,689 mn, which was offset by the acquisition of an interest in the Yuzhno Russkoye gas field that led to an outflow of EUR (1,644) mn.

Cash flow from financing activities showed an outflow of EUR (975) mn (2017: inflow of EUR 27 mn). In 2018, OMV issued two Eurobonds totaling EUR 1,000 mn as well as a hybrid bond of EUR 500 mn, which partly offset the repayment of a EUR 750 mn Eurobond, a EUR 750 mn hybrid bond and other long-term debt as well as dividend distributions.

Despite major acquisitions in Abu Dhabi and New Zealand, **free cash flow after dividends** in 2018 showed an inflow of EUR 263 mn (2017: EUR 1,013 mn).

Cashflow from
operating activities
up by EUR 948 mn
compared to last year

Capital Expenditure (CAPEX)

CAPEX in 2018 amounted to EUR 3,676 mn (2017: EUR 3,376 mn), mainly driven by the acquisitions of a 20% stake in the offshore concession in Abu Dhabi from ADNOC as well as Shell's Upstream business in New Zealand. **Upstream CAPEX** increased to EUR 3,075 mn (2017: EUR 2,781 mn). Apart from the acquisitions in New Zealand and Abu Dhabi, the Upstream Business Segment invested mainly in field redevelopments, drilling and work-over activities in Romania as well as in field developments in Norway and Austria. **Downstream CAPEX** slightly decreased to EUR 576 mn (2017: EUR 580 mn), of which EUR 506 mn are attributable to Downstream Oil (2017: EUR 491 mn) and EUR 70 mn to Downstream Gas (2017: EUR 90 mn), mainly related to the maintenance of refineries and pipelines. CAPEX in the **Corporate and Other** segment was EUR 25 mn (2017: EUR 15 mn).

Capital expenditure¹

In EUR mn

| | 2018 | 2017 | Δ |
|--|--------------|--------------|-------------|
| Upstream | 3,075 | 2,781 | 11% |
| Downstream | 576 | 580 | (1)% |
| thereof Downstream Oil | 506 | 491 | 3% |
| thereof Downstream Gas | 70 | 90 | (22)% |
| Corporate and Other | 25 | 15 | 69% |
| Total capital expenditure | 3,676 | 3,376 | 9% |
| +/- Changes in the consolidated Group and other adjustments ² | (86) | (1,595) | (95)% |
| - Investments in financial assets and acquisition of non-controlling interest | (4) | (20) | (78)% |
| Additions according to statement of non-current assets (intangible and tangible assets) | 3,585 | 1,762 | 104% |
| +/- Non-cash changes | (393) | (176) | 123% |
| Cash outflow due to investments in intangible assets and property, plant and equipment | 3,193 | 1,586 | 101% |
| + Cash outflow due to investments, loans and other financial assets | 305 | 366 | (17)% |
| + Acquisitions of subsidiaries and businesses net of cash acquired | 357 | 1,644 | (78)% |
| Investments as shown in the cash flow statement | 3,855 | 3,596 | 7% |

¹ Includes 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

² 2017 included EUR 1,7 bn related to the acquisition of a 24,99% interest in the Yuzhno Russkoye field

The reconciliation of total capital expenditures to additions according to the statement of non-current assets (intangible and tangible) mainly relates to additions which by definition are not considered to be capital expenditures, as well as investments in financial assets and changes in the consolidated Group.

The difference between the additions shown in the statement of non-current assets and the investments reported in the cash flow statement partly arise from additions to intangible and tangible assets that did not affect investing cash flows during the period (including accrued liabilities arising from investments, new finance leases, decommissioning and capitalized borrowing costs). In addition, cash outflows due to investments in financial assets as well as the acquisition of subsidiaries and businesses are included in the overall investments shown in the cash flow statement.

acquisition of Shell's Upstream business in New Zealand, for which more details are provided in Note 3 of the Consolidated Financial Statements.

Equity-accounted investments increased by EUR 98 mn and included to a large extent the contribution of Borealis as well as the proportional results from other equity-accounted investments, currency translation of foreign operations and other changes including dividends received amounting to EUR 422 mn. Drawdowns under the financing agreements for the Nord Stream 2 pipeline project and an increased derivatives position were the main drivers for the increase in **other non-current assets**. **Current assets** increased by EUR 2,619 mn and amounted to EUR 12,017 mn as of December 31, 2018. **Assets held for sale** decreased by EUR 158 mn mainly due to the divestment of the Upstream companies active in Pakistan.

Equity (including non-controlling interest) rose by 7% in comparison to 2017. Equity ratio decreased to 42% (2017: 45%). **Pensions and similar obligations** increased by EUR 92 mn. **Non-current decommissioning and restoration obligations** increased by EUR 603 mn, mainly due to new obligations out of the acquisition of a 20% stake in two offshore oil fields in Abu Dhabi and the acquisition of Shell's Upstream business in New Zealand.

Statement of financial position

Total assets increased by EUR 5,385 mn to EUR 36,961 mn. The **non-current assets** were mainly impacted by the acquisition of a 20% stake in two offshore oil fields in Abu Dhabi and the

Major acquisitions
in Abu Dhabi
and New Zealand

Summarized statement of financial position

In EUR mn

| | 2018 | 2017 | Δ |
|---|---------------|---------------|------------|
| Assets | | | |
| Non-current assets | 24,896 | 21,972 | 13% |
| Intangible assets and property, plant and equipment | 18,432 | 16,301 | 13% |
| Equity-accounted investments | 3,011 | 2,913 | 3% |
| Other non-current assets | 2,695 | 2,014 | 34% |
| Deferred tax assets | 759 | 744 | 2% |
| Current assets | 12,017 | 9,398 | 28% |
| Inventories | 1,571 | 1,503 | 5% |
| Trade receivables | 3,420 | 2,503 | 37% |
| Other current assets | 7,026 | 5,392 | 30% |
| Assets held for sale | 47 | 206 | (77)% |
| Equity and liabilities | | | |
| Equity | 15,342 | 14,334 | 7% |
| Non-current liabilities | 11,917 | 10,352 | 15% |
| Pensions and similar obligations | 1,096 | 1,003 | 9% |
| Bonds and other interest-bearing debts | 4,909 | 4,792 | 2% |
| Decommissioning and restoration obligations | 3,673 | 3,070 | 20% |
| Other provisions and liabilities | 1,508 | 1,050 | 44% |
| Deferred tax liabilities | 731 | 437 | 67% |
| Current liabilities | 9,680 | 6,826 | 42% |
| Trade payables | 4,401 | 3,262 | 35% |
| Bonds and other interest-bearing debts | 843 | 902 | (7)% |
| Provisions and other liabilities | 4,436 | 2,662 | 67% |
| Liabilities associated with assets held for sale | 22 | 63 | (65)% |
| Total assets/equity and liabilities | 36,961 | 31,576 | 17% |

Current and non-current **bonds and other interest bearing debts** increased by EUR 58 mn to EUR 5,752 mn compared to 2017, primarily related to the issuance of two Eurobonds totaling EUR 1,000 mn in December 2018, partly compensated by the repayment of an Eurobond amounting to EUR 750 mn and other repayments of long-term debt.

Current- and non-current other liabilities increased mainly due to a higher derivatives position. **Deferred tax liabilities** increased to EUR 731 mn (2017: EUR 437 mn) mainly due to the acquisition of Shell's Upstream business in New Zealand, for which more details are provided in Note 3 of the Consolidated Financial Statements. **Liabilities associated with assets held for sale** decreased to EUR 22 mn mainly due to the divestments of the Upstream companies active in Pakistan.

Gearing ratio**Gearing ratio**

| | 2018 | 2017 | Δ |
|--|-----------|-----------------------|------------------|
| Bonds | in EUR mn | 5,007 | 4,757 |
| Other interest-bearing debts | in EUR mn | 745 | 937 (20)% |
| Liabilities on finance leases | in EUR mn | 288 | 292 (1)% |
| Debt | in EUR mn | 6,040 | 5,986 1% |
| Cash and cash equivalents ¹ | in EUR mn | 4,026 | 3,981 1% |
| Net debt | in EUR mn | 2,014 | 2,005 0% |
| Equity | in EUR mn | 15,342 | 14,334 7% |
| Gearing ratio | in % | 13² | 14 n.m. |

¹ Including cash reclassified to "held for sale".

² With the implementation of IFRS 16 on January 1, 2019, the Gearing ratio will be 18%

Upstream

In the Upstream Business Segment, OMV continued to reshape its portfolio in line with the focus on an improved quality of the asset base and reserves growth in 2018. The acquisition of Shell's upstream assets in New Zealand and the signing of new offshore concessions in Abu Dhabi were part of these efforts. Production cost decreased to USD 7.0/boe, while the one-year Reserves Replacement Rate reached 180% at year end.

At a glance

| | | 2018 | 2017 | Δ |
|---|-----------------|-------|-------|-------|
| Clean Operating Result | in EUR mn | 2,027 | 1,225 | 66% |
| Special items | in EUR mn | 95 | (7) | n.m. |
| Operating Result | in EUR mn | 2,122 | 1,218 | 74% |
| Capital expenditure ¹ | in EUR mn | 3,075 | 2,781 | 11% |
| Exploration expenditure | in EUR mn | 300 | 230 | 31% |
| Exploration expenses | in EUR mn | 175 | 222 | (21)% |
| Production cost ² | in USD/boe | 7.01 | 8.79 | (20)% |
| | | | | |
| Total hydrocarbon production ² | in kboe/d | 427 | 348 | 23% |
| Total hydrocarbon production ² | in mn boe | 156 | 127 | 23% |
| Total hydrocarbon sales volumes | in mn boe | 148.7 | 118.3 | 26% |
| Proved reserves as of December 31 | in mn boe | 1,270 | 1,146 | 11% |
| | | | | |
| Average Brent price | in USD/bbl | 71.31 | 54.19 | 32% |
| Average realized crude price | in USD/bbl | 62.13 | 49.95 | 24% |
| Average realized gas price ² | in USD/1,000 cf | 4.72 | 5.10 | (8)% |

Notes: The net result from the equity-accounted investment in Pearl is reflected in the Operating Result in all presented periods. Following the closing of the acquisition of a 24.99% interest in the Yuzhno Russkoye gas field on December 1, 2017, OMV's share of 24.99% in Severneftegazprom ("SNGP", operator of Yuzhno Russkoye) has been accounted for at-equity and the result of the JSC Gazprom YRGM Development ("Trader"), in which OMV has a stake of 99.99%, has been fully consolidated.

¹ Capital expenditure including acquisitions, notably the acquisition of a 20% stake in two offshore oil fields in Abu Dhabi from ADNOC in the amount of USD 1.5 bn in Q2/18

² Including OMV's interest in the Yuzhno Russkoye gas field, starting from December 1, 2017

Financial performance

Strong increase of clean Operating Result by 66% to EUR 2,027 mn

The **clean Operating Result** substantially increased from EUR 1,225 mn in 2017 to EUR 2,027 mn in 2018 due to a significantly better operational performance in the amount of EUR 582 mn. This was largely attributable to higher sales volumes following the acquisition of the interest in the Yuzhno Russkoye gas field in Q4/17 as well as the increased volumes from Libya. In addition, the contribution from the United Arab Emirates, as a result of the acquisition of a 20% stake in two offshore oil fields in Abu Dhabi in Q2/18, impacted this result positively. These effects were partially offset by lower production contributions from Romania and New Zealand as well as the missing contribution from Pakistan following the divestment of OMV's Upstream companies in Q2/18. Net market effects had a positive impact of EUR 276 mn. Higher average prices were partially offset by hedging losses and the negative

FX impact due to the depreciation of the US dollar against the euro. The 2017 result included a positive one-time effect of EUR 90 mn. OMV Petrom contributed EUR 693 mn in 2018 to the clean Operating Result compared to EUR 363 mn in 2017.

Net **special items** in 2018 amounted to EUR 95 mn (2017: EUR (7) mn) and were mainly associated with temporary hedging effects of EUR 89 mn. The **Operating Result** improved substantially to EUR 2,122 mn (2017: EUR 1,218 mn).

At USD 7.0/boe, **production cost** excluding royalties were down by 20% as a result of higher production coupled with the ongoing cost reduction program, partly offset by negative FX impacts due to the US dollar devaluation. At OMV Petrom, production cost increased by 3% to USD 11.2/boe mainly due to lower volumes.

Total hydrocarbon production rose by 23% to 427 kboe/d primarily due to Russia's contribution of 100 kboe/d. This was partially offset by lower production from Romania and Norway, due to natural decline, New Zealand, due to repair works at the Pohokura pipeline, and Pakistan, following the divestment of OMV's Upstream companies in Q2/18. OMV Petrom's total daily production went down by 8 kboe/d to 160 kboe/d mainly due to natural decline. **Total sales volumes** improved by 26%, mainly attributable to the contribution from Russia and higher sales in Libya, and partially offset by lower sales in Romania, New Zealand, and Austria as well as Pakistan.

In 2018, the **average Brent price** reached USD 71/bbl, an increase of 32%, mainly driven by robust demand growth, declining production in Venezuela, and fears of global market tightness ahead of effectiveness of US Iran sanctions despite a change in market sentiment from undersupply to oversupply

toward year end. The Group's **average realized crude price** rose by 24%. The **average realized gas price** in USD/1,000 cf went down by 8% as 2018 reflects the contribution from Russia. Realized prices in 2018 were impacted by a realized hedging loss of EUR (308) mn.

Production increased by 23% to 427 kboe/d

Capital expenditure including capitalized E&A rose in 2018 to EUR 3,075 mn (2017: EUR 2,781 mn) and also accounts for the acquisition of a 20% stake in two offshore oil fields in Abu Dhabi from ADNOC in the amount of USD 1.5 bn and Shell's Upstream business in New Zealand in the amount of USD 579 mn. In 2017, capital expenditure including capitalized E&A was mainly related to the acquisition of the interest in the Yuzhno Russkoye gas field in Q4/17. Organic capital expenditure was undertaken primarily in Romania, Norway, and the United Arab Emirates. **Exploration expenditure** increased by 31% to EUR 300 mn and was mainly related to activities in Romania, Norway, and Austria.

Production

| | 2018 | | | 2017 | | |
|--------------------------|--------------------------|------------------------------------|--------------------|--------------------------|------------------------------------|--------------------|
| | Oil and NGL in mn bbl | Natural gas ¹ in bcf | Total in mn boe | Oil and NGL in mn bbl | Natural gas ¹ in bcf | Total in mn boe |
| Romania ² | 24.6 | 168.7 | 31.2 | 55.8 | 25.0 | 181.6 |
| Austria | 4.3 | 30.9 | 5.2 | 9.4 | 4.6 | 34.2 |
| Kazakhstan ² | 2.2 | 1.7 | 0.3 | 2.5 | 2.3 | 1.3 |
| United Kingdom | – | – | – | – | 0.0 | 0.0 |
| Norway | 17.1 | 60.9 | 10.1 | 27.3 | 18.7 | 61.6 |
| Libya | 10.9 | – | – | 10.9 | 9.1 | – |
| Tunisia | 1.3 | 2.9 | 0.5 | 1.8 | 1.9 | 2.9 |
| Pakistan ³ | 0.1 | 7.0 | 1.2 | 1.3 | 0.2 | 15.3 |
| Yemen | 1.1 | – | – | 1.1 | – | – |
| Kurdistan Region of Iraq | 0.9 | 11.6 | 1.9 | 2.8 | 0.9 | 11.2 |
| United Arab Emirates | 1.8 | – | – | 1.8 | – | – |
| New Zealand | 2.1 | 16.0 | 2.7 | 4.8 | 2.9 | 20.0 |
| Russia | – | 218.4 | 36.4 | 36.4 | – | 19.8 |
| Total | 66.5 | 518.2 | 89.5 | 156.0 | 65.6 | 347.9 |
| | | | | | | 61.3 |
| | | | | | | 127.0 |

¹ To convert gas from cf to boe, the following conversion factor was applied in all countries: 1 boe = 6,000 cf; except for Romania, where the following was used: 1 boe = 5,400 cf.

² As OMV holds 51% of OMV Petrom, it is fully consolidated, and figures include 100% of OMV Petrom's production volumes.

³ The upstream business in Pakistan was divested on June 28, 2018.

Portfolio developments

Acquisition of a 20% stake in Abu Dhabi offshore concessions

In 2018, OMV continued to optimize its upstream portfolio in line with the focus on improved quality of the asset base and growth of reserves. This was mainly supported by the acquisition of Shell's upstream assets in New Zealand and of a 20% stake in Abu Dhabi offshore concessions as well as the divestment of the Pakistan upstream business, part of the upstream assets in Tunisia, marginal fields in Romania, and the Polarled pipeline in Norway. In addition, strategic partnerships with significant players in high-growth regions were established and enhanced in 2018. OMV signed the Basic Sales Agreement for a share of 24.98% in Achimov 4A/5A with Gazprom, and a strategic partnership was set up with Sapura.

Central and Eastern Europe

Portfolio optimization continued with an agreement to transfer nine fields to Mazarine Energy signed on September 28, 2018. The transaction has been effective from March 1, 2019. The divestment of these nine fields located in the Moinesti Zemes region (Romania), with cumulative oil and gas production of approximately 1,000 boe/day, is part of the portfolio optimization program for OMV Petrom Upstream.

In 2018, drilling activities were sustained at a high level with an average of 13 drilling rigs active in OMV Petrom's operated licenses. A total of 110 new wells and sidetracks were drilled by the end of 2018, representing a significant increase compared with previous years. These activities included drilling two development wells that will make a significant contribution to OMV Petrom production, as well as complex and deep (>4,000 m) exploration wells (6600 Baicoi and 4461 Totea South).

Russia

After setting up the new core region of Russia in 2017 and closing the acquisition of a 24.99% share in the Yuzhno Russkoye gas field, in 2018 OMV went on to sign a "Basic Sale Agreement" which foresees a potential acquisition of a 24.98% interest in the Achimov 4A/5A phase development in the Urengoy gas and condensate field. The "Basic Sale Agreement" replaces the "Basic Agreement" concluded between OMV and Gazprom on December 14, 2016,

which provided for a potential asset swap in return for an investment by Gazprom in OMV (Norge) AS. The execution and implementation of the potential transaction are subject to agreement with Gazprom on the final transaction documents plus regulatory and corporate approvals at a later stage.

Additionally, OMV continued to strengthen its partnership with Gazprom by signing a Memorandum on Strategic Cooperation. The document envisages the creation of a Joint Coordinating Committee on collaboration in the natural gas sector, both upstream and downstream, in the area of science and technology, as well as staff training.

North Sea

In 2018, as part of its portfolio optimization efforts, OMV sold its 9.1% stake in the Polarled pipeline as well as its 3.8% stake in the Nyhamna gas processing facilities to CapeOmega. The transaction has been effective from January 1, 2018.

Middle East and Africa

In December 2018, OMV and ADNOC signed a concession agreement awarding OMV with a 5% interest in the Ghasha concession for the duration of 40 years effective November 2018. The concession is located offshore Abu Dhabi and consists of three major gas and condensate development projects – Hail, Ghasha and Dalma – as well as other offshore oil, gas, and condensate fields including Nasr, SARB, and Mubarraz. According to ADNOC's planning, the project will start producing around the middle of the next decade. The fields are expected to produce at plateau at least 1.5 bn cf per day (40 mn cm), as well as over 120 kboe/d of oil and high-value condensate (gross).

In April 2018, OMV and ADNOC signed a new offshore concession agreement for a 20% stake in the offshore concession Abu Dhabi – Satah Al Razboot (SARB) field with the satellite fields Bin Nasher and Al Bateel, and the Umm Lulu field, as well as the associated infrastructure. The agreed participation fee is USD 1.5 bn and the contract term is 40 years. The concession was retroactively effective from March 9, 2018.

Portfolio optimization continued in 2018 with finalization of the divestments of the upstream business in Pakistan in June 2018 as well as of part of the upstream business in Tunisia.

On June 28, 2018, OMV closed the sale of its upstream companies active in Pakistan to Dragon Prime Hong Kong Limited, a wholly owned subsidiary of United Energy Group Limited, an independent exploration and production company. The final purchase price was approximately EUR 158 mn.

On December 21, 2018, OMV closed the sale of its wholly owned subsidiary OMV Tunisia Upstream GmbH to a subsidiary of Panoro Energy ASA. OMV Tunisia Upstream GmbH holds a 49% interest in the Cercina/Cercina Sud, El Ain/Gremda, El Hajeb/Guebiba, and Rhemoura concessions in Tunisia and 50% of the shares in the Thyna Petroleum Services S.A. (TPS) operating company. The agreed purchase price was USD 65 mn. The effective date of the transaction is January 1, 2018. Average production of the divested assets in 2018 was around 1.6 kboe/d, net to OMV.

Asia-Pacific

In 2018, OMV took a significant step in growing Asia-Pacific into a core region by acquiring Shell's upstream assets in New Zealand. The acquisition was completed on December 28, 2018, and included 48% of the Pohokura gas condensate field, the largest producing field in New Zealand, as well as 83.75% of the Maui gas condensate field and related infrastructure for production, storage, and transportation. OMV was already a partner in the two assets (OMV's former stakes: 26% in Pohokura and 10% in Maui) and took over operatorship upon closing. The economic effective date of the transaction is January 1, 2018. Average production of the acquired assets in the first two months of 2018 was around 31 kboe/d. The purchase price was USD 579 mn. Besides that, OMV acquired Todd Energy's 6.25% of the Maui gas condensate field and therefore holds 100% per year end.

In parallel, OMV also acquired Shell's 60.98% interest in the Great South Basin (GSB) exploration block. The transfer of GSB was effective on March 15, 2018, and increased OMV's stake to 82.93%.

In line with OMV's strategy to form partnerships with major players in high-growth regions, OMV and Sapura Energy Berhad ("Sapura Energy") have closed the agreement to form a strategic partnership on January 31, 2019. Under the agreement, OMV Exploration & Production GmbH (OMV E&P), a wholly owned subsidiary of OMV Aktiengesellschaft, has bought a 50% stake of the issued share capital in a new joint venture company established in 2019, called SapuraOMV Upstream Sdn. Bhd. OMV paid USD 540 mn for its 50% interest in SapuraOMV Upstream Sdn. Bhd. In addition, the parties agreed to an additional consideration of up to USD 85 mn based on certain conditions, mainly linked to the resource volume in Block 30, Mexico, at the time the final investment decision is taken. Both parties have also agreed to refinance the existing inter-company debt of USD 350 mn. The management of the partnership will be based in Malaysia and an equal number of representatives from both sides will sit on the board of directors. The new entity, SapuraOMV Upstream Sdn. Bhd. will be fully consolidated in OMV's financial statements. SapuraOMV Upstream Sdn. Bhd is a major independent oil and gas company based in Malaysia with an expected life of field production of approximately 260 mn boe and strong growth prospects.

OMV successfully closed the acquisition of Shell's Upstream business in New Zealand

Key projects

Neptun (Romania, OMV 50%)

Neptun Deep represents the deepwater sector of the XIX Neptun block in the Romanian Black Sea, where OMV Petrom is conducting activities through a joint venture with ExxonMobil (operator). Following the first gas discovery made during the 2011/2012 exploration drilling campaign (Domino-1 well), extensive seismic acquisitions and further exploration and appraisal drilling, including well testing, were performed. Engineering, contracting, and regulatory activities took place during 2018. New legislation covering offshore operations came into force on November 17, 2018, providing the regulatory framework for offshore projects in the Romanian section of the Black Sea. This current legislative environment does not provide the necessary prerequisites for a multi-billion investment decision. OMV Petrom remains keen to see the Black Sea developed and will therefore continue the dialogue with the authorities to understand the way forward.

Successful production start of Aasta Hansteen in December

Other major projects (Romania, OMV 100%)

In 2018, around EUR 90 mn were invested in the modernization, extension, and construction of new oil and gas processing facilities and pipelines. The CHD (Central Hydrocarbon Dewpointing) Hurezani project, whose scope involved building a new low-temperature separation unit and related pipelines, has achieved significant progress toward a start-up in the first half of 2019.

The Offshore Rejuvenation Program kicked off in 2015 consists of various projects aimed at upgrading the offshore facilities and pipelines, reducing operational risk, and increasing process safety, with a total estimated investment expected to exceed EUR 200 mn by 2023. Achievements in 2018 included an upgrade of the fire and gas detection systems on all platforms, an upgrade of cranes, and installation of riser protection.

Yuzhno Russkoye (Russia, OMV 24.99%)

To sustain plateau production in the Gazprom-operated Yuzhno Russkoye gas field, a 135 well drilling campaign targeting the Turonian layer was launched in October 2018. Alongside the existing three producing Turonian wells, four additional wells were completed in 2018 and eight more wells are expected to be completed in 2019. In addition, the operator initiated a project to investigate the potential of the field's deeper layers, which will be further assessed in 2019.

Gullfaks (Norway, OMV 19%)

At the Equinor-operated Gullfaks field, with 183 wells available for production/injection, 13 platform wells were re-drilled and completed in 2018. The new Cat J rig arrived in Norway in Q1/18 and has re-drilled and completed two subsea wells. This jack-up J rig is specially designed to perform efficient drilling operations on subsea development solutions in addition to the conventional surface drilling from the three fixed platform rigs. A PDO¹ amendment for implementing water injection in the producing Shetland/Lista formation was issued to the authorities in late December 2018.

Gudrun (Norway, OMV 24%)

The Equinor-operated Gudrun field continued with a high level of production from the existing platform wells, mainly as a consequence of delayed field decline and increased in-place volumes. During 2018, the license group initiated an improved oil recovery project which includes new wells and a change in drainage strategy by water injection; this will be further matured in 2019.

Edvard Grieg (Norway, OMV 20%)

The Edvard Grieg offshore oil field, operated by Lundin, produced at a level significantly above expectations due to high facility uptime throughout 2018. The field development plan was successfully completed in 2018 by drilling the last four wells of the fourteen-well program.

Aasta Hansteen (Norway, OMV 15%)

In 2018, the Aasta Hansteen platform was successfully transported to the location, hooked up, and commissioned. Production start-up was on December 16, 2018. All development wells were completed in 2018.

Wisting (Norway, OMV 25%)

The Wisting discoveries are located in the Hoop area of the Barents Sea in PL537, approximately 310 kilometers from the mainland of Norway. OMV is the operator of Wisting with 25% working interest. The current reference concept for the Wisting development is an FPSO with a subsea production system consisting of 19 producers and 15 water injectors. Two FPSO concepts in the form of a circular and a ship-shaped hull are being matured, and the final concept selection in the license group is expected in 2020. The recoverable resources in PL537 reported to the Norwegian Petroleum Directorate for 2018 are estimated at around 440 million barrels of oil compared to 350 million barrels in 2017.

Nawara (Tunisia, OMV 50%)

By the end of 2018, the OMV operated onshore Nawara gas condensate field development project was around 97% completed, falling behind schedule due to further social unrest in South Tunisia. The pipeline is approaching mechanical completion, while both the gas treatment plant in Gabes and the central processing facility have been delayed by protests and strikes. Nonetheless, OMV continues

¹ PDO – Plan of Development and Organization

to work with partners and contractors on solutions to minimize any further delay. The first gas delivery from the Nawara pipeline is expected towards the end of 2019.

Umm Lulu and SARB (UAE, OMV 20%)

Umm Lulu and Satah Al Razboot (SARB) are two offshore oil fields situated in the shallow waters of Abu Dhabi. Both fields are connected via pipelines to dedicated processing, storage, and loading facilities on Zirku Island. The full field facilities and infrastructures of the Umm Lulu field are expected to be finalized by 2020 with development drilling to continue until 2023. OMV has been appointed as Asset Lead for Umm Lulu.

Production start-up of the Umm Lulu and SARB fields was achieved in September 2018 and showed an initial capacity of 50 kboe/d (10 kboe/d net to OMV), ramping up to approximately 125 kboe/d (25 kboe/d net to OMV) in December 2018. Production from the concession area is expected to increase to 215 kboe/d (43 kboe/d net to OMV) by 2023.

Exploration and appraisal highlights

In 2018, OMV completed the drilling of 16 exploration and appraisal wells¹ in four different countries, of which ten were successful, including two already on production. The drilling of four wells was ongoing at year end, with three wells being finalized by March 2019.

In Norway, four exploration wells were finalized, two of which were successful, additionally one was ongoing at year end. The highlight was the High Pressure, High Temperature (HPHT) exploration well 6506/11-10 in the Norwegian Sea (PL644), where OMV was the operator. The well had two targets (Hades and Iris) and discovered significant gas and condensate volumes. Further appraisal is planned for 2019. Additionally, three appraisal wells were drilled and all were successful.

In Romania, following Repsol's country exit, OMV Petrom became the sole titleholder and operator of four onshore exploration licenses in the Getic region. Five exploration wells were finalized, of which two discovered hydrocarbons, while one was ongoing at year end. Of these two complex and deep exploration wells will be further tested in the first part of 2019.

In Austria, two exploration wells and one appraisal well, which included a deeper exploration target, were finalized in 2018, all of them hydrocarbon-bearing. One well was ongoing at year end.

Two seismic surveys in New Zealand and Austria were finalized in 2018. In Austria, 600 km² of seismic data was acquired northeast of Vienna and focused on potential deeper targets. An extension of the survey (in total ~1,500 km²) was commenced in October 2018 and was ongoing at year end.

Exploration and appraisal expenditures increased to EUR 300 mn in 2018 (2017: EUR 230 mn). The increased spend reflects higher activity levels, an improved success rate, and higher equity levels in the Romanian activities.

Reserves development

Proved reserves (1P) as of December 31, 2018, increased to 1,270 mn boe (thereof OMV Petrom²: 532 mn boe). With 180%, the one-year Reserve Replacement Rate (RRR) was in the same order of magnitude than last year (2017: 191%) and far above the average in the past. The three-year average RRR grew to 160% (2017: 116%). The increase in proved reserves was mainly induced by the acquisition of a 20% share in the offshore concessions Umm Lulu and SARB in the United Arab Emirates and the successful development of the Turonian reservoir in the Russian gas field Yuzhno Russkoye. Further significant revisions were made due to the increase of our shares in New Zealand as well as the positive production performance and successful development activities in Norway.

Three-year average Reserve Replacement Rate grew to 160%

Proved and probable reserves (2P) increased to 2,157 mn boe (thereof OMV Petrom²: 810 mn boe) mostly due to the acquisitions in the United Arab Emirates and New Zealand.

¹ Of which seven were operated by OMV

² OMV Petrom covers Romania and Kazakhstan.

Innovation and new technologies

OMV's Upstream strategy is driven by state-of-the-art in-house technologies supported by access to well-maintained assets to pilot these technologies and promote rapid full-field implementation worldwide. The current focus on research and development activities continues to improve recovery rates and the lifetimes of mature fields and enable highly efficient exploration of oil and gas fields even in challenging environments.

OMV applies various enhanced oil recovery methods with a special focus on intelligent water injection projects summarized in the Smart Oil Recovery 3.0 program (SOR 3.0). This enables OMV to increase the ultimate oil recovery by up to 15 percentage points in selected fields and thus extend field life. In 2018, two horizontal production wells and one injection well were drilled in the Matzen field in Austria. In total, more than 230 kboe of incremental oil were produced by SOR 3.0 by the end of 2018. Furthermore, research and development cooperation with Total and Gazprom was still ongoing in 2018. OMV continued to work on the pilot scale testing of innovative technologies in produced water treatment. The handling of back-produced water is one of the key aspects enabling cost-efficient SOR 3.0.

Increasingly complex reservoir fluids conditions lead to faster degradation of pipelines and processing equipment. To address this, OMV Upstream is building up its expertise in the application of nanotechnology products. In 2018, an ongoing pilot test to prevent paraffin deposition in well bores and reduce wear in sucker rod pumps showed promising preliminary results and was therefore extended to additional fields. Further areas of research are nanocoatings for corrosion and scale protection.

OMV collaborates with leading international universities (e.g., University of Cambridge, Stanford University, TU Wien, Montanuniversität Leoben, Johannes Kepler University Linz, University of Natural Resources and Life Sciences, Vienna) as well as international research institutes (e.g., Fraunhofer, Forschungszentrum Jülich, Austrian Institute of Technology, Joanneum Graz) and engages in research collaborations with industry partners and research initiatives globally.

With DigitUP, OMV Upstream aims to move up to the league of "digital frontrunners" in the oil and gas industry. By 2025, digital technologies and fully integrated work methods are expected to be at top international level, making the business more secure and more profitable. In this way, OMV will make the working environment more attractive for new and existing employees and open the door to new partnerships.

The DigitUP program will be implemented in two stages: The first phase spans the next three years, during which the aim is to implement state-of-the-art systems for OMV's exploration and production activities, create trust in these new technologies among employees, and enable them to use them in their routine work. In the second phase, which has 2025 as its target, the aim is to become a digital frontrunner.

Downstream

OMV's Downstream business consists of Downstream Oil and Downstream Gas. Downstream Oil has three refineries in Central and Eastern Europe, two of which have strong petrochemical integration. OMV operates a retail network of approximately 2,100 filling stations in Europe. Downstream Gas is active along the entire gas value chain. Gas sales volumes amounted to 114 TWh.

At a glance

| | | 2018 | 2017 | Δ |
|--|------------|--------|---------|-------|
| Clean CCS Operating Result ¹ | in EUR mn | 1,643 | 1,770 | (7)% |
| thereof Downstream Oil | in EUR mn | 1,439 | 1,554 | (7)% |
| thereof Downstream Gas | in EUR mn | 204 | 217 | (6)% |
| Special items | in EUR mn | (219) | (1,242) | 82% |
| CCS effects: inventory holding gains/(losses) ¹ | in EUR mn | (4) | 55 | n.m. |
| Operating Result | in EUR mn | 1,420 | 584 | 143% |
| Capital expenditure ² | in EUR mn | 576 | 580 | (1)% |
| Downstream Oil KPIs | | | | |
| OMV indicator refining margin ³ | in USD/bbl | 5.24 | 6.05 | (13)% |
| Ethylene/propylene net margin ^{3,4} | in EUR/t | 448 | 427 | 5% |
| Utilization rate refineries | | 92% | 90% | 2% |
| Total refined product sales | in mn t | 20.26 | 23.82 | (15)% |
| thereof retail sales volumes | in mn t | 6.33 | 8.13 | (22)% |
| thereof petrochemicals | in mn t | 2.41 | 2.15 | 12% |
| Downstream Gas KPIs | | | | |
| Natural gas sales volumes | in TWh | 113.76 | 113.40 | 0% |
| Net electrical output | in TWh | 5.06 | 7.10 | (29)% |

Note: OMV Petrol Ofisi was divested on June 13, 2017.

¹ Current Cost of Supply (CCS): Clean CCS figures exclude special items and inventory holding gains/losses (CCS effects) resulting from the fuels refineries and OMV Petrol Ofisi.

² Capital expenditure including acquisitions

³ Actual refining and petrochemical margins realized by OMV may vary from the OMV indicator refining margin, ethylene/propylene net margin, as well as from the market margins due to factors including a different crude slate, product yield, operating conditions, and a different feedstock.

⁴ Calculated based on West European Contract Prices (WECP) with naphtha as feedstock

Financial performance

The **clean CCS Operating Result** came down from EUR 1,770 mn to EUR 1,643 mn in 2018 mainly due to a lower result in Downstream Oil.

The **Downstream Oil clean CCS Operating Result** declined in 2018 by EUR 114 mn to EUR 1,439 mn. This was mainly a result of the divestment of OMV Petrol Ofisi in June 2017, which contributed EUR 98 mn to the 2017 result, as well as of a weaker refining market environment. The **OMV indicator refining margin** decreased by 13% from USD 6.0/bbl to USD 5.2/bbl. Increased crude prices resulted in higher feedstock costs negatively impacting the indicator refining margin. While middle distillate margins improved, gasoline and heavy fuel oil margins declined. The **utilization rate of the refineries** came in at a very high rate of 92% in 2018 (2017: 90%) despite the

planned six-week turnaround at the Petrobrazi refinery in Q2/18. At 20.3 mn t, **total refined product sales** decreased by 15% following the divestment of OMV Petrol Ofisi in Q2/17, which contributed 4.0 mn t in 2017. Excluding OMV Petrol Ofisi, total refined product sales grew slightly. In the retail business, sales volumes and margins increased. In the commercial business, sales volumes rose, while margins were slightly below 2017 levels. Furthermore, the commercial business in Germany and Austria profited from supply disruptions in southern Germany caused by extremely low Rhine water levels and a refinery outage. OMV Petrom contributed EUR 286 mn (2017: EUR 336 mn) to the clean CCS Operating Result of Downstream Oil.

The clean CCS Operating Result of the petrochemicals business increased by 12% to EUR 275 mn (2017: EUR 245 mn). The ethylene/propylene net margin increase was offset by declining petrochemical margins for butadiene and benzene. Furthermore, last year's result was negatively impacted by the planned turnaround at the Schwechat petrochemicals unit. Borealis's contribution to the clean Operating Result declined by EUR 39 mn to EUR 360 mn (2017: EUR 399 mn) mainly as a result of lower polyolefin margins and a challenging fertilizer market environment, partially offset by a strong Borealis result.

The Downstream Gas clean CCS Operating Result declined from EUR 217 mn to EUR 204 mn in 2018. The result in 2017 was supported by positive one-off valuation effects. The performance of Gas Connect Austria increased from EUR 97 mn in 2017 to EUR 102 mn. This was mainly attributable to a higher contribution from participations and an insurance compensation related to the Baumgarten incident in 2017, partially offset by the expiration of long-term contracts and higher energy costs.

Natural gas sales volumes were flat at 113.8 TWh (2017: 113.4 TWh), and higher sales volumes in Germany were offset by lower sales in Romania and Turkey. **Net electrical output** dropped from 7.1 TWh to 5.1 TWh in 2018: While the Brazi power plant in Romania increased its output, it could not offset the missing share of the Samsun power plant following its divestment in Q3/18. OMV Petrom contributed EUR 77 mn (2017: EUR 50 mn) to the clean CCS Operating Result of Downstream Gas.

The Downstream **Operating Result** surged from EUR 584 mn to EUR 1,420 mn in 2018. The 2018 result reflects net **special items** of EUR (219) mn mainly related to the divestment of the Samsun power plant and an impairment of the Borealis fertilizer business. In 2017, net special items were EUR (1,242) mn, reflecting the recycling of FX losses following the divestment of OMV Petrol Ofisi. **CCS effects** of EUR (4) mn were booked due to decreasing crude prices.

Capital expenditure in Downstream amounted to EUR 576 mn (2017: EUR 580 mn). Capital expenditure in Downstream Oil grew by EUR 16 mn to EUR 506 mn (2017: EUR 491 mn), which was mainly due to increased investments in OMV Petrom and partially offset by the divestment of OMV Petrol Ofisi in Q2/17. Downstream Gas capital expenditure decreased to EUR 70 mn (2017: EUR 90 mn), reflecting mainly the divestment of the Samsun power plant.

High refinery utilization rate at 92%

Downstream Oil

Downstream Oil operates along the entire oil value chain: It processes equity and third-party crude and other feedstock in three highly competitive inland refineries with an annual capacity of 17.8 mn t in Schwechat (Austria), Burghausen (Germany), and Petrobrazi (Romania). In Austria and Germany, OMV is forward integrated into petrochemicals, with Borealis (OMV stake 36%) as a key customer. Total annual petrochemical production, including Romania, amounts to a capacity of 2.5 mn t. Furthermore, OMV markets refined products to commercial customers as well as through its retail network of 2,064 filling stations, with total refined product sales of 20.3 mn t.

Refining including product supply and sales

The rise in crude oil prices in the course of 2018 put refining margins under pressure, which on average were slightly below the 2017 level. However, despite the year-on-year decline, refining economics are still healthy, supported by strong demand for middle distillate and some logistical issues in Europe keeping inland premia at high levels. The overall capacity utilization rate in 2018 reached a very high level of 92% (2017: 90%) despite planned turnaround activities at the Petrobrazi refinery and the planned small-scale maintenance activities at the Burghausen refinery.

The regional proximity of the three sites allows OMV to operate them as one integrated refinery system. Intermediate feedstocks are exchanged between the refineries in order to optimize product flows and maximize returns. This system allows to strategically align investments, the full capitalization on the flexibilities in shifting output toward high-value products, and leveraging economies of scale.

In the petrochemical business, sales volumes were higher than in 2017, since there were no major turnaround activities at the Schwechat and Burghausen refineries. Increased sales volumes from Schwechat made a significant contribution. Average petrochemical margins, which were particularly high in Q4/18, were below the 2017 average. In the first half of 2018, butadiene prices in particular faced higher-than-expected naphtha prices. However, the improvement in demand in both Europe and the United States led to higher margins in the second half of 2018 and maintained them at a healthy level.

until the end of the year. Benzene margins have been under pressure since Q2/18, driven by an oversupplied European market. The decline in butadiene and benzene margins was not offset by the increase in propylene margins.

Annual refining capacities

In mn t

| | |
|----------------------|-------------|
| Schwechat (Austria) | 9.6 |
| Burghausen (Germany) | 3.8 |
| Petrobrazi (Romania) | 4.5 |
| Total | 17.8 |

Retail

The Retail business continued its strong performance in 2018 and proved to be a stable outlet for refinery products as well as a strong cash generator. Due to the impact of the OMV Petrol Ofisi divestment in Q2/17, the total sales volume dropped by 22% to 6.3 mn t. Nevertheless, the average throughput increased again by 1% on the back of strong performance in all key markets and a favorable market environment. At the end of the year, the network comprised 2,064 filling stations (2017: 2,039). OMV continues to focus on its successful multi-brand strategy with a planned further expansion in Germany based on an agreement with Aldi Süd. The OMV brand is positioned as a premium brand, with VIVA representing a strong shop, gastronomy, and service offering. The brand of the unmanned Avanti station stands for discount, and the Petrom brand represents value for money. This strategy has continued to deliver good results, while profitability per site has continued to increase. OMV's premium brand MaxxMotion demonstrated top performance and reflected its premium quality focus, although fuel price levels increased overall compared with previous years. The non-oil business, such as the VIVA convenience stores and car wash, continued its sustainable and very positive development with a higher contribution than in 2017. The focus on the high-quality products and services in the premium filling station network remains one of the key differentiators.

Borealis

Despite the drop versus 2017, Borealis benefited from solid integrated polyolefin margins and contributed substantially to the clean Operating Result with EUR 360 mn in 2018 (2017: EUR 399 mn). Another outstanding year was again supported by a

weakening, but still healthy olefin and polyolefin market environment, which overcompensated for the continued downturn in fertilizers. That segment suffered from lower demand and higher gas prices. In addition, Borealis's joint venture with the Abu Dhabi National Oil Company, Borouge, benefited from strong margins and again delivered an excellent result.

Substantial
Borealis contribution
following excellent
Borouge result

In September 2018, Bayport Polymers, the 50/50 joint venture of Total and Novealis Holdings (50/50 joint venture of Borealis and NOVA Chemicals), announced the final investment decision for the construction of a polyethylene plant in Bayport, Texas, with production capacity of 625,000 t per year.

Robust Retail
performance
further increased
average throughput

In October 2018, following the successful completion of Front-End Engineering Design (FEED), Borealis made the final investment decision for a new world-scale Propane Dehydrogenation (PDH) plant. The facility will be located at Borealis's existing production site in Kallo (Antwerp), Belgium. Commissioning of the plant is scheduled for the first half of 2022. The PDH plant will have a target production capacity of 750,000 t per year.

In addition, Borealis acquired the Austrian plastics recycler Ecoplast Kunststoffrecycling GmbH (Ecoplast). Based in Wildon, Austria, Ecoplast processes around 35,000 t of post-consumer plastic waste per year from households and industrial customers into Low-Density Polyethylene (LDPE) and High-Density Polyethylene (HDPE) recyclates, mainly but not exclusively for the plastic film market.

Downstream Gas

Downstream Gas operates across the gas value chain from the wellhead to the burner tip of the end customer with a fully integrated gas business.¹ It includes the Group's power business activities, with one gas-fired power plant in Romania.

Supply, marketing and trading

OMV markets and trades natural gas in eight European countries (Austria, Germany, Netherlands, Romania, Hungary, Italy, Slovenia, and France) as well as in Turkey. Total gas sales in 2018 amounted to 113.8 TWh (2017: 113.4 TWh). The supply portfolio consists of equity gas and a diversified set of international suppliers. In addition, short-term activities on the main international hubs complement OMV's dynamic supply portfolio.

¹ OMV's gas business is operated in strict adherence to the applicable gas unbundling rules.

OMV Gas Marketing & Trading GmbH (OMV Gas) sales activities are focused on the large industry and municipality segments. In 2018, OMV Gas had a local presence in Austria, Germany, Hungary, and the Netherlands. External sales in these countries amounted to 65.2 TWh, an increase of 15% compared with 2017. Italy, Slovenia, and France are covered by origination activities. This is a substantial achievement given the challenging market environment. Margins remained under pressure due to the competitive and increasingly volatile European gas market situation. This situation is expected to continue in the future. In Germany, OMV Gas plans to achieve a market share of 10% by 2025, a target that is well on track. By the end of 2018, sales had reached 25.4 TWh, an increase of 49% over the previous year and a market share of 3%.

In Romania, OMV Petrom Gas activities achieved an excellent clean CCS Operating Result. In the context of a still volatile regulatory framework, natural gas sales to third parties decreased year on year and reached around 38.9 TWh in 2018. In Turkey, natural gas sales decreased from 10.9 TWh in 2017 to 8.6 TWh in 2018.

659 TWh new record volume nominated at CEGH-VTP

In 2018, OMV Gas also improved the capacity utilization of the Gate regasification terminal. OMV Gas has concluded another important midterm LNG deal, under which a number of LNG cargoes will be delivered to Europe. These LNG cargoes will provide an additional source of gas supply to meet OMV's ambitious sales growth targets in Northwest Europe, while further enhancing the security of supply for OMV's geographically diverse supply portfolio.

OMV Gas has successfully closed the divestment of the Samsun power plant in Turkey. The closing of this transaction marked the last step toward streamlining our power business. OMV Gas power business was positively affected by high power prices in Romania, which led to a good financial result. Net electrical output declined to 5.1 TWh. While the Brazi power plant in Romania increased its output, it could not offset the missing contribution from the divested Samsun power plant. The financial impact of the non-availability of one power transformer at the Brazi power plant (Romania) for more than half the year in 2017 was compensated by a business interruption insurance in 2018.

Gas logistics

OMV runs gas storage facilities in Austria and Germany with a storage capacity of 30 TWh and holds a 65% stake in the Central European Gas Hub (CEGH), an important gas trading hub in Central and Eastern Europe. OMV's subsidiary Gas Connect Austria operates an approximately 900 km long high-pressure natural gas pipeline network in Austria.

The Entry/Exit transport volumes declined by 6% in 2018 compared with the high level of 2017 mainly due to the unusually warm weather toward the end of the year and lower consumption for electricity generation.

The Austrian gas storage market was again characterized by low summer/winter spreads below EUR 1/MWh. After a very low filling level of 6% in April 2018 due to cold spells in Q1/18, the storage level reached a relatively low maximum of 75% in November 2018 (November 2017: 98%). The relatively low 2018 storage level was mainly caused by high summer gas prices and correspondingly low spreads to winter forward prices.

At the Central European Gas Hub, 659 TWh of natural gas were nominated at the Virtual Trading Point (VTP) in 2018, an increase of 6% compared with 2017. On the PEGAS CEGH Gas Exchange Market, 133 TWh were traded in Austria in 2018, an increase of almost 50% versus last year. Both results are new all-time highs in the history of CEGH. CEGH launched the CEGH Gas Storage Marketing Platform in November 2018, a new service that enables gas storage operators to offer storage capacity.

Construction of Nord Stream 2 has commenced in 2018 and at year end 2018 about 400 km of pipes were laid in German, Finnish, and Swedish waters. In 2018, OMV provided funds of EUR 275 mn, bringing OMV's total current drawdowns under the financing agreements for Nord Stream 2 to approximately EUR 600 mn.

Innovation and new technologies

OMV actively explores alternative feedstock, technologies, and fuels with the aim of developing a well-diversified, competitive future portfolio. Efforts and resources focus on the production of sustainable biofuels and advanced fuels, future energy for transportation, and innovative solutions.

OMV is consequently developing new technologies such as Co-Processing to improve the quality and stability of fuels with biogenic components. Traditionally, the biogenic component is blended to the fuel after production. Co-Processing introduces the biogenic feedstock already in the production process. This concept enables OMV to produce transportation fuels from various biogenic feedstock such as domestic rapeseed oil, used cooking oil, or algae oil using existing refinery plants. In 2018, OMV continued its development efforts in the field of Co-Processing of renewable feedstock through further tests in laboratories and pilot plants. The focus was on fine-tuning the technical concept in terms of product quality, biogenic yields, and utility consumption.

OMV is also active in the production of advanced fuels that are not in direct competition with food. In cooperation with the Christian Doppler Laboratory in Cambridge, OMV is investigating approaches to converting CO₂ and water into synthesis gas using sunlight and catalysts. This synthesis gas can then be converted into liquid fuels. In addition, OMV participates in various funded research projects with external partners, e.g., the conversion of CO₂ and biowaste into alcohols in collaboration with the TU Wien (Vienna University of Technology) and the liquefaction of biowaste to bio-based crude oil together with the Montanuniversität Leoben.

At the beginning of 2018, the European Commission introduced the new Circular Economy Package with the aim of increasing the recycling rates for plastics and minimizing the release of plastics into the environment. Refinery post-consumer and

post-industrial plastics are already being recycled into synthetic crude oil in a pyrolysis process in OMV's ReOil® pilot plant at the Schwechat refinery (a proprietary OMV technology). This synthetic crude can be processed into any desired refinery product. Mechanical completion of the pilot plant with a capacity of 100 kg/h was reached at the end of 2017. In 2018, OMV operated and further improved the pilot plant to prepare the next scale-up steps to industrial scale.

OMV is actively involved in the development of alternative fuels in major mobility applications in order to stay abreast of market developments for emissions reductions.

OMV holds 40% of SMATRICS, Austria's largest e-mobility provider. SMATRICS currently operates 428 charging stations at 166 publicly accessible locations. SMATRICS is also an enabler for e-mobility and offers a complete B2C and B2B service package. OMV also works with IONITY – High-Power Charging. This is available at seven OMV locations with more planned in the near future. With the OMV e-mobility card, ROUTEX customers can seamlessly use their fuel of choice.

Compressed natural gas (CNG) and liquefied natural gas (LNG) can reduce CO₂ and particulate emissions from vehicles by 20% and 90%, respectively. To exploit this potential, OMV is conducting a strategic evaluation on LNG as an alternative fuel for heavy-duty vehicles. In addition, first activities with industrial partners to increase utilization of the existing CNG network in Austria have commenced.

As a pioneer in hydrogen mobility, OMV currently operates five hydrogen filling stations in Austria and is a joint venture partner of H2 MOBILITY, whose goal is to operate a Germany-wide hydrogen filling station network by the end of 2023. Several initiatives for the production and use of hydrogen are being promoted by OMV across a number of sectors, aimed at unlocking the potential of the fuel and positioning OMV accordingly.

ReOil®: an
OMV approach
towards circular
economy

Outlook

Market environment

For the year 2019, OMV expects the average Brent oil price to be at USD 65/bbl (2018: USD 71/bbl). In 2019, average European gas spot prices are anticipated to be lower compared to 2018.

Group

In 2019, organic capital expenditure (including capitalized exploration and appraisal expenditure and excluding acquisitions) is projected to come in at EUR 2.3 bn (2018: EUR 1.9 bn).

Upstream

OMV expects total production to be around 500 kboe/d in 2019 (2018: 427 kboe/d). The production at El Sharara in Libya resumed in March 2019, and we assume from the middle of March until December an average production contribution from Libya of 35 kboe/d (2018: 30 kboe/d) depending on the security situation. The organic capital expenditure for Upstream (including capitalized exploration and appraisal expenditure and excluding acquisitions) is anticipated to come in at EUR 1.5 bn in 2019. In 2019, exploration and appraisal expenditure is expected to be at EUR 350 mn (2018: EUR 300 mn).

Downstream

In 2019, the refining indicator margin will be at the level of around USD 5/bbl (2018: USD 5.2/bbl). Petrochemical margins will be slightly lower than in 2018 (2018: EUR 448/t). The total refined product sales in 2019 are forecasted to be on a similar level compared to 2018 (2018: 20.3 mn t). In OMV's markets, retail and commercial margins are predicted to be similar compared to those in 2018. There is no planned turnaround of the refineries in 2019. Therefore, the utilization rate of the refineries is expected to be higher than in 2018 (2018: 92%).

The natural gas sales volumes in 2019 are projected to be above to those in 2018 (2018: 114 TWh). Natural gas sales margins are forecasted to be lower in 2019 compared to 2018. Due to the divestment of the Samsun power plant in Turkey in Q3/18, the net electrical output in 2019 will be lower than in 2018 (2018: 5.1 TWh). The net electrical output of the Brazi power plant in Romania is expected to be above the level of 2018. OMV will continue to finance the Nord Stream 2 pipeline.

 Information about the longer-term outlook can be found in the Strategy chapter (page 43).

Risk Management

Like the entire oil and gas industry, 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 risk identification, assessment, and evaluation of such risks and their impact on the Group's financial stability and profitability in order to actively manage them in the context of the Group's risk appetite and defined risk tolerance levels.

It is OMV's view that the Group's overall risk is significantly reduced due to its integrated nature and the related, partially offsetting effects of different risks. The balancing effects of offsetting industry risks, however, can often lag or weaken. Therefore, OMV's risk management activities focus on the Group-wide net risk exposure of the existing and future portfolio. The interdependencies and correlations between different risks are also reflected in the Company's consolidated risk profile. The areas of risk management and insurance are centrally coordinated at the corporate level within the Treasury and Risk Management department, which ensures that well-defined and consistent risk management processes, tools, and techniques are applied across the entire organization. Risk ownership is assigned to those managers who are best suited to oversee and manage the related 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

Non-financial and financial risks are regularly identified, assessed, and reported through the Group-wide Enterprise Wide Risk Management (EWRM) process.

The main purpose of the OMV Group's EWRM is to deliver value through risk-based management and decision-making. Assessment of financial, operational, and strategic risks supports the exploitation of business opportunities in a systematic manner in order to ensure sustainable growth in OMV's value. Since 2003, the EWRM system has helped enhance risk awareness and risk management

skills across the entire organization, including subsidiaries in more than 20 countries. The OMV Group is constantly enhancing the EWRM based on internal and external requirements.

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 effectively captures and manages the 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 surveillance 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 senior management view from a top-down approach to capture the risks implied in the strategy. This process also includes those companies that are not fully consolidated. Twice a year, the results from this process are consolidated and presented to the Executive Board and the Audit Committee. In compliance with the Austrian Code of Corporate Governance, the effectiveness of the EWRM system is evaluated by the external auditor on an annual basis. The key nonfinancial and financial risks identified with respect to OMV's medium-term plan are:

- ▶ 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 changes in technology, risks to reputation or political uncertainties, including sanctions
- ▶ Financial risks including market price risks and foreign exchange risks

OMV operates and has financial investments in countries that are subject to political uncertainties, in particular Libya, Kazakhstan, Yemen, Pakistan, Russia, Tunisia, and Turkey. Possible political changes may lead to disruptions and limitations in production as well as an increased tax burden, restrictions on foreign ownership, or even nationalization of property. However, OMV has extensive experience in the political environment in Central, Eastern, and Southeastern Europe, and political developments in all markets where OMV operates are kept under constant observation. Country-specific risks are assessed before entering new countries. An analysis to assess the potential impact of a hard Brexit scenario on OMV Group companies was undertaken, which showed that there is no significant impact expected. OMV also evaluates the risk of potential US or EU sanctions and their impact on planned or existing operations with the aim to stay in full compliance with all applicable sanctions. In particular risks due to US sanctions on the Nord Stream 2 project and on OMV's activities in Russia are regularly assessed and monitored. Risks related to the EU Emissions Trading System are separately recorded and aggregated for the Group as a whole. Furthermore, OMV is monitoring emerging regulations related to climate change and decarbonization in all operating countries. Through systematic staff succession and development planning, Corporate Human Resources plans for suitable managerial staff to meet future growth requirements in order to mitigate personnel risks. The OMV Group is exposed to a wide range of health, safety, security, and environmental risks that could result in significant losses.

Control and mitigation of assessed risks takes place at all organizational levels using clearly defined risk policies and responsibilities. The key Group risks are governed centrally to ensure the ability to meet the planning objectives through the essence of corporate directives, including those relating to health, safety, security, environment, legal matters, compliance, human resources, and corporate social responsibility, with special emphasis on human rights and market price risks.

Financial Risk Management

Market price and financial risks arise from volatility in the prices of commodities, 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 and gas company, OMV has a significant exposure to oil and gas prices. Substantial FX exposures include the USD, RON, NOK, NZD, and RUB. The Group has a net USD long position, mainly resulting from sales of oil production. The comparably less significant short positions in RON, NOK, and RUB originate from expenses in local currencies in the respective countries.

Management of market price risk and FX risk

Analysis and management of financial risks arising from foreign currencies, interest rates, commodity prices, counterparties, liquidity, and insurable risks are undertaken in a consolidated way at the corporate level. Market price risk is monitored and analyzed centrally in respect of the potential cash flow impact using a specific risk analysis model that considers portfolio effects. The impact of financial risks (e.g., market 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 comprised of senior management of the Business Segments and corporate functions. The Risk Committee is also responsible for reviewing the risk governance framework of the OMV Group and proposing changes to the OMV Executive Board.

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

In the Downstream business, OMV is especially exposed to volatile refining margins and inventory risks. In order to mitigate those risks, corresponding hedging activities are undertaken. Those include margin hedges as well as stock hedges. 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 expense from floating rate deposits and borrowings. Currently the effects of changes in interest rates are not considered to be a material risk.

Management of credit risk

The main 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 the OMV Group and OMV Petrom level.

- 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 2018.

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.
3. ÖBAG holds 31.5% and MPPH holds 24.9% of the capital stock.
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 (1) of the Arbeitsverfassungsgesetz (Austrian Labor Constitution Act). Resolutions concerning the dismissal of members of the Supervisory Board pursuant to section 87 (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. a) As the authorized capital granted by the Annual General Meeting on May 13, 2009 expired on May 13, 2014, the Annual General Meeting decided upon a new authorized capital on May 14, 2014. Specifically, it authorized the Executive Board until May 14, 2019 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 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 options or long term incentive plans (including matching share plans 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.

- b) On May 18, 2016, the Annual General Meeting authorized the Executive Board for a period of five years from the adoption of the resolution, therefore, until (and including) May 17, 2021, upon approval of the Supervisory Board, to dispose of or utilize stock repurchased or already held by the Company to grant treasury shares to employees, senior employees and/or members of the Executive Board/management boards of the Company or one of its affiliates, including for purposes of share transfer programs – in particular, long-term incentive plans including matching share plans or other stock ownership plans – under exclusion of the general purchasing possibility 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. a) The EUR 750 mn hybrid bond, which was issued in 2011, was called and redeemed at its nominal value plus interest on April 26, 2018, the first possible call date.

b) OMV has issued perpetual hybrid notes the amount of EUR 1,987 mn which are subordinated to all other creditors. According to IFRS, the 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 size of EUR 1,500 mn, in two tranches of EUR 750 mn each with the following interest payable:

(i) The hybrid notes of tranche 1 bear a fixed interest rate of 5.250% until, but excluding, December 9, 2021, which is the first call date of tranche 1. From December 9, 2021, until, but excluding, December 9, 2025, hybrid notes of tranche 1 will bear interest according to a reset interest rate to be determined according to the relevant five-year swap rate and an additional margin of 4.942% and, from December 9, 2025, with an additional step-up of 1% per annum.

(ii) The hybrid notes of tranche 2 bear a fixed interest rate of 6.250% until, but excluding, December 9, 2025, which is the first call date of tranche 2. From December 9, 2025, tranche 2 will bear interest according to a reset interest rate to be determined according to the relevant five-year swap rate and an additional margin of 5.409%, with an additional step-up of 1% per annum

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 General Meeting of OMV resolves upon a dividend payment on OMV shares.

On June 19, 2018 OMV issued a hybrid bond with a size of EUR 500 mn. The hybrid bears a fixed interest rate of 2.875% until, but excluding, June 19, 2024. From June 19, 2024 until, but excluding, June 19, 2028 the hybrid notes will bear interest at a rate according to the relevant five-year swap rate and an additional margin of 2.335% per annum and, from June 19, 2028, with an additional step-up of 1% per annum. 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 General Meeting of OMV resolves upon a dividend payment on OMV shares.

The hybrid notes outstanding as of December 31, 2018 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 bond is redeemed. In the case of a change of control, 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 (6) of the 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 13, 2019

The Executive Board

Rainer Seele m.p.

Johann Pleininger m.p.

Reinhard Florey m.p.

Manfred Leitner m.p.

3

CONSOLIDATED CORPORATE GOVERNANCE REPORT

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Consolidated Corporate Governance Report

OMV, as a publicly listed company with its headquarters in Austria, is dedicated to the principles of sound corporate governance and has always sought to comply with best practice in corporate governance to ensure responsible management and control of the OMV Group, a high level of transparency for every stakeholder and, ultimately, the sustainable and long-term creation of value.

Austrian law, the Articles of Association, the Internal Rules for the corporate bodies and the Austrian Code of Corporate Governance (ACCG) provide the core legal framework for OMV's corporate governance. OMV adheres to the ACCG issued by the Austrian Working Group for Corporate Governance. The code is publicly accessible at www.corporategovernance.at. OMV's compliance with the ACCG in 2018 was evaluated externally by independent advisors. The report on the evaluation is available at www.omv.com and confirms that OMV conformed to all of the compulsory "comply or explain" rules (the "C-rules") and also all of the recommended rules (the "R-rules"). As for C-rules 27 and 28, explanations concerning the variable remuneration plans are provided in the remuneration report.

For OMV Petrom SA, a company consolidated in the OMV Group and the shares of which are publicly listed on the Bucharest Stock Exchange as well as on the London Stock Exchange, the relevant Corporate Governance Report can be found at www.omvpetrom.com/en/about-us/corporate-governance-aboutus.

Executive Board

Rainer Seele, *1960

Date of initial appointment: July 1, 2015
 End of the current period of tenure: June 30, 2020
 Chairman of the Executive Board and Chief Executive Officer

Responsible for the overall management and coordination of the Group

Rainer Seele received his PhD in chemistry at the University of Göttingen and subsequently had senior appointments at the BASF Group where in 2000 he first became a member of the executive board and then later chairman of the executive board at WINGas GmbH. From 2009 until 2015, he was chairman of the board of directors of Wintershall Holding GmbH.

Functions in major subsidiaries of the OMV Group

| Company | Function |
|-----------------------------------|---|
| OMV Petrom SA | President of the Supervisory Board |
| Borealis AG | Deputy Chairman of the Supervisory Board |
| OMV Exploration & Production GmbH | Chairman of the Supervisory Board (until September 30, 2018) |
| OMV Refining & Marketing GmbH | Chairman of the Supervisory Board (until September 30, 2018) |
| OMV Gas & Power GmbH | Chairman of the Supervisory Board (until September 30, 2018) |
| OMV Solutions GmbH | Chairman of the Supervisory Board (until January 31, 2018) |

Johann Pleininger, * 1962

Date of initial appointment: September 1, 2015
 End of the current period of tenure: August 31, 2020
 Deputy Chairman of the Executive Board

Responsible for the Business Segment Upstream

Johann Pleininger started his professional career at OMV in 1977 and later studied mechanical and economic engineering. During his time at OMV, he held various senior positions. From 2007 to 2013, he was an Executive Board member of OMV Petrom in Bucharest, responsible for Exploration & Production. Prior to his appointment as Executive Board member of OMV, he was the Senior Vice President responsible for the Upstream countries Romania and Austria as well as for the development of the Black Sea region.

Member of the Supervisory Board of FK Austria Wien AG

Functions in major subsidiaries of the OMV Group

| Company | Function |
|---|--|
| OMV Petrom SA | Member of the Supervisory Board (until April 26, 2018) |
| OMV Petrom Global Solutions SRL | Member of the Supervisory Board (until September 1, 2018) |
| OMV Petrom Gas SRL | Member of the Supervisory Board |
| OMV Exploration & Production GmbH | Managing Director |
| OMV Austria Exploration & Production GmbH | Chairman of the Supervisory Board |
| OMV Gas & Power GmbH | Deputy Chairman of the Supervisory Board (until September 30, 2018) |
| OMV Refining & Marketing GmbH | Deputy Chairman of the Supervisory Board (until September 30, 2018) |
| OMV Solutions GmbH | Member of the Supervisory Board (until January 31, 2018) |

Reinhard Florey, * 1965

Date of initial appointment: July 1, 2016
 End of the current period of tenure: June 30, 2021
 Chief Financial Officer

Responsible for Finance

Reinhard Florey graduated with a degree in mechanical engineering and economics from the Graz University of Technology while also completing his music studies at the University of Fine Arts. He started his career in corporate consulting and strategy consulting. From 2002 to 2012, he worked in different positions worldwide for Thyssen Krupp AG. Until June 2016, he was CFO and Deputy CEO of Outokumpu Oyj.

Member of the Supervisory Boards of Wiener Börse AG and CEESEG Aktiengesellschaft

Functions in major subsidiaries of the OMV Group

| Company | Function |
|-----------------------------------|--|
| OMV Petrom SA | Member of the Supervisory Board |
| OMV Petrom Global Solutions SRL | President of the Supervisory Board |
| Central European Gas Hub AG | Deputy Chairman of the Supervisory Board |
| OMV Solutions GmbH | Managing Director (until January 31, 2018) |
| OMV Exploration & Production GmbH | Deputy Chairman of the Supervisory Board (until September 30, 2018) |
| OMV Gas & Power GmbH | Deputy Chairman of the Supervisory Board (until September 30, 2018) |
| OMV Refining & Marketing GmbH | Deputy Chairman of the Supervisory Board (until September 30, 2018) |

Manfred Leitner, *1960

Date of initial appointment: April 1, 2011
 End of the current period of tenure: December 31, 2019

Responsible for the Business Segment Downstream and the OMV Group's plastic and chemical interests

After receiving a degree in commerce from the Vienna University of Economics and Business Administration, Manfred Leitner joined OMV in 1985. After working for two years in the Finance Department of the Exploration & Production business unit, he became Head of Finance at OMV's branch in Tripoli, Libya. Following his return to Austria, he was in charge of the Controlling Department within Exploration & Production until 1997. He then moved to the Refining & Marketing Business Segment, where he led the Planning and Controlling Department until 2002. He was Senior Vice President for Downstream Optimization & Supply from 2003 until 2011.

Functions in major subsidiaries of the OMV Group

| Company | Function |
|---|---|
| OMV Petrom SA | Member of the Supervisory Board |
| Borealis AG | Member of the Supervisory Board |
| OMV Supply & Trading Limited | Chairman of the Supervisory Board |
| OMV Gas & Power GmbH | Managing Director |
| OMV Refining & Marketing GmbH | Managing Director |
| OMV Exploration & Production GmbH | Deputy Chairman of the Supervisory Board (until September 30, 2018) |
| OMV Solutions GmbH | Deputy Chairman of the Supervisory Board (until January 31, 2018) |
| Central European Gas Hub AG | Chairman of the Supervisory Board |
| GAS CONNECT AUSTRIA GmbH | Chairman of the Supervisory Board |
| OMV Gas Storage GmbH | Chairman of the Supervisory Board |
| OMV Samsun Elektrik Üretim Sanayi ve Ticaret A.S. | Chairman of the Board of Directors (until September 6, 2018) |
| OMV Gaz İletim A.S. | Chairman of the Board of Directors |
| OMV Enerji Ticaret A.S. | Chairman of the Board of Directors |

Working practices of the Executive Board

The approval requirements, responsibilities of individual Executive Board members, decision-making procedures and the approach to conflicts of interest are governed by the Internal Rules of the Executive Board. The Executive Board holds at least bi-weekly meetings to exchange information and take decisions on all matters requiring plenary approval.

Remuneration report

The remuneration report gives an overview of the remuneration packages provided for Executive Board members. It outlines remuneration principles and explains compensation elements. OMV differentiates between fixed and variable compensation elements but also between monetary and non-monetary components.

Executive Board remuneration policy

| Compensation Element | Description | Purpose & Link to Strategy | Shareholder Alignment |
|---------------------------------|--|---|---|
| Base Salary | Salary levels take into account the responsibilities and performance of each member of the Executive Board, the situation of OMV, and common levels of remuneration in European Oil & Gas companies of comparable size as well as comparable Austrian companies. Compensation is set at a competitive level. | Provide a fixed level of earnings reflecting the scale and complexity of the business and the roles and responsibilities of each Executive Board member, ensuring competitiveness with the market. | Competitive compensation to attract, retain and motivate the most qualified Oil & Gas managers to lead the company in the shareholders' best interest. |
| Benefits | Executive Board members receive a company car and are eligible for accident insurance. No additional health coverage aside from the Austrian public health system. | Provide benefits comparable to those for OMV employees to attract and retain Executive Board members. | Part of a competitive compensation package to attract and retain the most qualified Executive Board members. |
| Retirement Benefits | Defined contribution pension schemes are granted using a pension fund. Available capital in the pension fund determines the level of pension. Retirement age is the Austrian statutory retirement age. | Retirement benefits are in line with those offered to OMV employees, ensuring that compensation packages are aligned with common market practice in Austria and in the Oil & Gas industry. | A pension fund is used to limit the risks borne by OMV. Pension benefits depend solely on the available capital in the pension fund. Any annuitization into a life-long pension is made in accordance with the pension fund's approved business plan. |
| Annual Bonus | Performance is measured based on annual criteria. 2/3 of the Annual Bonus is paid in cash and 1/3 is allocated in shares and deferred to be held for three years after vesting. Award is defined as a Target Annual Bonus in euros, stated in the Executive Board service contracts and capped at 180% (150% +/- 20% sustainability multiplier). | Provide variable compensation based on annual financial and non-financial performance criteria that are relevant to OMV's strategy and the Oil & Gas industry. Performance is measured against financial targets and sustainability criteria, including health, safety, security and environment. They are determined by the Supervisory Board and the Remuneration Committee respectively. | Performance criteria are in line with OMV's strategy, ensure pay for performance and foster an equity culture. Details on the performance criteria are reported in the Annual Report. Grants are subject to clawback provisions. |
| Long Term Incentive Plan | A Performance Share Plan is employed. The number of shares that vest depends on the achievement of a financial performance criterion as well as the relative Total Shareholder Return. The number of shares awarded is capped at 200% of the Target Long-Term Incentive in euros, stated in the Executive Board service contracts. The Supervisory Board has the discretion to adjust the overall target achievement through a Health, Safety, Security or Environmental (HSSE)-Malus. | Promote mid-and long-term value creation at OMV. Performance is measured against key criteria linked to OMV's strategy and shareholder return. | Align interests of Executive Board and shareholders, ensure pay for performance and foster an equity culture by granting OMV shares subject to performance criteria focusing on financial performance (weighting: 50%) and increase in value compared to other European Oil & Gas companies (weighting: 50%). Details on the criteria are reported in the Annual Report. Grants are subject to malus and clawback provisions. |

Executive Board remuneration policy

| Compensation Element | Description | Purpose & Link to Strategy | Shareholder Alignment |
|----------------------------------|--|--|---|
| Shareholding requirements | Shares equal to 200% of the Base Salary for the CEO, 175% for the Deputy CEO and 150% for other Executive Board members, which must be accumulated within five years after the respective initial appointment as Executive Board member. | Provide long-term alignment of interests by putting Executive Board members' personal assets at stake. | Alignment of interests by turning the Executive Board into shareholders. Potential impact on Executive Board members' personal assets creates an effect comparable to malus and clawback. |
| Payout cap | In addition to the caps defined for the Annual Bonus and the Long Term Incentive Plan a cap for total annual compensation is applied for each Executive Board member. | Absolute caps to avoid not intended remuneration levels and to limit the risk borne by OMV. | Align interests of Executive Board and shareholders by promoting a sustainable and long-term development of the company and preventing inappropriate risk-taking. |

The Executive Board members of OMV are employed under local Austrian terms and conditions, the salaries are therefore expressed in euros (gross). Their employment contracts are concluded with OMV Aktiengesellschaft and governed by Austrian law.

The remuneration of OMV's Executive Board members is aimed to be at competitive levels and includes a strong performance-related component. Competitive pay levels are ensured through regular external benchmarking against peer groups, such as European Oil & Gas companies and relevant Austrian industrial companies.

Long-term shareholder and stakeholder interests are reflected in performance-related remuneration, which includes both long- and short-term elements. The Executive Board's performance is assessed against financial and non-financial criteria. Specific projects related to the implementation of OMV's strategy are also taken into account.

Pursuant to C-rules 27 and 28 of the ACCG, measurable performance criteria are defined in advance for the variable remuneration components. Given the industry-inherent volatility of commodity prices and market conditions, political country risks as well as an increased safety exposure, the variable

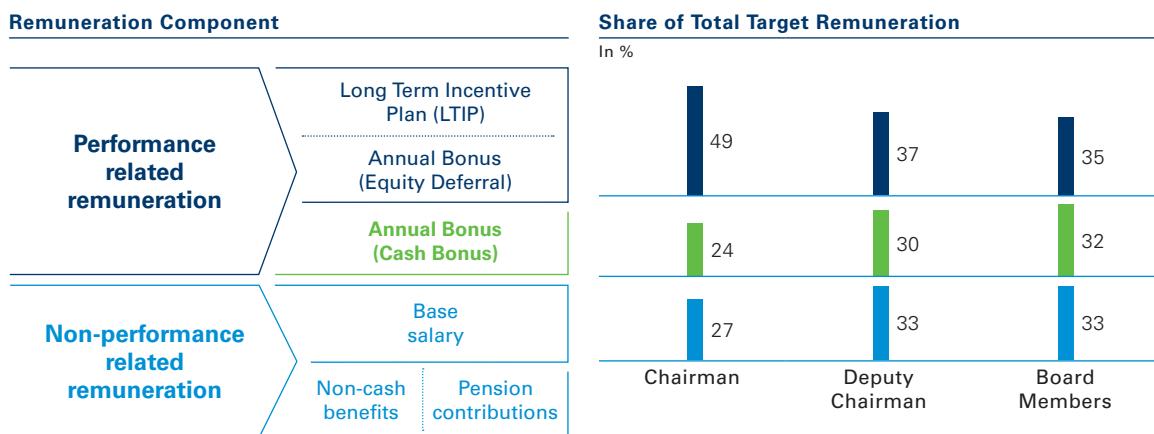
remuneration plans give the Supervisory Board and the Remuneration Committee, respectively, in line with the general practice in the Oil & Gas industry, certain room for adjustments to amend certain components in case of significant changes of major external factors (e.g. oil price) as well as to determine the achievement of certain criteria. Any adjustments are always in line with relevant factors and within disclosed maximum limits.

Structure of Executive Board Remuneration

The Executive Board remuneration consists of fixed and variable compensation elements as well as benefits. Each Executive Board member receives a remuneration package comprising of Base Salary, an Annual Bonus (a portion of which is deferred for three years and paid out in OMV shares), a Long Term Incentive Plan (LTIP), pension contributions and non-cash benefits.

The majority of Executive Board members' target compensation is granted in the form of variable compensation elements. For the financial year 2018, variable elements comprised between 67% and 73% of Executive Board members' target compensation (variance is due to higher target LTIP level for the Chairman). In line with Austrian law and requirements set forth by the ACCG, a majority of variable compensation is based on multiyear performance. For the financial year 2018, between

Overview of the Executive Board's compensation



52% and 67% of the target variable compensation is oriented towards long-term performance, either through the LTIP or the deferred portion of the Annual Bonus (Equity Deferral).

Non-performance-related remuneration

Base salary

The fixed base remuneration of Executive Board members is paid monthly as a salary. The employment contracts stipulate the fixed remuneration to be paid in 14 payments.

Non-cash benefits

Executive Board members receive a company car and are eligible for an accident insurance. Health coverage is provided under the Austrian public social insurance system.

Pension contributions

All members of the Executive Board are entitled to defined contribution pension payments, thus limiting the risks borne by OMV. The Company pays the contributions into a pension fund (APK-Pensionskasse AG). The actual amount of the company pension depends on the amount of available capital in the pension fund. The annuitization is made in accordance with the pension fund's approved business plan. The retirement age for all Executive Board members is the Austrian statutory retirement age.

Performance-related remuneration

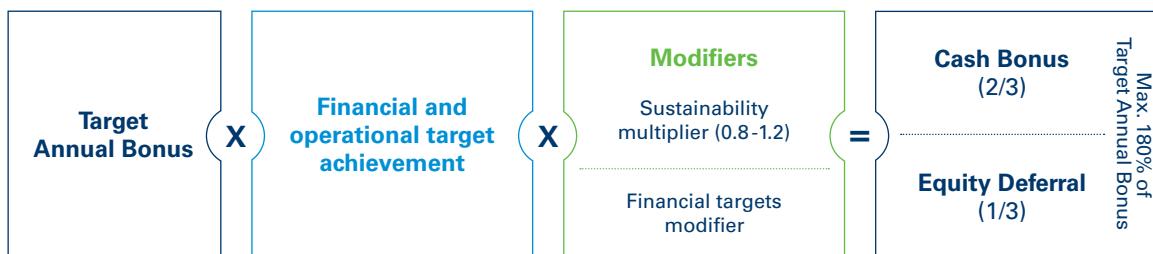
Annual bonus

The Annual Bonus rewards financial performance, operational excellence and sustainable corporate development at OMV. For each financial year, the Supervisory Board defines a set of performance criteria. At maximum, the payout can amount to 180% (150% +/-20% sustainability multiplier) of the Target Annual Bonus stated in the Executive Board service contracts.

The actual amount depends on the achievement of financial and operational targets. Additionally, the sustainability multiplier can be applied to the overall performance at the Supervisory Board's discretion based on a predefined set of criteria. In case of major changes in external factors (e.g. oil price) the Supervisory Board can adjust the target levels of the performance criteria. Performance criteria applied in the financial year 2018 are described in detail below.

The payout of the Annual Bonus is split between a **Cash Bonus** (2/3), which is paid in the following financial year, and an **Equity Deferral**¹ (1/3), which is awarded in OMV shares to be held for a period of three years (holding period). The shares are awarded net of taxes in the following financial year and are to be transferred to a trustee deposit managed by OMV, for the duration of the holding period. The Equity Deferral serves – in addition to LTIP – as a long-term compensation instrument for the members of the Executive Board, promoting retention and shareholder alignment at OMV.

¹ Until 2016 "Matching Share Plan" (MSP) and in 2017 "Share Part of the Annual Bonus"

Annual Bonus 2018

Performance criteria are agreed at the outset of the performance year and then assessed after the close of that year. The performance criteria for the financial year 2018 comprise of the areas and adjustments set out in the table below.

Performance criteria – 2018 Annual Bonus (Cash Bonus and Equity Deferral)

| Area | Criteria | Weighting |
|--|--|----------------------------------|
| Financial | Reported Net Income | 40% |
| | Clean CCS ROACE 3-year (2016-2018) Ø | 40% |
| Operational | NPV assessment of ongoing large investments including acquisitions based on annual change | 20% |
| Sustainability Multiplier | Value between 0.8 and 1.2 determined at discretion of the OMV Supervisory Board based on a predefined set of criteria applicable to the overall target achievement | +/- 20% multiplier/discretionary |
| Adjustment of financial targets | In case of major changes in external factors (e.g. oil price) the OMV Supervisory Board has the discretion to adjust the target levels of the performance criteria | discretionary |

The actual Annual Bonus amount depends on the **level of vesting** of each performance criterion, which is determined by comparing achieved results against defined targets and expressed as a percentage. The sum of achievements results in the overall target achievement. The actual achievements are validated by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. Vesting occurs on a straight-line basis between the performance levels.

Level of vesting

| Criteria | Performance | Vesting |
|---------------------|-----------------|---------|
| All criteria | Maximum | 150% |
| | Target | 100% |
| | Threshold | 50% |
| | Below threshold | 0% |

The Target Annual Bonus amount for each Executive Board member is defined as follows assuming vesting levels of 100%:

Target variable remuneration – Annual Bonus 2018

| In EUR | Seele | Pleininger | Florey | Leitner |
|-----------------|-----------|------------|---------|---------|
| Cash Bonus | 1,000,000 | 700,000 | 675,000 | 675,000 |
| Equity Deferral | 500,000 | 350,000 | 337,500 | 337,500 |

The actual **achievements in 2018** result in a Total Actual Annual Bonus equal to 124.6% of the Target Annual Bonus. The Cash Bonus component, 2/3 of the total, is to be paid in 2019. Under the Equity Deferral, the remaining 1/3 to be awarded in the form of OMV shares and deferred for a period of three years.

Performance scorecard – 2018 Annual Bonus (Cash Bonus and Equity Deferral)

| Criteria | Threshold | Target | Maximum | Actual | Weighting | Vesting (% of target Value) |
|---|---|---|--|--------|-----------|-----------------------------------|
| Reported Net Income in EUR mn | 1,560 | 1,835 | 2,110 | 2,233 | 40% | 60% |
| Clean CCS ROACE 3-year Ø in EUR mn | 10.2% | 10.7% | 11.2% | 11.7% | 40% | 60% |
| Operational target | Decrease of non-market NPV by EUR (50) mn from baseline | No change of non-market NPV from baseline (EUR 11 mn) | Increase of non-market NPV by EUR +50 mn from the baseline | (124) | 20% | 0% |
| Target achievement before financial targets modifier and sustainability multiplier | | | | | | 120% |
| Target achievement after financial targets modifier | | | | | | 113.2% |
| Sustainability multiplier | 0.8 | 1 | 1.2 | 1.1 | | 1.1 |
| Total vesting percentage | | | | | | 124.6% |

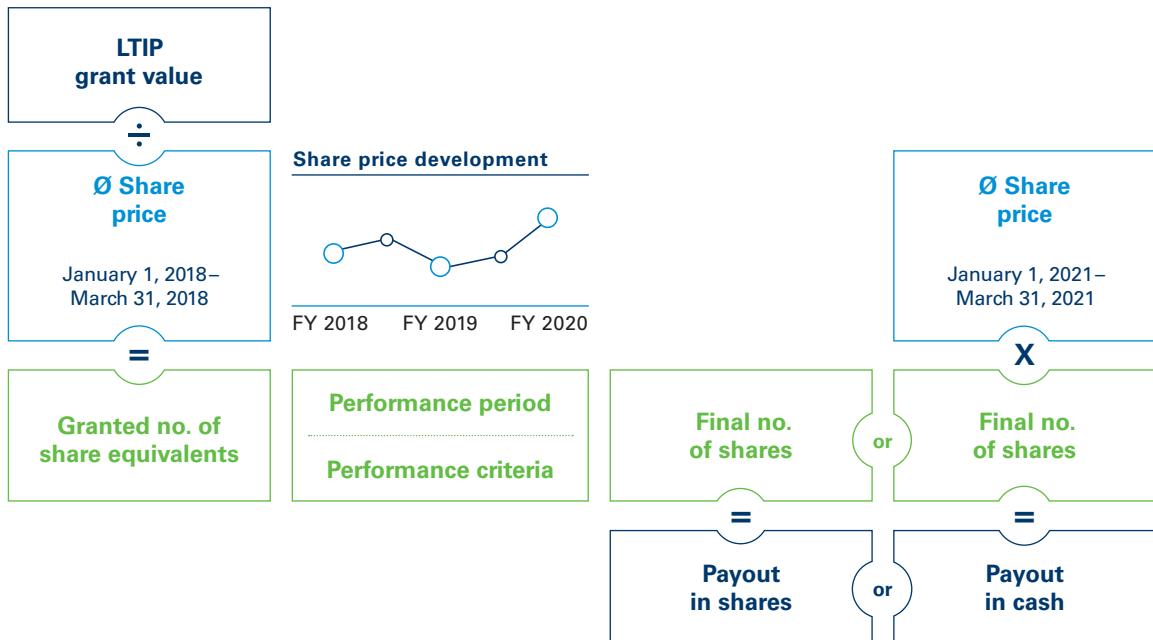
The targets for Reported Net Income and 3-year average Clean CCS ROACE were achieved in the financial year 2018. The operational target, i.e. the NPV assessment of selected large investment projects, was below threshold level. Taking into account substantial improvement in the market environment as compared to the assumptions on which the Annual Bonus was based, the Supervisory Board made use of its discretionary power and raised the target levels related to the financial target modifier, thereby adjusting the target achievement from 120% to 124.6%. A predefined set of criteria was used by the Supervisory Board in making its discretionary decision with respect to the sustainability multiplier. In particular, improvements in environment, safety and sustainability as well as the number of fatalities were taken into consideration in amending the target achievement related to the sustainability multiplier by 1.1.

Long Term Incentive Plan

The Long Term Incentive Plan (LTIP) is a long-term compensation instrument for members of the Executive Board that promotes mid- and long-term value creation at OMV. The plan seeks to align the interests of management and shareholders by granting OMV shares to management, subject to performance against key performance criteria linked to the medium-term strategy and shareholder return. The plan also seeks to prevent inappropriate risk-taking. The grant is defined as a Target Long-Term Incentive, stated in the Executive Board service contracts.

Executive Board members have received an annual grant since the plan's introduction in 2009. The LTIP 2018 was approved by the Annual General Meeting 2018.

Long Term Incentive Plan (LTIP) 2018



Performance criteria are agreed at the beginning of the three-year performance period and assessed after the close of this period. Weightings for the respective criteria are also established at the outset of the performance period. For the LTIP 2018 (performance period: January 1, 2018, until December 31, 2020), the following performance criteria apply:

Performance criteria – LTIP 2018

| Criteria | Weighting |
|---|-----------|
| Relative Total Shareholder Return (TSR) | 50% |
| Free cash flow before dividends and excl. Divestments and Acquisitions 3-year Ø | 50% |

The actual LTIP amount depends on the **level of vesting** of each performance criterion, which is determined by comparing achieved results against defined targets and expressed as a percentage. The sum of achievements results in the overall target achievement. The actual achievements are validated by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. Payments will vest on a straight-line basis between the performance levels/quartiles.

A Health, Safety, Security or Environmental (HSSE) malus may be applied to the overall target achievement. In situations where a severe health, safety and security or environmental breach has occurred, the Supervisory Board can re-examine the level of

the LTIP payout and, depending on the extent of the infraction, reduce it at its reasonable discretion, if necessary to zero.

The LTIP 2018 vests on March 31, 2021. The vesting levels for each of the performance criteria are shown in the table below.

Relative TSR is measured against a well-balanced Upstream/Downstream peer group of twelve Oil & Gas companies (Shell, BP, Total, Eni, Equinor, Lundin Petroleum, Repsol, Galp Energia, MOL, Tupras, Neste Oil and PKN Orlen).

Level of vesting

| Criteria | Performance | Vesting |
|---|---|---------|
| Free cash flow before dividends and excl. Divestments and Acquisitions 3-year Ø | Maximum | 200% |
| | Target | 100% |
| | Threshold | 50% |
| | Below threshold | 0% |
| Relative TSR | Maximum: at or above 3rd quartile ($\geq 75\text{th percentile}$) | 200% |
| | Target: at median ($= 50\text{th percentile}$) | 100% |
| | Threshold: at or below 1st quartile ($\leq 25\text{th percentile}$) | 0% |

The Target LTI amount for each Executive Board member is defined as follows and will be paid out assuming vesting levels of 100%:

Target variable remuneration – LTIP 2018

| In EUR | Seele | Pleininger | Florey | Leitner |
|-----------|-----------|------------|---------|---------|
| LTIP 2018 | 1,500,000 | 500,000 | 387,500 | 387,500 |

The **total vesting percentage for the LTIP 2016** is 92.6% of the maximum grant, and the corresponding transfer of shares or cash payment will be made in 2019. The actual achievements are reviewed by an independent expert.

 Note 32 provides additional information on the Long Term Incentive Plan and the Equity Deferral (MSP).

Performance scorecard – LTIP 2016

| Criteria | Threshold | Target | Stretch | Actual | Weighting | Vesting (% of max. grant value) |
|---|--|---|---|--------------------------------|-----------------|---------------------------------------|
| Relative TSR vs. peers | at or below 1st quartile (≤25th percentile) | at median (=50th percentile) | at or above 3rd quartile (≥75th percentile) | at or above 3rd quartile | 70% | 70% |
| FCF after dividends excl. divestments 3-year Ø | in EUR mn | –300 Ø p.a. | 200 Ø p.a. | 500 Ø p.a. | (218) Ø p.a. | 10% 3.2% |
| Action Item Response Rate 3-year Ø: Incidents & Near Misses | | 89% | 93% | 97% | 96% | 2.5% 2.3% |
| Action Item Response Rate 3-year Ø: Findings & Hazards | | 86% | 90% | 94% | 94% | 2.5% 2.5% |
| Contractor Management 3-year Ø | | ≥ 75% | > 85% | > 95% | 92% | 5% 4.6% |
| Performance of divestments & acquisitions | | Based on pre-defined criteria, in particularly value generation for the company | | | 10% | 10% 10% |
| Total vesting percentage | | | | | 100% | 92.6% |

Shareholding requirements for members of the Executive Board

Executive Board members are required to accumulate an appropriate shareholding in OMV and hold these shares until retirement or departure from the Company. The shareholding requirement is defined as a percentage of the annual gross base salary: 200% for the Chairman of the Executive Board, 175% for the Deputy Chairman of the Executive Board and 150% for other Executive Board members. The shareholding must be accumulated and achieved within five years after the respective initial appointment as an Executive Board member. All Executive Board members have already fulfilled at least a part of their shareholding requirement.

To the extent the shareholding requirement is not fulfilled, payments from the LTIP will be automatically made in the form of shares (net after tax deduction). If the shareholding requirement is already fulfilled, the payout can be made either in cash or shares. The base for the calculation of the respective number of shares is the average closing price on the Vienna Stock Exchange of the OMV share over the three-month period from January 1, 2018, to March 31, 2018 (EUR 50.02).

Shareholding requirement and fulfillment

| | Shareholding requirement | | Fulfillment | |
|------------|--------------------------|------------------|------------------------|------------------|
| | In shares | As % salary | In shares ¹ | As % requirement |
| Seele | 91,974 | 200 | 70,890 | 77.08 |
| Pleininger | 47,032 | 175 ² | 28,511 | 60.62 |
| Florey | 43,897 | 150 | 13,401 | 30.53 |
| Leitner | 43,897 | 150 | 65,245 | 148.63 |

¹ On Company trustee deposits

² The stated shareholding requirement results from the LTIP 2016, when Mr. Pleininger still had an obligation of 150% of his gross annual salary; since his appointment as Deputy CEO, a shareholding requirement of 175% applies.

Clawback

Both the Equity Deferral and the LTIP are subject to **clawback** regulations that, under certain circumstances, allow the adjustment of outstanding compensation and/or the reclaim of compensation already paid out. In case of a clawback event, cash or company shares granted under Equity Deferral or LTIP will be reduced or may be clawed back upon request from the Supervisory Board. The following reasons are considered clawback events: adjustment of approved financial statements due to a mistake, material failure of risk management that leads to significant damages as well as serious misconduct of individual Executive Board members that violates Austrian law. Furthermore, in case any payout in cash or transfer of shares is based on incorrect data, the amounts will be corrected and claimed back accordingly.

Remuneration levels in 2018

Executive Board remuneration¹

In EUR

| Remuneration 2018 | Seele | Pleininger | Florey | Leitner | Total |
|--|------------------|------------------|---------------------|------------------|------------------|
| Fixed (base salary) | 1,100,000 | 750,000 | 700,000 | 700,000 | 3,250,000 |
| Variable (Cash Bonus 2017) | 900,000 | 575,000 | 600,000 | 700,000 | 2,775,000 |
| Benefits in kind (company car, accident insurance and reimbursed expenses) | 13,025 | 12,665 | 51,190 ² | 12,544 | 89,424 |
| Total | 2,013,025 | 1,337,665 | 1,351,190 | 1,412,544 | 6,114,424 |
| Variable (Equity Deferral 2017; in shares) ³ | 16,888 | 10,790 | 11,259 | 13,135 | 52,072 |
| Fixed/variable ratio ⁴ | 26/74 | 33/67 | 40/60 | 19/81 | 27/73 |
| LTIP 2015 (cash) ⁵ | 0 | 0 | 0 | 1,724,101 | 1,724,101 |
| LTIP 2015 (in shares) ⁵ | 33,014 | 9,607 | 0 | 0 | 42,621 |

¹ There are discrepancies between individual items and totals due to rounding differences. The variable components relate to target achievement in 2017, for which variable compensation was paid in 2018

² Including schooling costs, moving costs and related taxes

³ The "Share part of the Annual Bonus" was renamed to Equity Deferral at the grant date

⁴ Split of total compensation. Fixed includes base salary and benefits in kind; variable includes Cash Bonus, Equity Deferral ("Share Part of the Annual Bonus") and LTIP 2015

⁵ LTIP payout in cash or shares depending on fulfillment of shareholding requirement:

Rainer Seele received pro-rated payout in shares for LTIP 2015 as he joined the Executive Board effectively July 1, 2015

Johann Pleininger received pro-rated payout in shares and in addition cash payment amounting to EUR 0.52 mn based on the Senior Manager LTIP 2015

Since the gradual appointment of new members to the Executive Board, OMV has seen remarkable performance. With a share price increase of 52% between July 2015 and December 2018, OMV has substantially outperformed relevant benchmarks such as the FTSEurofirst E300 Oil & Gas (2% increase). Furthermore, the Executive Board rigorously pursues a growth strategy to strengthen OMV's competitiveness and earning power. To reward the Executive Board's performance and incentivize it further, the Remuneration Committee revisited the level of each Executive Board member's remuneration package and benchmarked it

against a relevant European Oil & Gas peer group. The Executive Board members' performance, their roles and responsibilities as well as the overall situation of the Company were taken into account. Based on this analysis and considering retention risk and the re-design of the compensation system to include an overall compensation cap, the salary of selected Executive Board members was increased to competitive market levels. As in the past, salaries are not subject to automatic consumer price inflation increases but instead will be reviewed on an annual basis together with the performance of the Executive Board members.

Pension fund contributions

In EUR

| | |
|--------------|----------------|
| Seele | 275,000 |
| Pleininger | 187,500 |
| Florey | 175,000 |
| Leitner | 175,000 |
| Total | 812,500 |

Based on their former employment contracts as Executive Board members, Gerhard Roiss, David C. Davies, Hans-Peter Floren and Jaap Huijskes received payments in 2018. David C. Davies received bonus and LTIP payments in 2018. Jaap Huijskes, Gerhard Roiss and Hans-Peter Floren received LTIP payments in 2018.

Payments to former Executive Board members

In EUR

| | Davies | Huijskes | Roiss | Floren |
|--|------------------|------------------|------------------|------------------|
| Remuneration entitlements for 2018 (bonus and LTIP) ¹ | 2,735,317 | 1,776,177 | 3,300,387 | 1,477,774 |
| Payments for contractual obligations ² | 0 | 0 | 0 | 0 |
| Total | 2,735,317 | 1,776,177 | 3,300,387 | 1,477,774 |

¹ Cash Bonus and Equity Deferral (MSP) related to target achievement in 2017 and LTIP related to target achievement in 2015–2017

² Base salary and benefits in kind

In accordance with C-rule 27a of the ACCG, the employment contracts with members of the Executive Board provide that settlement payments in the event of premature termination of such contracts without a material breach shall not exceed the amount set forth in the ACCG (maximum of two years annual pay). For contracts concluded after July 2015, settlement payments in the event of termination within the contract period have been reduced to 18 months' pay and have been limited to fixed salary only. No settlement payment is made if the Executive Board member terminates the contract prematurely.

Directors' and Officers' (D&O) insurance

OMV has concluded a Directors' and Officers' liability insurance (D&O insurance) on a Group-wide basis. The expenses are borne by the Company. This insurance covers Executive Board members, Supervisory Board members and other OMV employees (officers). Coverage is provided for the personal legal liability of insured persons for financial losses resulting from wrongful acts committed while acting within the scope of their function. For the actual insurance period, the yearly premium (including taxes) for the entire OMV Group D&O insurance amounts to approximately EUR 600,000.

Indemnity

The Executive Board and officers of direct and indirect subsidiaries of OMV Aktiengesellschaft, to the extent legally possible, are also indemnified against claims by third parties with respect to their actions exercised within the scope of their duties, except in cases of willful intent or gross negligence.

Policy principles for remuneration within the OMV Group

In order to support OMV's strategy best, OMV aims to ensure competitive compensation and benefits packages. OMV continuously monitors market trends and international best practices in order to attract, motivate and retain the best-qualified talent from around the world. OMV strives for long-lasting employment relationships. The base salaries are set in accordance with internationally accepted methods for determining market levels of remuneration and with the relevant legal regulations and collective agreements.

The principles applicable to Executive Board remuneration are applied to all employees in adapted form. Also, the remuneration for the Executive Board of OMV Petrom is subject to OMV remuneration standards. In general, OMV's remuneration is designed to be highly competitive within relevant labor markets in the Oil & Gas business. This is ensured by conducting yearly salary reviews. Furthermore, the packages include a balanced and transparent mix of fixed and variable, monetary and non-monetary components. The base salaries are market oriented, fair and based on the position and know-how of the employee. In addition, OMV uses a variety of compensation elements to strengthen the position as an attractive employer in the Oil & Gas business, for example:

- ▶ Performance bonuses
- ▶ Long Term Incentive Plans
- ▶ Employee stock ownership plan
- ▶ Company cars

Beyond that, the benefits portfolio is customized for each of the countries OMV operates in to meet the needs of the local employees. As an example, depending on local circumstances additional incentives may include the following:

- ▶ Retirement plans
- ▶ Subsidized canteen
- ▶ Health centers
- ▶ Kindergarten
- ▶ Anniversary payments
- ▶ Recognition – thx!

Selected employees at senior management levels of the Group (79 individuals) are eligible for the Long Term Incentive Plan. They are also eligible for bonus programs, as outlined below. In addition, the Executive Board grants a Transformation Bonus to selected employees at senior management levels of the Group, which is dependent on the fulfillment of predefined KPIs. The successful target achievement led to a payout in 2018, potentially another will follow in 2021.

In 2018, approximately 4,200 managers and experts participated in a Management by Objectives (Mbo) program. The actual bonuses paid out under this program depend on the respective target achievement. OMV also provides bonus schemes for other employee groups, which vary from country to country. Employee representatives are involved in designing these incentive schemes. In all these systems, actual bonus amounts and their payout are dependent upon the achievement of financial and non-financial corporate targets, as well as individual targets agreed with each employee.

Supervisory Board

OMV's Supervisory Board consists of ten members elected by the General Meeting (shareholders' representatives) and five members delegated by the Group works council. Four of the current shareholders' representatives were elected at the 2014 Annual General Meeting (AGM), one was elected at the 2015 AGM, three were elected at the 2016 AGM and two were elected at the 2018 AGM. The members of OMV's Supervisory Board in 2018 and their appointments to supervisory boards of other domestic or foreign listed companies as well as any management functions held are shown below.

Peter Löscher, * 1957

Chairman
Seats: Sulzer AG (Chairman), Telefonica, S. A.

Gertrude Tumpel-Gugerell, * 1952

Deputy Chairwoman
Seats: Commerzbank AG, Vienna Insurance Group AG

Murtadha Al Hashmi, * 1966

(until May 22, 2018)
Deputy Chairman
(Senior Advisor, Mubadala Investment Company (from January 2, 2018))
Seats: no seats in domestic or foreign listed companies

Alyazia Ali Al Kuwaiti, * 1979

(from May 22, 2018)
Deputy Chairwoman
(Executive Director Upstream & Integrated, Mubadala Investment Company PJSC)
Seats: no seats in domestic or foreign listed companies

Ahmed Matar Al Mazrouei, * 1972

(until May 22, 2018)
(Senior Advisor, Mubadala Investment Company PJSC)
Seats: no seats in domestic or foreign listed companies

Wolfgang C. Berndt, * 1942

Seats: no seats in domestic or foreign listed companies

Helmut Draxler, * 1950

Seats: no seats in domestic or foreign listed companies

Marc H. Hall, *1958

(Managing Director, R&EM – Restructuring & Energy Management e.U.)

Seats: no seats in domestic or foreign listed companies

Mansour Mohamed Al Mulla, *1979

(from May 22, 2018)

(CFO Petroleum & Petrochemicals, Mubadala Investment Company PJSC)

Seats: Aldar Properties PJSC, Waha Capital PJSC

Karl Rose, *1961

(Strategy Advisor, Abu Dhabi National Oil Company)

Seats: no seats in domestic or foreign listed companies

Herbert Werner, *1948

(Managing Director, HCW Verkehrsbetriebe GmbH; Managing Director, HCW Vermögensverwaltungs GmbH)

Seats: Ottakringer Getränke AG (Deputy Chairman)

Elif Bilgi Zapparoli, *1967

(Global Co-Head Capital Markets, Bank of America Merrill Lynch)

Seats: no seats in domestic or foreign listed companies

Delegated by the Group works council (employee representatives)**Christine Asperger, *1964****Herbert Lindner, *1961****Alfred Redlich, *1966****Gerhard Singer, *1960****Wolfgang Baumann, *1958 (until March 23, 2018)****Angela Schorna, *1980 (from March 23, 2018)**

More detailed information about all members of OMV's Supervisory Board, including their professional careers, can be downloaded from OMV's website at www.omv.com > About us > Supervisory Board.

Diversity

The main considerations in selecting the members of the Supervisory Board are relevant knowledge, personal integrity and experience in executive positions. Furthermore, aspects of diversity of the Supervisory Board with respect to the internationality of the members, the representation of both

genders and the age structure are taken into account. The Supervisory Board includes five women and three non-Austrian nationals. The members of the Supervisory Board are aged between 38 and 76.

Independence

The Supervisory Board has defined the criteria that constitute independence (resolutions dated March 21, 2006, and March 25, 2009). In addition to the guidelines set out in Annex 1 of the ACCG, the Supervisory Board has established the following criteria with regard to its members elected by the General Meeting:

- ▶ A Supervisory Board member shall not serve on the Executive Board of an OMV Group company.
- ▶ A Supervisory Board member shall not hold stock options issued by the Company or any affiliated company, or receive any other performance-related remuneration from an OMV Group company.
- ▶ A Supervisory Board member shall not be a shareholder with a controlling interest in the meaning of EU Directive 83/349/EEC (i.e. a shareholder's interest of 50% or a dominant influence, e.g. through the right to appoint Board members) or represent such a shareholder.

All members elected by the General Meeting except Helmut Draxler and Herbert Werner, regarding the duration of their terms, have declared their independence from the Company and its Executive Board during the 2018 financial year and up to the time of making such declarations (C-rule 53 of the ACCG). Under C-rule 54 of the ACCG, Peter Löscher, Wolfgang C. Berndt, Elif Bilgi Zapparoli, Helmut Draxler, Karl Rose, Marc H. Hall, Gertrude Tumpel-Gugerell and Herbert Werner have made declarations to the effect that they were not shareholders with a stake of more than 10% or represented such shareholders' interests during the financial year 2018 and up to the time of making such declarations. Peter Löscher, Gertrude Tumpel-Gugerell, Marc H. Hall and Karl Rose were nominated for the election as Supervisory Board members by the nomination committee of the Österreichische Bundes- und Industriebeteiligungen GmbH ("ÖBIB")¹ and, subsequently (after being so proposed by the Presidential and Nomination Committee and the Supervisory Board), they were elected as Supervisory Board members.

¹ With effect as of February 20, 2019 Österreichische Bundes- und Industriebeteiligungen GmbH was transformed into a joint-stock company and renamed as Österreichische Beteiligungen AG.

Position and committee memberships

| Name | Supervisory Board and Committees 2018 ¹ | | | | | Remuneration 2017 ² in EUR | Remuneration 2018 ³ in EUR | Term of office |
|--------------------------|--|----------------|----------------|----|----|---|---|---|
| | SB | PNC | PPC | AC | RC | | | |
| Peter Löscher | C | C | DC | M | C | 80,000 | 80,000 | May 18, 2016, to 2020 AGM |
| Gertrude Tumpel-Gugerell | DC | DC | M | C | M | 61,000 | 67,110 | May 19, 2015, to 2020 AGM |
| Murtadha Al Hashmi | DC | DC | DC | DC | DC | 73,000 | 28,400 | May 10, 2012, to May 22, 2018 |
| Alyazia Ali Al Kuwaiti | DC | DC | DC | DC | DC | — | 44,600 | May 14, 2008, to May 18, 2016 and May 22, 2018, to 2019 AGM |
| Wolfgang C. Berndt | M | — | — | DC | DC | 44,000 | 44,000 | May 26, 2010, to 2019 AGM |
| Helmut Draxler | M | — | — | M | M | 40,000 | 40,000 | Oct. 16, 1990, to 2019 AGM |
| Marc H. Hall | M | — | M | — | — | 30,000 | 30,000 | May 18, 2016, to 2019 AGM |
| Ahmed Matar Al Mazrouei | M | M | M | — | — | 40,000 | 15,562 | May 18, 2016, to May 22, 2018 |
| Mansour Mohamed Al Mulla | M | M | M | — | — | — | 24,438 | May 22, 2018, to 2019 AGM |
| Karl Rose | M | — | C | — | — | 34,000 | 34,000 | May 18, 2016, to 2019 AGM |
| Herbert Werner | M | — | — | M | — | 30,000 | 30,000 | June 4, 1996, to 2019 AGM |
| Elif Bilgi Zapparoli | M | — | — | — | — | 20,000 | 20,000 | May 13, 2009, to 2019 AGM |
| Christine Asperger | M | M ⁶ | M ⁷ | — | — | — ⁴ | — ⁴ | Since Jan. 1, 2013 ⁵ |
| Wolfgang Baumann | M | M | — | M | — | — ⁴ | — ⁴ | Dec. 16, 1998, to Apr. 1, 1999, and Nov. 11, 2004, to March 23, 2018 ⁵ |
| Herbert Lindner | M | — | M | M | — | — ⁴ | — ⁴ | Since June 1, 2013 ⁵ |
| Alfred Redlich | M | M | M ⁶ | — | — | — ⁴ | — ⁴ | Since June 1, 2013 ⁵ |
| Gerhard Singer | M | — | M | M | — | — ⁴ | — ⁴ | Since Sept. 26, 2016 ⁵ |
| Angela Schorna | M | M ⁷ | — | M | — | — ⁴ | — ⁴ | Since March 23, 2018 ⁵ |

¹ Abbreviations: SB = Supervisory Board, PNC = Presidential and Nomination Committee, PPC = Portfolio and Project Committee, AC = Audit Committee, RC = Remuneration Committee. C = Chairman/Chairwoman; DC = Deputy Chairman/Chairwoman; M = Member; AGM = Annual General Meeting; Members of the Supervisory Board whose term ended in the business year 2017 are not listed herein

² Meeting fees in the amount of EUR 400/meeting, as well as any applicable reimbursement of withholding tax, are not included therein

³ Based on remuneration as adopted by the AGM 2018; subject to approval by the 2019 AGM

⁴ Members delegated to the Supervisory Board by the Group works council do not receive remuneration but just attendance expenses

⁵ Delegation by the Group works council is for an indefinite period of time; however, the employee representatives may be recalled at any time by the delegating body

⁶ since June 27, 2018

⁷ until June 27, 2018

Working practices of the Supervisory Board

The Supervisory Board fulfills its duties – in particular supervising the Executive Board and advising it on strategy – by discussing the Company's situation and objectives during board meetings. Decisions are also taken at these meetings, except in cases of urgency where decisions can be taken by circular vote. The set-up of four committees ensures that best possible use is made of the Supervisory Board members' expertise. Brief descriptions

of these committees are given below (see also the Report of the Supervisory Board for an overview of the individual committees' main activities in 2018). In 2018, six meetings of the Supervisory Board and 16 Committee meetings were held. In several of these meetings, the Executive Board and the Supervisory Board discussed strategic matters of OMV. No member of the Supervisory Board attended fewer than half of the meetings.

Attendance of Supervisory Board and Committee meetings in 2018 was as follows:

Attendance of Supervisory Board and Committee Meetings in 2018¹

| Name | SB | PNC | PPC | AC | RC |
|-------------------------------------|-----|------------------|------------------|-----|------------------|
| Peter Löscher | 6/6 | 3/3 | 4/4 | 6/6 | 3/3 |
| Gertrude Tumpel-Gugerell | 6/6 | 2/3 | 2/4 | 5/6 | 1/1 ³ |
| Murtadha Al Hashmi ² | 1/2 | 2/2 | 0/1 | 3/3 | 2/2 |
| Alyazia Ali Al Kuwaiti ³ | 2/4 | 1/1 | 2/3 | 2/3 | 1/1 |
| Wolfgang C. Berndt | 6/6 | | | 6/6 | 3/3 |
| Helmut Draxler | 6/6 | | | 5/6 | 3/3 |
| Marc H. Hall | 6/6 | | 4/4 | | |
| Ahmed Matar | | | | | |
| Al Mazrouei ² | 2/2 | 2/2 | 1/1 | | |
| Mansour Mohamed | | | | | |
| Al Mulla ³ | 4/4 | 1/1 | 2/3 | | |
| Karl Rose | 5/6 | | 3/4 | | |
| Herbert Werner | 6/6 | | 6/6 | | |
| Elif Bilgi Zapparoli | 4/6 | | | | |
| Christine Asperger | 6/6 | 1/1 ⁶ | 1/1 ⁷ | | |
| Wolfgang Baumann ⁴ | 1/1 | 1/1 | | 2/2 | |
| Herbert Lindner | 6/6 | | 4/4 | 6/6 | |
| Alfred Redlich | 6/6 | 3/3 | 3/3 ⁶ | | |
| Angela Schorna ⁵ | 5/5 | 1/1 ⁷ | | 3/4 | |
| Gerhard Singer | 6/6 | | 4/4 | 5/6 | |

¹ Abbreviations: SB = Supervisory Board, PNC = Presidential and Nomination Committee, PPC = Portfolio and Project Committee, AC = Audit Committee, RC = Remuneration Committee.

² until May 22, 2018

³ since May 22, 2018

⁴ until March 23, 2018

⁵ since March 23, 2018

⁶ since June 27, 2018

⁷ until June 27, 2018

The Supervisory Board performed a self-evaluation and discussed the efficiency of its activities, in particular its organization and work procedures.

Presidential and Nomination Committee

This committee is empowered to take decisions on matters of urgency. The Supervisory Board may transfer other duties and powers of approval to the Presidential and Nomination Committee on an ad hoc or permanent basis. In its capacity as the Nomination Committee, this body makes proposals to the Supervisory Board for the appointment or replacement of Executive Board members and deals with succession planning. It also makes recommendations to the General Meeting for appointments to the Supervisory Board. There were three meetings of the Presidential and Nomination Committee in 2018, in which discussions focused on Executive and Supervisory Board matters.

Audit Committee

This committee performs the duties established by section 92 (4a) Stock Corporation Act. The committee held six meetings during the year. It predominantly dealt with preparations for the audit of the annual financial statements, assessment of the auditors' activities, internal audit, internal control and risk management systems, as well as the presentation of the annual financial statements. Gertrude Tumpel-Gugerell is the financial expert within the Audit Committee in the meaning of section 92 (4a)(1) Stock Corporation Act.

Auditors

The Supervisory Board monitors auditors' independence and reviews a breakdown of the audit fees and fees for additional services besides auditing activities. In 2018, the auditors Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. (including their network in the meaning of section 271b Code of Commerce) received EUR 2.94 mn for the annual audit, EUR 0.64 mn for other assurance services, EUR 0.05 mn for tax advisory services and EUR 0.24 mn for other engagements.

Portfolio and Project Committee

This committee supports the Executive Board in preparing complex decisions on key issues where necessary and reports on these decisions and any recommendations to the Supervisory Board. In 2018, four meetings of the Portfolio and Project Committee were held.

Remuneration Committee

This committee deals with all aspects of the remuneration of Executive Board members and with their employment contracts. The committee's membership does not include employee representatives. The committee is empowered to conclude, amend and terminate Executive Board members' employment contracts and to take decisions on the awarding of bonuses (variable remuneration components) and other such benefits to them. The Remuneration Committee met three times during 2018. Executive Board members were invited to attend parts of some of the meetings of the Remuneration Committee.

HKP Group provided remuneration advice to the Committee, which included advice on the appropriate structure and level of Executive Board compensation in line with regulatory requirements and market practice.

They were appointed by the Remuneration Committee and did not advise the OMV Executive Board, ensuring independence with respect to the Austrian Code of Corporate Governance.

Conflicts of interest and dealings by members of the Supervisory Board requiring approval

There were no transactions requiring approval in accordance with section 95 (5) (12) Stock Corporation Act. The Internal Rules of the Supervisory Board contain detailed procedures for the treatment of conflicts of interest on the part of Supervisory Board members.

Remuneration

In accordance with the Articles of Association, the AGM resolves the remuneration of the Supervisory Board members elected by the General Meeting for the previous financial year. The 2018 AGM adopted the remuneration scale for the 2017 financial year as shown in the table below.

Remuneration for Supervisory Board members

In EUR¹

| | |
|--------------------------------------|--------|
| Chairman/Chairwoman | 30,000 |
| Deputy Chairman/Chairwoman | 25,000 |
| Ordinary member | 20,000 |
| Committee Chairman/Chairwoman | 14,000 |
| Committee Deputy Chairman/Chairwoman | 12,000 |
| Ordinary Committee member | 10,000 |

¹ Meeting fees in the amount of EUR 400/meeting, as well as any applicable reimbursement of withholding tax, are not included therein

The amounts for the 2017 financial year were disbursed to the Supervisory Board members concerned in 2018; these were exclusive of expenses (travel and attendance expenses). In 2018, the Supervisory Board members' remuneration (for the 2017 financial year and including reimbursement for withholding tax as applicable) accounted for EUR 0.51 mn, attendance expenses for EUR 0.07 mn and travel expenses for EUR 0.25 mn.

Employee participation

The Group works council holds regular meetings with the Executive Board in order to exchange information on developments affecting employees. Furthermore, the Group works council has made use of its right to delegate members to the Supervisory Board (one employee representative for every two members elected by the General Meeting). Therefore, out of the 15 Supervisory Board members, five members are employee representatives.

Rights of minority shareholders

- ▶ General Meeting: An Extraordinary General Meeting must be convened at the request of shareholders holding not less than 5% of the shares.
- ▶ Agenda items must be included at the request of shareholders holding not less than 5% of the shares.
- ▶ Shareholders holding not less than 1% of the shares may submit resolution proposals on all agenda items. Such resolution proposals must be posted on the website upon request of the respective shareholders.
- ▶ Shareholders holding not less than 10% of the shares may require an extraordinary audit in the event of grounds for suspicion of irregularities, or gross violations of the law or the Articles of Association.
- ▶ All shareholders having duly provided evidence of their shareholding are entitled to attend General Meetings, ask questions and vote.
- ▶ Election of the Supervisory Board: If elections for two or more positions to the Supervisory Board are held at the same General Meeting, separate votes must be held for each position. If elections for three or more seats on the Supervisory Board are held at the same General Meeting, and if prior to the vote on the last position to be assigned it is found that at least one-third of all the votes have been cast in favor of the same person but he or she has not been elected, then this person must be declared as Supervisory Board member.

Women's Advancement and Diversity Concept

Diversity is an enormous strength that OMV actively builds on now, and in the future. Consequently OMV strives to continuously develop new initiatives and measures that promote diversity and equal opportunities. OMV is committed to its Group diversity strategy with focus on gender and internationality. Being active in an industry with a strong technical focus, it is particularly challenging for OMV to achieve a satisfactory gender balance in all fields of business activity. OMV is committed to supporting women's advancement to managerial positions. The strategic objective is to achieve the best diversity mix at the senior management level. The aim is to increase the female representation in Senior Leadership roles, from 18% to 25% by 2025 through a number of initiatives such as mentoring, succession planning, specific trainings as well as initiatives to increase work/life flexibility.

The proportion of women in the Group as a whole is approximately 25%. Within OMV's leadership development programs, in 2018 the proportion of women was 28% (22% in 2017). In the First Time Leaders program for new leaders, OMV reached a remarkable rate of 38% of female participants. Within OMV's Upstream integrated graduate development program for technical skill pools, the proportion of women was 25% in 2018 (22% in 2017). The topic of diversity has been incorporated in all Leadership Development programs and embedded in the OMV People Strategy.

OMV promotes talents from different backgrounds, thus ensuring the best mix in diverse teams. OMV especially supports the recruitment and development of women in technical positions.

Through using gender-neutral language in OMV's job advertisements and through publishing all job advertisements internally, together with the constant monitoring of gender, age, employee background, seniority as well as salary equality, OMV is ensuring fair treatment and contributing to equal opportunities among men and women at all career stages.

Female employees initiated a Diversity Network to raise awareness for diversity topics and to boost female careers in the technical area through a collaboration site and joint activities.

OMV Head Office in Vienna has two company kindergartens attended by children of OMV employees. In order to spark girls' interest in technical careers early on in their lives OMV again participated in Vienna's Girls' Day.

The Executive Board and Supervisory Board consider the described measures and programs to foster the variety of the workforce as a key element to strengthen the diversity of the internal pool of Executive Board succession candidates. The Presidential and Nomination Committee concerns itself at least once a year with the identification and development of internal potentials. In addition to internal succession planning, the Supervisory Board also makes use of external recruitments in order to best fill open Executive Board positions. In the selection of Executive Board members – be it internally or externally – special attention is given to balance gender, age, and international experience in addition to professional skills.

Currently, no woman is part of the Executive Board of OMV. The Executive Board members of OMV are between 53 and 58 years old, comprise two different nationalities, and have acquired comprehensive international management experience.

Until 2018, the Supervisory Board members elected by the Annual General Meeting upon proposal by ÖBIB were nominated by the Nomination Committee of the Austrian Federal Government. The selection of candidates is based on various criteria, particularly the candidates' professional skills, personal integrity, independence, and impartiality. In addition, diversity aspects such as the representation of both genders, a balanced age distribution, and internationality of members is taken into consideration.

At present, the Supervisory Board of OMV includes five women, corresponding to a share of 30%. Particular focus will be given to a further strengthening of industry-specific competencies and the internationality of Supervisory Board members in line with the company's strategic orientation. With members aged between 38 and 76 years, the Supervisory Board shows a balanced age structure.

External evaluation of Corporate Governance

An external evaluation of OMV's compliance with the provisions of the ACCG is performed each year. Regarding the evaluation for 2018, OMV engaged Mathias Ettel of the law firm Berger Ettel Rechtsanwälte. The official questionnaire of the Austrian Working Group for Corporate Governance was used for the evaluation, and the result was that OMV is in full compliance with the Austrian Corporate Governance Code including all non-compulsory recommendations. The report of the evaluation is available for download on OMV's website (www.omv.com).

Vienna, March 13, 2019

The Executive Board

Rainer Seele m.p.

Johann Pleininger m.p.

Reinhard Florey m.p.

Manfred Leitner m.p.

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Auditor's Report¹

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, 2018, 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, 2018 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 is sufficient and appropriate to provide a basis for our opinion.

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. Purchase Price Allocation acquisition Upstream business New Zealand
2. Recoverability of intangible exploration and evaluation (E&E) assets
3. Estimation of oil and gas reserves
4. Recoverability of receivables from Romanian State
5. Estimation 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 director's 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 director's report for the Group. Section 281 paragraph 2 UGB (Austrian Company Code) applies to alternated versions.

Key Audit Matter

Purchase Price Allocation acquisition Upstream business New Zealand

On December 28, 2018, OMV completed the acquisition of Shell's Upstream business in New Zealand. The net assets acquired at 28 December 2018 amounted to EUR 468 mn.

Under IFRS, an entity is required to allocate the purchase price in recognizing assets acquired and liabilities assumed at the acquisition date at fair values.

The valuation of assets acquired and liabilities assumed is judgmental and complex, requiring significant judgement in applying forecasts and assumptions made by management.

The principal risk relates to the initial estimates of the fair values of the identifiable assets and decommissioning and restoration obligations assumed together with the deferred taxes on acquisition in preparing the purchase price allocation.

Given the extent of the judgment in valuing these assets and obligations, we believe that the fair value calculation carries significant risk of material misstatement.

OMV management engaged an independent expert to provide valuation support with respect to the determination of the fair values of the assets acquired and liabilities assumed under IFRS 3.

OMV Group's disclosures about the acquisition of upstream business New Zealand are included in Note 3 (Changes in group structure).

How our audit addressed the key audit matter

We assessed management's purchase price allocation. Specifically our work included, but was not limited to, the following procedures:

- ▶ Read the purchase agreement to gain an understanding of the key terms and conditions and to assess the adequacy of the accounting treatment;
- ▶ Assess the competence of external specialists and the objectivity and independence of external specialists, to consider whether they were appropriately qualified to carry out the valuation;
- ▶ Assess the valuation model, the cash flow forecasts, and the key assumptions used in the calculation of the assets' and decommissioning and restoration obligations' fair value;
- ▶ Engage our internal valuation specialist to assist us in the audit of the purchase price allocation and discount rates used; and
- ▶ Assess the adequacy of the Group's disclosures in the financial statements.

Key Audit Matter

Recoverability of intangible exploration and evaluation (E&E) assets

The carrying value of intangible E&E assets amounted to EUR 1,906 mn at 31 December 2018, after a write off (impairment) of EUR 51 mn in 2018.

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 yearend, and in quantifying any such impairment.

The principal risks relate to 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.

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 and impairment charges) and Note 14 (Intangible assets).

How our audit addressed the key audit matter

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 any 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 licence;
- ▶ Review of supporting evidence where an E&E asset has been impaired; and
- ▶ Assess the adequacy of the Group's disclosures in the financial statements.

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. Furthermore, 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 and
- ▶ the valuation of the financial asset related to the reserves redetermination right out of the prior year acquisition of an interest in the Yuzhno-Russkoye field.

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, decommissioning provision estimate and the valuation of the financial asset related to the reserves redetermination right.

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 and impairment charges), Note 18 (Financial assets) 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 report of DeGolyer and MacNaughton (D&M) on their review of Group's estimated oil and gas reserves as at 31 December 2017 and analyse the report of the additional external specialist engaged by OMV for one case in 2018;
- ▶ 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, in accounting for depreciation & amortization and the valuation of the financial asset related to the reserves redetermination right; and
- ▶ Assess the adequacy of the Group's disclosures in the financial statements.

Key Audit Matter

Recoverability of receivables from Romanian State

As part of the privatization agreement regarding OMV Petrom SA, the Group is entitled to the reimbursement by the Romanian State of part of wells abandonment (decommissioning) and environmental costs incurred to restore and clean up areas pertaining to activities prior to privatization in 2004. Consequently, the Group has recorded receivables from the Romanian State amounting to EUR 378 mn at 31 December 2018.

The assessment of the recoverability of the receivables from the Romanian State, requires management to make judgements and estimates to assess the uncertainty regarding the expenditure recoverable from Romanian State. The assessment process considers *inter alia* history of amounts claimed, documentation process and requirements, arbitration proceedings.

OMV Group's disclosures about Environmental and Decommissioning State Receivables are included in Note 2 (Accounting policies, judgements and estimates) and Note 18 (Financial assets).

How our audit addressed the key audit matter

We assessed management's estimate regarding recoverability of the receivables from the Romanian State. Our work included, but was not limited to, the following procedures:

- ▶ Read the stipulations of the Annex P of the privatization agreement dated 23 July 2004, related to the acquisition by OMV Aktiengesellschaft of shares in the National Petroleum Company Petrom SA, as approved by Law no. 555/2004. Annex P includes stipulations related to the obligation of the seller (i.e. Ministry of Economy and Commerce) to reimburse the Company for historical environmental losses and abandonment costs, provided certain conditions are met;
- ▶ Review management's assessment of the recoverability of the receivables from the Romanian State, including the history of amounts claimed vs. amounts accepted and reimbursed, and discuss with management about the status of the notices of claims submitted by the Group and of the arbitration process;
- ▶ Trace the receivables for which notices of claim have been submitted to the respective notices of claims;
- ▶ Trace the receivables for which decommissioning was performed but the notices of claim have not yet been submitted to the respective decommissioning costs;
- ▶ Trace the receivables for which decommissioning has not yet been performed against the respective decommissioning provisions;
- ▶ Discuss with management the estimates of timing of collection;
- ▶ Involve our valuation specialists to assist us in the analysis of discount rates and inflation rates;
- ▶ Test the mathematical accuracy of the calculation of the net present value of the receivables recorded; and
- ▶ Assess the adequacy of the Group's disclosures in the financial statements.

Key Audit Matter

Estimation of provision for decommissioning and restoration obligations

The total provision for decommissioning and restoration obligations amounted to EUR 3,736 mn at 31 December 2018.

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.

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).

How our audit addressed the key audit matter

We assessed management's annual 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 evidence 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; and
- ▶ Test the mathematical accuracy of the decommissioning and restoration obligation calculation; and
- ▶ Assess the adequacy of the Group's disclosures in the financial statements.

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

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 Director's Report for the Group

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

Management is responsible for the preparation of the director's 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 director's report for the Group.

Opinion

In our opinion, the director's 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 director's report for the Group came to our attention.

Other Information

Management is responsible for the other information. The other information comprises the infor-

mation included in the annual report, but does not include the consolidated financial statements, the director's report for the Group and the auditor's report thereon. The annual report is estimated to be provided to us after the date of the auditor's report. 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, as soon as it is available, and, in doing so, to consider whether – based on our knowledge obtained in the audit – the other information is materially inconsistent with the consolidated financial statements or otherwise appears to be materially misstated.

Additional information in accordance with article 10 EU regulation

We were elected as auditor by the ordinary general meeting at May 22, 2018. We were appointed by the Supervisory Board on June 7, 2018. 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 on the audit resulting in this independent auditor's report is Mr. Gerhard Schwartz, Certified Public Accountant.

Vienna, March 13, 2019

Ernst & Young

Wirtschaftsprüfungsgesellschaft m.b.H.

Gerhard Schwartz m.p.
Wirtschaftsprüfer/Certified Public Accountant

Alexander Wlasto m.p.
Wirtschaftsprüfer/Certified Public Accountant

Consolidated Income Statement for 2018

Consolidated income statement

In EUR mn

| | Note | 2018 | 2017 |
|--|--------|---------------|---------------|
| Sales revenues | | 22,930 | 20,222 |
| Other operating income | 4, 5 | 517 | 488 |
| Net income from equity-accounted investments | 6, 16 | 391 | 510 |
| Total revenues and other income | | 23,839 | 21,220 |
| Purchases (net of inventory variation) | 17 | (14,094) | (12,331) |
| Production and operating expenses | | (1,594) | (1,645) |
| Production and similar taxes | | (392) | (311) |
| Depreciation, amortization and impairment charges | 7 | (1,827) | (1,852) |
| Selling, distribution and administrative expenses | | (1,749) | (1,636) |
| Exploration expenses | 7, 8 | (175) | (221) |
| Other operating expenses | 9 | (485) | (1,491) |
| Operating Result | | 3,524 | 1,732 |
| Dividend income | 31 | 20 | 15 |
| Interest income | 11, 31 | 117 | 64 |
| Interest expenses | 11, 31 | (290) | (265) |
| Other financial income and expenses | 11, 31 | (72) | (60) |
| Net financial result | | (226) | (246) |
| Profit before tax | | 3,298 | 1,486 |
| Taxes on income | 12 | (1,305) | (634) |
| Net income for the year | | 1,993 | 853 |
| thereof attributable to stockholders of the parent | | 1,438 | 435 |
| thereof attributable to hybrid capital owners | | 78 | 103 |
| thereof attributable to non-controlling interests | | 477 | 315 |
| Basic Earnings Per Share in EUR | 13 | 4.40 | 1.33 |
| Diluted Earnings Per Share in EUR | 13 | 4.40 | 1.33 |

Consolidated Statement of Comprehensive Income for 2018

Consolidated statement of comprehensive income

In EUR mn

| | Note | 2018 | 2017 |
|--|---------|--------------|--------------|
| Net income for the year | | 1,993 | 853 |
| Exchange differences from translation of foreign operations | | 28 | 340 |
| Gains/(losses) arising during the year, before income taxes | | (87) | (734) |
| Reclassification of (gains)/losses to net income | 3, 6, 9 | 115 | 1,075 |
| Gains/(losses) on hedges | 28 | 195 | 32 |
| Gains/(losses) arising during the year, before income taxes | | 43 | 15 |
| Reclassification of (gains)/losses to net income | | 152 | 18 |
| Share of other comprehensive income of equity-accounted investments | 16 | 59 | (161) |
| Total of items that may be reclassified ("recycled") subsequently to the income statement | | 282 | 212 |
| Remeasurement gains/(losses) on defined benefit plans | 23 | (114) | 7 |
| Gains/(losses) on equity investments | 18 | 26 | n.a. |
| Gains/(losses) on hedges that are subsequently transferred to the carrying amount of the hedged item | 28 | 9 | n.a. |
| Share of other comprehensive income of equity-accounted investments | 16 | (3) | (10) |
| Total of items that will not be reclassified ("recycled") subsequently to the income statement | | (82) | (3) |
| Income taxes relating to items that may be reclassified ("recycled") subsequently to the income statement | | (52) | 5 |
| Income taxes relating to items that will not be reclassified ("recycled") subsequently to the income statement | | (3) | 2 |
| Total income taxes relating to components of other comprehensive income | 21 | (55) | 7 |
| Other comprehensive income for the year, net of tax | | 144 | 216 |
| Total comprehensive income for the year | | 2,137 | 1,069 |
| thereof attributable to stockholders of the parent | | 1,587 | 716 |
| thereof attributable to hybrid capital owners | | 78 | 103 |
| thereof attributable to non-controlling interests | | 472 | 250 |

Consolidated Statement of Financial Position as of December 31, 2018

Assets

In EUR mn

| | Note | 2018 | 2017 |
|-------------------------------|------|---------------|---------------|
| Intangible assets | 14 | 3,317 | 2,648 |
| Property, plant and equipment | 15 | 15,115 | 13,654 |
| Equity-accounted investments | 16 | 3,011 | 2,913 |
| Other financial assets | 18 | 2,659 | 1,959 |
| Other assets | 19 | 36 | 55 |
| Deferred taxes | 25 | 759 | 744 |
| Non-current assets | | 24,896 | 21,972 |
| Inventories | 17 | 1,571 | 1,503 |
| Trade receivables | 18 | 3,420 | 2,503 |
| Other financial assets | 18 | 2,727 | 1,140 |
| Income tax receivables | | 9 | 15 |
| Other assets | 19 | 264 | 265 |
| Cash and cash equivalents | 26 | 4,026 | 3,972 |
| Current assets | | 12,017 | 9,398 |
| Assets held for sale | 20 | 47 | 206 |
| Total assets | | 36,961 | 31,576 |

Equity and liabilities

In EUR mn

| | Note | 2018 | 2017 |
|--|------|---------------|---------------|
| Share capital | | 327 | 327 |
| Hybrid capital | | 1,987 | 2,231 |
| Reserves | | 9,591 | 8,658 |
| OMV equity of the parent¹ | | 11,905 | 11,216 |
| Non-controlling interests | 22 | 3,436 | 3,118 |
| Total equity | 21 | 15,342 | 14,334 |
| Provisions for pensions and similar obligations | 23 | 1,096 | 1,003 |
| Bonds | 24 | 4,468 | 3,968 |
| Other interest-bearing debts | 24 | 441 | 823 |
| Provisions for decommissioning and restoration obligations | 23 | 3,673 | 3,070 |
| Other provisions | 23 | 446 | 497 |
| Other financial liabilities | 24 | 924 | 405 |
| Other liabilities | 24 | 138 | 148 |
| Deferred taxes | 25 | 731 | 437 |
| Non-current liabilities | | 11,917 | 10,352 |
| Trade payables | 24 | 4,401 | 3,262 |
| Bonds | 24 | 539 | 788 |
| Other interest-bearing debts | 24 | 304 | 114 |
| Income tax liabilities | | 349 | 140 |
| Provisions for decommissioning and restoration obligations | 23 | 63 | 110 |
| Other provisions | 23 | 355 | 349 |
| Other financial liabilities | 24 | 2,806 | 1,288 |
| Other liabilities | 24 | 863 | 775 |
| Current liabilities | | 9,680 | 6,826 |
| Liabilities associated with assets held for sale | 20 | 22 | 63 |
| Total equity and liabilities | | 36,961 | 31,576 |

¹ 2017 included EUR 42 mn recognized in other comprehensive income and accumulated in equity related to Pakistan disposal group.

Consolidated Statement of Changes in Equity for 2018

Consolidated statement of changes in equity in 2018¹

In EUR mn

| | Share capital | Capital reserves | Hybrid capital | Revenue reserves | Translation of foreign operations |
|--|---------------|------------------|----------------|------------------|-----------------------------------|
| January 1, 2018 | 327 | 1,517 | 2,231 | 8,006 | (838) |
| Adjustments on initial application of IFRS 9 and IFRS15 | — | — | — | 39 | — |
| Adjusted balance January 1, 2018 | 327 | 1,517 | 2,231 | 8,045 | (838) |
| Net income for the year | — | — | — | 1,516 | — |
| Other comprehensive income for the year | — | — | — | (87) | 29 |
| Total comprehensive income for the year | — | — | — | 1,429 | 29 |
| Capital increase | — | — | 496 | — | — |
| Dividend distribution and hybrid coupon | — | — | — | (576) | — |
| Changes in hybrid capital | — | — | (741) | (60) | — |
| Disposal of treasury shares | — | 4 | — | — | — |
| Share-based payments | — | (11) | — | 0 | — |
| Increase/(decrease) in non-controlling interest | — | — | — | (8) | (0) |
| Reclassification of cash flow hedges to balance sheet ² | — | — | — | — | — |
| December 31, 2018 | 327 | 1,511 | 1,987 | 8,830 | (809) |

Consolidated statement of changes in equity in 2017¹

In EUR mn

| | Share capital | Capital reserves | Hybrid capital | Revenue reserves | Transla- tion of foreign operations |
|--|---------------|------------------|----------------|------------------|--|
| January 1, 2017 | 327 | 1,507 | 2,231 | 7,990 | (1,251) |
| Net income for the year | — | — | — | 537 | — |
| Other comprehensive income for the year | — | — | — | 8 | 413 |
| Total comprehensive income for the year | — | — | — | 545 | 413 |
| Dividend distribution and hybrid coupon | — | — | — | (529) | — |
| Disposal of treasury shares | — | 1 | — | — | — |
| Share-based payments | — | 9 | — | — | — |
| December 31, 2017 | 327 | 1,517 | 2,231 | 8,006 | (838) |

¹ See Note 21² The amount was mainly related to inventories that were already consumed as of December 31, 2018 and consequently recognized in the income statement.³ 2017 included EUR 42 mn recognized in other comprehensive income and accumulated in equity related to Pakistan disposal group.

| Hedges | Share of other compr. income of equity-ac- counted investments | Treasury shares | OMV equity of the parent ³ | Non-controlling interests | Total equity |
|------------|--|-----------------|--|------------------------------|---------------|
| 8 | (27) | (8) | 11,216 | 3,118 | 14,334 |
| — | 3 | — | 42 | 0 | 42 |
| 8 | (24) | (8) | 11,259 | 3,118 | 14,377 |
| — | — | — | 1,516 | 477 | 1,993 |
| 152 | 55 | — | 149 | (5) | 144 |
| 152 | 55 | — | 1,665 | 472 | 2,137 |
| — | — | — | 496 | — | 496 |
| — | — | — | (576) | (161) | (737) |
| — | — | — | (800) | — | (800) |
| — | — | 3 | 7 | — | 7 |
| — | — | — | (10) | — | (10) |
| — | — | — | (9) | 7 | (2) |
| (122) | (5) | — | (126) | 0 | (126) |
| 39 | 26 | (6) | 11,905 | 3,436 | 15,342 |

| Hedges | Share of other compr. income of equity-accounted investments | Treasury shares | OMV equity of the parent ³ | Non-controlling interests | Total equity |
|-----------|---|-----------------|--|------------------------------|---------------|
| (24) | 144 | (9) | 10,915 | 3,010 | 13,925 |
| — | — | — | 537 | 315 | 853 |
| 32 | (171) | — | 282 | (66) | 216 |
| 32 | (171) | — | 819 | 250 | 1,069 |
| — | — | — | (529) | (141) | (670) |
| — | — | 1 | 2 | — | 2 |
| — | — | — | 9 | — | 9 |
| 8 | (27) | (8) | 11,216 | 3,118 | 14,334 |

Consolidated Statement of Cash Flows for 2018

Consolidated statement of cash flows

In EUR mn

| | Note | 2018 | 2017 |
|--|-----------|----------------|----------------|
| Net income for the year | | 1,993 | 853 |
| Depreciation, amortization and impairments | 7 | 1,886 | 1,988 |
| Write-up of non-current assets | 6 | (106) | (47) |
| Deferred taxes | 12 | 298 | 142 |
| Current taxes | 12 | 1,007 | 492 |
| Income taxes paid | | (831) | (551) |
| Tax refunds | | 2 | 23 |
| Losses/(gains) from disposal of non-current assets and businesses | 6, 9 | (2) | 0 |
| Income from equity-accounted investments and other dividend income | 6, 18, 31 | (411) | (525) |
| Dividends received from equity-accounted investments and other companies | | 437 | 384 |
| Interest expense | 11, 31 | 131 | 126 |
| Interest paid | | (149) | (149) |
| Interest income | 11, 31 | (108) | (55) |
| Interest received | | 44 | 33 |
| Increase/(decrease) in personnel provisions | 23 | (54) | (35) |
| Increase/(decrease) in long-term provisions | 23 | 62 | 45 |
| Other changes | 26 | 93 | 1,148 |
| Sources of funds | | 4,293 | 3,871 |
| Decrease/(increase) in inventories | 17 | (73) | 70 |
| Decrease/(increase) in receivables | 18, 19 | (1,041) | (51) |
| Increase/(decrease) in liabilities | 24 | 1,287 | (347) |
| Increase/(decrease) in short-term provisions | 23 | (70) | (96) |
| Changes in net working capital components | | 103 | (424) |
| Cash flow from operating activities | | 4,396 | 3,448 |
| Investments | | | |
| Intangible assets and property, plant and equipment | 3, 14, 15 | (3,193) | (1,586) |
| Investments, loans and other financial assets | 18 | (305) | (366) |
| Acquisitions of subsidiaries and businesses net of cash acquired | 3 | (357) | (1,644) |
| Disposals | | | |
| Proceeds in relation to non-current assets | | 60 | 72 |
| Proceeds from the sale of subsidiaries and businesses, net of cash disposed | 3 | 442 | 1,758 |
| Cash flow from investing activities | | (3,353) | (1,766) |
| Increase in long-term borrowings | 26 | 1,011 | 1,001 |
| Repayments of long-term borrowings | 26 | (1,805) | (217) |
| Increase/(decrease) in short-term borrowings | 26 | 102 | (89) |
| Dividends paid to OMV equity holders | 21 | (621) | (529) |
| Dividends paid to non-controlling interests | 22 | (158) | (140) |
| Increase hybrid bond | 21 | 496 | — |
| Cash flow from financing activities | | (975) | 27 |
| Effect of foreign exchange rate changes on cash and cash equivalents | | (22) | (42) |
| Net increase/(decrease) in cash and cash equivalents | | 45 | 1,667 |
| Cash and cash equivalents at beginning of year | 26 | 3,981 | 2,314 |
| Cash and cash equivalents at end of year | 26 | 4,026 | 3,981 |
| Thereof cash disclosed within Assets held for sale | | — | 9 |
| Cash and cash equivalents presented in the consolidated statement of financial position | 26 | 4,026 | 3,972 |

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 and gas company with activities in Upstream and Downstream.

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, judgments and estimates.

The consolidated financial statements for 2018 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, 2018. The financial statements of all consolidated companies have the statement of financial position date December 31, and 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 including consolidation method, business segment, place of business and interest held by OMV.

The consolidated financial statements for 2018 were approved by the Supervisory Board on March 13, 2019.

2 Accounting policies, judgements and estimates

1) First-time adoption of new or amended standards

The accounting policies adopted are consistent with those of the previous financial year, except for the changes as described below.

The Group has initially adopted IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers (incl. clarifications) from January 1, 2018. The effects of these standards are described in the following chapters.

These amendments did not have a material impact on the consolidated financial statements of the Group.

2) IFRS 9 Financial instruments

IFRS 9 introduces key changes to the classification and measurement of financial assets being based on a business model and contractual cash flows approach and implements a new impairment model based on expected credit losses. In addition, changes to hedge accounting have been made with the objective to better represent the effect of risk management activities that an entity adopts to manage exposures.

Additionally, the Group has adopted the following amended standards with a date of initial application of January 1, 2018:

- ▶ Amendments to IFRS 2 Classification and Measurement of Share-based Payment
- ▶ Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance
- ▶ Annual Improvements to IFRS Standards 2014–2016 Cycle (Amendments to IAS 28 and IFRS 1)
- ▶ IFRIC 22 Foreign Currency Transactions and Advance Consideration
- ▶ Amendments to IAS 40 Transfers of Investment Property

Except for hedge accounting, IFRS 9 was applied retrospectively. As permitted by IFRS 9, OMV did not restate the figures of the comparative period. The retrospective impact of applying IFRS 9 was accounted for through adjustments to the opening balances of the respective positions in equity as at January 1, 2018.

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL).

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories

under IFRS 9 for each class of the Group's financial assets as at January 1, 2018.

Changes in measurement category from IAS 39 to IFRS 9

In EUR mn

| | Measurement category | | Paragraph | Carrying amount | | |
|-------------------------------------|---------------------------------|---------------------------------|-----------|----------------------|-----------------|---------------------------|
| | IAS 39 | IFRS 9 | | Original (IAS 39) | New (IFRS 9) | Remeasure- ment effect |
| Assets as at January 1, 2018 | | | | | | |
| Equity-accounted investments | n.a. | n.a. | 1. | 2,913 | 2,916 | 3 |
| Other investments | Available-for-sale | FVOCI | 2. | 39 | 82 | 43 |
| Investment funds | Available-for-sale | FVTPL | 3. | 6 | 6 | — |
| Bonds | Available-for-sale | Amortized cost | 3. | 78 | 78 | (0) |
| Loans and receivables | Amortized cost | | 4. | 348 | 345 | (2) |
| Other financial assets | receivables ¹ | Amortized cost ¹ | 4. | 1,019 | 1,015 | (4) |
| | FVTPL | FVTPL | | 641 | 641 | — |
| | Available-for-sale | FVTPL | | 139 | 139 | — |
| Derivative instruments: | | | | | | |
| a) Cash flow hedges | Fair value – hedging instrument | Fair value – hedging instrument | | 97 | 97 | — |
| b) Other derivative instruments | Held-for-trading | FVTPL | | 732 | 732 | — |
| Trade receivables | Loans and receivables | Amortized cost | 4. | 2,306 | 2,304 | (2) |
| | Loans and receivables | FVTPL | 5. | 197 | 197 | — |

¹ Other financial assets include receivables for expenditure recoverable from Romanian state amounting to EUR 434 mn which are outside of scope of IAS 39 and IFRS 9.

1. The carrying amount of equity-accounted investments was increased by EUR 3 mn due to the implementation of IFRS 9. The related impact net of tax in OMV Group's equity was EUR 3 mn.

2. IFRS 9 eliminates the exemption to measure unquoted equity instruments at cost rather than at fair value, in circumstances in which the range of reasonable fair value measurements is significant and the probabilities of the various estimates cannot reasonably be assessed. It only allows measurement at fair value and states indicators when the cost might not be a good representative of fair value. Under IFRS 9, OMV designated all equity investments as measured at fair value through OCI as they are held for long-term strategic purposes. Consequently, all fair value gains and losses are reported in OCI, no impairment losses are recognized in profit or loss and no gains or losses are reclassified to the income statement on

disposal. The related impact net of tax in OMV Group's equity was EUR 42 mn.

3. Available-for-sale financial assets, which include mainly investment funds and debt instruments, were recognized at fair value through OCI under IAS 39. Upon application of IFRS 9 the investment funds are measured at FVTPL. Based on the Group's assessment debt instruments previously classified as available-for-sale financial assets, mainly consisting of bonds, are held within the business model with an objective to collect the contractual cash flows. Upon application of IFRS 9 they are therefore measured at amortized cost with an adjustment to the accumulated OCI against their carrying amount. The effect of both changes in OMV Group's equity is immaterial.

4. Financial assets measured at amortized cost are subject to the new impairment provisions of IFRS 9 which require the recognition of impairment

provisions based on expected credit losses rather than only incurred credit losses as was the case under IAS 39. In general, the application of the expected credit loss model results in earlier recognition of credit losses and increase the amount of loss allowance recognized for the relevant items. The related impact net of tax in OMV Group's equity upon initial application of IFRS 9 is EUR (6) mn.

5. Under IAS 39, all trade receivables were measured at amortized cost less any impairment. Upon the application of IFRS 9, however, the portfolio of

receivables eligible for factoring or the securitization program is measured at FVTPL as they are held within a business model with an objective to sell them. Moreover, the trade receivables from arrangements with provisional pricing are also measured at FVTPL as the contractual cash flows are not solely payments of principal and interest on the principal amount outstanding. The adjustment to revenue reserves due to the new classification under IFRS 9 is insignificant.

Reconciliation of changes in loss allowance based on measurement categories

In EUR mn

| Measurement category | Loss allowance | Remeasurement due to IFRS 9 | Adjusted loss allowance |
|--|----------------|-----------------------------|-------------------------|
| Loans and receivables/Financial assets at amortized cost | | | |
| Trade receivables | 76 | 2 | 78 |
| Other sundry receivables and assets ¹ | 224 | 4 | 228 |
| Loans | — | 2 | 2 |
| Available for sale financial instruments/Financial assets at amortized cost | | | |
| Bonds | 0 | 0 | 0 |
| Total | 300 | 9 | 308 |

¹ Loss allowance for Other sundry receivables and assets includes loss allowance for receivable for expenditure recoverable from Romanian state amounting to EUR 8 mn which is outside of scope of IAS 39 and IFRS 9.

Under IFRS 9, generally more hedging instruments and hedged items qualify for hedge accounting. The Group's hedging relationships qualified as continuing hedges upon the adoption of IFRS 9. For cash flow hedges of a forecast transaction that results in the recognition of a non-financial item, the carrying value of that item must be adjusted for the accumulated gains or losses recognized directly in OCI under IFRS 9. The adjustment will affect profit or loss in the same manner and periods as the non-financial items to which they relate affect profit or loss. The accumulated gains and losses for these cash flow hedges are presented within "Total items that will not be reclassified ("recycled") subsequently to the income statement" in the Statement of comprehensive income and the adjustment of the carrying value of the non-financial items is presented as a change in the Statement of changes in equity outside of the total comprehensive income for the period. Under IAS 39 an accounting policy choice was elected to maintain the cash flow hedge reserves in equity and reclassify them to profit or loss in the same period as the non-financial item affects profit or loss.

3) IFRS 15 Revenue from contracts with customers

IFRS 15 replaced the previous revenue recognition requirements in IFRS and applies to all revenue arising from contracts with customers. According to the new standard, revenue is recognized to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognized when, or as, the customer obtains control of the goods or services.

The Group has adopted the new standard on January 1, 2018 using the modified retrospective method, with the cumulated adjustment from initially applying this standard recognized at January 1, 2018. As a result, the Group has not applied the requirements of IFRS 15 to the comparative periods presented.

Under IFRS 15, there are more transactions in which OMV acts in the capacity of an agent. An agent recognizes revenue for the commission or fee earned for facilitating the transfer of goods or services. The assessment according to the new standard is based on whether the Group controls

the specific goods or services before transferring to the customer, rather than whether it has exposure to significant risks and rewards associated with the sale of the goods or services. Furthermore, under IFRS 15 more transactions have to be considered as non-monetary exchanges between entities in the same line of business that do not qualify for revenue recognition. Without this change due to IFRS 15 sales revenues and related costs would have been higher by EUR 270 mn, without any impact on the margin.

In addition, there are a small number of long-term supply contracts with different prices in different periods where the rates do not reflect the value of

the goods at the time of delivery in the Group. Whereas under IAS 18 the invoiced amount was recognized as revenue, under IFRS 15 the revenue is recognized based on the average contractual price. Due to initial application of IFRS 15 retained earnings at January 1, 2018 have been adjusted by plus EUR 3 mn for these contracts.

The following table summarizes the impact of adopting IFRS 15 on the consolidated income statement and total comprehensive income for 2018. The impact of IFRS 15 on the group statement of financial position and the group cash flow statement was immaterial.

Income statement and Statement of comprehensive income for 2018

In EUR mn

| | As reported | Adjustments | Balances without adoption of IFRS 15 |
|--|---------------|-------------|--------------------------------------|
| Sales revenues | 22,930 | 271 | 23,201 |
| Other operating income | 517 | 10 | 528 |
| Total revenues and other income | 23,839 | 281 | 24,120 |
| Purchases (net of inventory variation) | (14,094) | (178) | (14,272) |
| Production and operating expenses | (1,594) | 0 | (1,593) |
| Selling, distribution and administrative expenses | (1,749) | (101) | (1,850) |
| Operating Result | 3,524 | 1 | 3,525 |
| Net financial result | (226) | 0 | (226) |
| Profit before tax | 3,298 | 1 | 3,299 |
| Taxes on income | (1,305) | 0 | (1,305) |
| Net income for the year | 1,993 | 1 | 1,994 |
| thereof attributable to stockholders of the parent | 1,438 | 1 | 1,439 |
| Total comprehensive income for the year | 2,137 | 1 | 2,138 |
| thereof attributable to stockholders of the parent | 1,587 | 1 | 1,588 |

4) New or revised standards and interpretations not yet mandatory

OMV has not applied the following new or revised IFRSs and interpretations that have been issued but are not yet effective. EU endorsement is still pending in some cases.

a) IFRS 16 Leases

This standard will replace IAS 17 and sets out new rules for lease accounting. For the lessee's accounting, IFRS 16 will eliminate the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, will introduce a single lessee accounting model. Applying that model, a lessee will be required to recognize assets and liabilities for most leases and depreciation of lease assets separately from interest on lease liabilities in the income statement. For lessors, there will only be minor changes compared to IAS 17.

The most significant impact is that the Group will recognize new assets and liabilities for its operating leases to which IFRS 16 is applicable. On transition to IFRS 16, OMV intends to apply the practical expedient to grandfather the assessment of which transactions are leases. This means it applies IFRS 16 only to contracts that are previously identified as leases. Contracts that were not identified as leases under the previous standard will not be reassessed for whether they are 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 IAS 17 and IFRS 16. Furthermore, OMV considers subsurface rights of way which give OMV the right to place underground pipelines where the landowner retains the right to use the surface area to not fulfill the definition of a lease under the previous and new standard. In addition, some commitments will be covered by the exceptions for

short-term and low-value leases. Consequently, right-of-use assets and lease liabilities are not recognized for these contracts. There is no significant impact expected on the existing finance leases.

The recognition of a right-of-use asset and lease liability for the operating leases is expected to lead to an increase in property, plant and equipment and debt of approximately EUR 700 mn on January 1, 2019. In the income statement, depreciation charges and interest expense will be reported instead of lease expense. This will lead to a slight increase in operating result, which will be offset by higher interest expense.

The estimated impact of the adoption of this standard is based on the assessments undertaken to date. The actual impacts may still change until the Group presents its financial statements that include the date of initial application.

OMV will initially apply IFRS 16 on January 1, 2019 using the modified retrospective approach for transition, thus not restating comparative amounts for the comparative period presented. The right-of-use assets for previous operating leases will be measured at the date of initial application at the amount of the lease liability, adjusted by prepaid or accrued lease payments. OMV will apply the various practical expedients for transition. OMV will for example not recognize any right-of-use assets and lease liabilities for contracts which expire in 2019.

b) Other new or revised standards and interpretations not yet mandatory

In addition, the following standards, interpretations and amendments were issued which are not expected to have any material effects on the Group's financial statements:

| Standards, interpretations and amendments | IASB effective date |
|--|---------------------|
| Amendments to IFRS 9 Prepayment Features with Negative Compensation | January 1, 2019 |
| Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures | January 1, 2019 |
| Annual Improvements to IFRS Standards 2015-2017 Cycle (amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23) | January 1, 2019 |
| Amendments to IAS 19 Plan Amendment, Curtailment or Settlement | January 1, 2019 |
| IFRIC 23 Uncertainty over Income Tax Treatments | January 1, 2019 |
| Amendment to IFRS 3 Business Combinations | January 1, 2020 |
| Amendments to IAS 1 and IAS 8 Definition of Material | January 1, 2020 |
| Amendments to Conceptual Framework | January 1, 2020 |
| IFRS 17 Insurance Contracts | January 1, 2021 |

5) Significant accounting policies, judgements and assumptions

Use of estimates and judgements

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. The estimates and assumptions having the most significant impact on OMV Group results are highlighted below and should be read together with the relevant notes mentioned. Significant estimates and assumptions have been made particularly with respect to oil and gas reserves, provisions for decommissioning and restoration costs, provisions for onerous contracts and the recoverability of

intangible assets and property, plant and equipment and other financial assets, which mainly refer to the contractual position towards Gazprom with regard to the reserves redetermination of Yuzhno Russkoye field and the expenditure recoverable from the Romanian State related to decommissioning, restoration and environmental obligations.

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 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 Downstream Oil 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 and gas transportation contracts contain a stand-ready obligation for providing storage or transportation 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.

As OMV applied the cumulative effect method for transition to IFRS 15, the comparative information has not been restated and continues to be reported under the previous revenue recognition standard IAS 18. Differences between the revenue recognition according to IFRS 15 and IAS 18 are disclosed in Section 3 of this note.

There are some customer contracts in OMV for the delivery of oil and gas as well as for the provision of gas storage and transportation services which have a term of more than one year. In principle, IFRS 15 requires the disclosure of the total amount of transactions 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 and transportation 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

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 and therefore are in the scope of IFRS 9.

Other revenues also include an adjustment of revenues from considering the national oil company's profit share as income tax in certain production sharing agreements in the Upstream segment (see 2.5f), 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 Upstream 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 and impairment charges.

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 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 2.5s). 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 and a contract-related intangible asset in Upstream, see 2.5h) are amortized or depreciated on a straight-line basis over the useful economic life.

| Useful life | Years |
|--|--|
| Intangible assets | |
| Goodwill | Indefinite |
| Software | 3–5 |
| Concessions, licenses, contract-related intangible assets etc. | 5–20, contract duration or unit-of production method |
| Business-specific property, plant and equipment | |
| Upstream Oil and gas wells | Unit-of-production method |
| Downstream Gas Gas pipelines | 30 |
| Gas power plants | 8–30 |
| Downstream Oil Storage tanks | 40 |
| Refinery facilities | 25 |
| Pipeline systems | 20 |
| Filling stations | 5–20 |
| Other property, plant and equipment | |
| Production and office buildings | 20–50 |
| Other technical plant and equipment | 10–20 |
| Fixtures and fittings | 4–10 |

h) Oil and gas assets

Upstream activities are recorded using the successful efforts method. The acquisition costs of geological and geophysical studies before the discovery of proved reserves form part of expenses for the period. 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 satisfied:

- ▶ 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.

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. Information on such non-adjusting subsequent events after the statement of financial position date is disclosed in Note 37.

License acquisition costs and capitalized exploration and appraisal activities are generally not amortized as long as they are related to unproved reserves,

but tested for 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

OMV Group's oil and gas reserves are estimated by the Group's petroleum engineers in accordance with industry standards. In addition, external reviews are performed every two years. In 2018, DeGolyer and MacNaughton (D&M) reviewed the reserves as of December 31, 2017. The results of the external review did not show significant deviations from the internal estimates, except for one case. In order to obtain a reasonable assurance on the reserves numbers of the field with a material deviation to D&M, OMV engaged an independent external specialist to provide an opinion on OMV's approach for determining the reserves, which was deemed appropriate.

Proved reserves are those quantities of oil and gas, which, by analysis of geoscience and engi-

neering 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 the 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.

The reserves are reassessed by the group at least once per year. Changes to the estimates of proved oil and gas reserves impact prospectively the amount of depletion charged.

Oil and gas reserve estimates have a significant impact on the assessment of recoverability of carrying amounts of oil and gas assets of the Group. Downward revisions of these estimates could lead to impairment of the asset's carrying value and to reduced depreciation expense in the next period.

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 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 the discovery, the assets are immediately impaired.

**Significant estimates and judgements:
recoverability of intangible assets and property,
plant and equipment**

Evaluating whether assets or CGUs are impaired or whether past impairments should be reversed, require the use of different estimates and assumptions depending on the business such as oil and gas prices, inflation, discount rates, reserves, production profiles, growth rates, gross margins and spark spreads. The key estimates and assumptions used bear the risk of change due to the inherent volatile nature of the various macroeconomic factors and the uncertainty in asset or CGU specific factors like reserve volumes and production profiles, which can impact the recoverable amount of assets and/or CGUs.

The key valuation assumptions for the recoverable amounts of Upstream assets are the oil and natural gas prices, production volumes, exchange rates and the discount rates. The production profiles were estimated based on 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 nominal oil and gas price assumptions and the EUR-USD exchange rates are listed below:

i) Impairment of non-financial assets

Intangible assets and property, plant and equipment (including oil and gas assets) 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 cash generating units which generate cash inflows that are largely independent of those from other assets or groups of assets.

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.

2018

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------------|------|------|------|------|------|
| Brent oil price (USD/bbl) | 70 | 70 | 75 | 75 | 75 |
| EUR-USD exchange rate | 1.20 | 1.20 | 1.20 | 1.20 | 1.20 |
| Brent oil price (EUR/bbl) | 58 | 58 | 63 | 63 | 63 |
| CEGH gas price (EUR/MWh) | 20 | 20 | 20 | 20 | 20 |

2017

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------------|------|------|------|------|------|
| Brent oil price (USD/bbl) | 55 | 65 | 70 | 75 | 75 |
| EUR-USD exchange rate | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 |
| Brent oil price (EUR/bbl) | 48 | 57 | 61 | 65 | 65 |
| CEGH gas price (EUR/MWh) | 18 | 19 | 20 | 20 | 20 |

The long-term price assumptions from 2024 onwards are derived from USD 75 per barrel for Brent and EUR 20 per MWh for CEGH inflated for the remaining life of each asset. The assumptions used for oil and gas prices for short and medium term are based on management's best estimate and were consistent with external sources. The long-term assumptions were consistent with data provided by external studies and consider long-term views of global supply and demand.

In the Downstream Oil business, besides the discount rates, the recoverable amounts are mainly impacted by the indicator refinery margin and the utilization rate in the refineries and by the integrated margin and sales volumes in retail.

In the Downstream Gas business, besides the discount rates, the main valuation assumptions for the calculation of the recoverable amounts are the spark spreads for power plants and the summer/winter spreads for gas storages.

k) Leases

The Group holds a number of assets for its various activities under lease contracts. These leases are analyzed based on the situations and indicators set out in IAS 17 in order to determine whether they constitute operating leases or finance leases. A finance lease is defined as a lease which transfers substantially all the risks and rewards incidental to the ownership of the related asset to the lessee. All leases which do not meet the definition of a finance lease are classified as operating leases.

Finance leases are capitalized at the lower of the present value of the minimum lease payments or fair value and then depreciated over their expected useful lives or the duration of the lease, if shorter. A liability equivalent to the capitalized amount is recognized, and future lease payments are split into the finance charge and the capital repayment element.

In the case of operating leases, lease payments are recognized on a straight-line basis over the lease term.

Lease contracts are distinguished from service contracts, which do not convey the right to use a specific asset. OMV has entered into long-term contracts for storage capacities, pipeline and other transportation capacities, and contracts for processing goods. Such capacity contracts are not considered leases if they do not involve specified single assets or do not convey the right to control the use of the underlying assets. Payments for such contracts are expensed in the period for which the capacities are contractually available to OMV.

j) 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.

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.

At each statement of financial position date, investments in associates and joint ventures are reviewed for any objective evidence of impairment. If there is such evidence, the amount of impairment is calculated as the difference between the recoverable amount of the associate or joint venture and its carrying amount and recognized in profit and loss.

Significant joint exploration and production activities in the Upstream 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 2.5a).

In addition, there are contractual arrangements similar to joint operations in the Group 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.

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 and 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 that demonstrate 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 the remaining amount will take the probability of default of the counterparty.

Non-derivative financial assets classified as **at fair value through profit or loss** 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 may be elected irrevocably as measured **at fair value through OCI** if they are not held for trading. OMV elected to classify its non-listed equity investments which are held for strategic purposes under this category. 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 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.

The classification and measurement provisions of IFRS 9 were applied retrospectively without restating the figures of the comparative period, which continue to be reported under the previous accounting standard for financial instruments IAS 39. Differences between the classification and measurement according to IFRS 9 and IAS 39 are disclosed in Section 2 of this note.

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.

In 2017, as part of the acquisition of the interest in Yuzhno Russkoye gas field, OMV took over a contractual position towards Gazprom with regard to the reserves redetermination. The volume of gas reserves in Yuzhno Russkoye field is contractually agreed 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 profit 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. The actual volume of gas reserves in Yuzhno Russkoye is expected to be agreed in 2023. The estimated volume of gas reserves in the field is assumed by OMV to be lower than the contractually agreed volume and is based on the assessment of the Group's petroleum engineers (see Note 18 for more details).

n) Derivative financial instruments and hedges

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

Those derivatives qualifying and designated as hedges are either (i) a fair value hedge when hedging exposure to changes in the fair value of a recognized asset or liability or (ii) 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.

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.

The hedge accounting provisions according to IFRS 9 were applied prospectively without restating the figures of the comparative period, which continue to be reported under the previous standard IAS 39. Differences between the hedge accounting requirements according to IFRS 9 and IAS 39 are disclosed in Section 2 of this note.

Contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, 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 a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are not accounted for as derivative financial instruments, but rather 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 related asset 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 using the average price method for acquisition or production or the individual costs for not interchangeable goods respectively. 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 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.

A special accounting treatment is applied to inventories held according to compulsory stock obligations in Austria. The additional quantities in crude oil and products held under the Austrian Oil Stockholding Act (2013) are valued using a long-term weighted average price method, applied on the basis of oil equivalents. Quantities exceeding the compulsory stocks are valued at the lower of current production or acquisition costs and the net realizable value.

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 Upstream 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 and accordingly to increased 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 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 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 rates, which have material effects on the amounts of the provision. The real discount rates applied for calculating the provision for decommissioning and restoration costs were between 0.0% and 3.0% (2017: 0.0% and 3.0%).

Pensions and similar obligations: OMV has both defined contribution and defined benefit pension plans in Austria and Germany and defined benefit pension plans New Zealand. 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 over the last five calendar years of employment. 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 receive severance payments upon termination of employment or on reaching 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. 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 for 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.

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.

Provisions for onerous contracts: If onerous contracts exist in which the unavoidable costs of meeting a contractual obligation exceed the economic benefits expected to be received under the contract, provisions are recognized 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 development 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 on the significant provisions see Note 23.

Emission allowances received free of cost from governmental authorities (EU Emissions Trading Scheme for greenhouse gas emissions allowances) reduce financial obligations related to CO₂ emissions; provisions are recognized only for shortfalls (see Note 23).

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.

u) Taxes on income including deferred taxes

In addition to corporate income taxes and trade earnings taxes, typical upstream taxes from oil and gas production like the country's/national oil company's profit share for certain EPSAs (see 4.5f) 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 a judgement 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 profits and is therefore uncertain. In OMV, this assessment is based on detailed tax plannings which covers in Upstream entities the whole life of field and a five year period in the other entities.

Changes in the assumptions regarding future 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 where 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).

6) 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

| | 2018 | | 2017 | |
|--------------------------|--------------------------------------|---------|--------------------------------------|---------|
| | Statement of financial position date | Average | Statement of financial position date | Average |
| Australian dollar (AUD) | 1.622 | 1.580 | 1.535 | 1.473 |
| Bulgarian lev (BGN) | 1.956 | 1.956 | 1.956 | 1.956 |
| Czech crown (CZK) | 25.724 | 25.647 | 25.535 | 26.326 |
| Hungarian forint (HUF) | 320.980 | 318.890 | 310.330 | 309.193 |
| New Zealand dollar (NZD) | 1.706 | 1.707 | 1.685 | 1.590 |
| Norwegian krone (NOK) | 9.948 | 9.598 | 9.840 | 9.327 |
| Romanian leu (RON) | 4.664 | 4.654 | 4.659 | 4.569 |
| Russian ruble (RUB) | 79.715 | 74.042 | 69.392 | 65.938 |
| Turkish lira (TRY) | 6.059 | 5.708 | 4.546 | 4.121 |
| US dollar (USD) | 1.145 | 1.181 | 1.199 | 1.130 |

3 Changes in group structure

Changes in consolidated Group – Upstream

On December 28, 2018, OMV completed the acquisition of Shell's Upstream business in New Zealand comprising interests in Pohokura (48%), the largest gas producing field in New Zealand, and Maui (83.75%) as well as related infrastructure for production, storage and transportation. OMV has been partner in the acquired assets (OMV's former stakes: 26% in Pohokura and 10% in Maui) and following the acquisition assumed operatorship in both joint operations. The acquisition was an important step to develop Asia-Pacific into a core region in line with OMV's strategy and added up to 100 mn boe of recoverable resources to the Upstream portfolio.

The purchase price paid by OMV to Shell amounted to USD 579 mn and included customary closing adjustments. As a result of this transaction, OMV obtained joint control over Pohokura and Maui fields, as unanimous consent is required for strategic and operational decisions. The accounting of the former stakes held in the two assets was out of IFRS 11 scope, as the main decisions could be taken by more than one combination of affirmative votes of the involved parties. As OMV has now joint control and together with the other involved parties rights to the assets and obligations for the liabilities, the share in Pohokura was classified as joint operations as a result of this transaction.

Furthermore, on December 28, 2018, OMV acquired from Todd Petroleum Mining Company Limited their 6.25% share in Maui for a consideration of 1 NZD. As a result of the transaction, OMV obtained 100% interest in Maui field and assumed control.

As the closing date of the transactions was at the end of 2018, there was no contribution from the New Zealand acquisitions to OMV Group's consolidated sales and net income.

On June 28, 2018, the sale of the Upstream companies active in Pakistan was closed. The gain on the disposal of the subsidiaries amounted to EUR 52 mn and was recognized in the line "Other operating income." The gain is mainly attributable to the reclassification ("recycling") of FX gains from other comprehensive income to the income statement.

On December 21, 2018, the sale of OMVTunisia Upstream GmbH was closed. The gain on the disposal of the subsidiary amounted to EUR 39 mn and was recognized in the line "Other operating income."

Changes in consolidated Group – Downstream

On October 1, 2018, OMV acquired an additional interest of 51.72% in DUNATÀR KölajtermékTároló és Kereskedelmi Kft. (DUNATÀR), which was previously held as other not consolidated investment (previous OMV share 48.28%). The transaction was effected through the acquisition of 100% shares in PETRODYNE-CSEPEL Zrt., which held the remaining shares in DUNATÀR.

Following the intensification of the strategic partnership between OMV and the Emirate of Abu Dhabi in the Downstream business, OMV will exercise joint control over Abu Dhabi Petroleum Investments LLC (ADPI, OMV's interest 25%). ADPI is the holding company of a 40% interest in Pak-

Arab Refinery Limited (PARCO; indirect interest of OMV amounts to 10%), located in Pakistan. Therefore, OMV accounted both investments at-equity starting with December 31, 2018. The 25% interest in ADPI was previously accounted for at fair value through OCI.

On September 6, 2018, the sale of OMV Samsun Elektrik Üretim Sanayi ve Ticaret A.Ş. was closed. The loss on the disposal of the subsidiary amounted to EUR 150 mn and was recognized in the line "Other operating expenses." The loss is mainly attributable to the reclassification ("recycling") of

FX losses from other comprehensive income to the income statement.

Acquired net assets and goodwill calculation

The fair value of the net assets acquired in New Zealand matched the purchase price paid and is further detailed in the following table. The fair value of the trade receivables substantially matched their carrying amount, and all contractual cash flows less immaterial credit loss effects are expected to be collected.

Fair values acquired

In EUR mn

| | Shell U/S New Zealand | Other ¹ |
|---|-----------------------|-----------------------|
| Intangible assets | 357 | 29 |
| Property, plant and equipment | 772 | 21 |
| Non-current assets | 1,129 | 50 |
| Inventories | 4 | 0 |
| Trade receivables | 42 | 0 |
| Other financial and non-financial assets | 9 | 0 |
| Cash and cash equivalents | 119 | 3 |
| Current assets | 174 | 3 |
| Total assets | 1,303 | 52 |
| Pensions and similar obligations | 4 | - |
| Decommissioning and restoration obligations | 642 | 46 |
| Deferred taxes | 117 | 0 |
| Non-current liabilities | 764 | 45 |
| Trade payables | 34 | 0 |
| Income tax liabilities | 17 | - |
| Decommissioning and restoration obligations | 3 | - |
| Other provisions | 17 | - |
| Other liabilities | 2 | - |
| Current liabilities | 72 | 0 |
| Total liabilities | 835 | 45 |
| Net assets | 468 | 7 ² |
| Net assets acquired | 468 | 4 |

¹ Includes Todd and DUNATÁR

² OMV Group acquired 51.72% of DUNATÁR Kölajtermék Tároló és Kereskedelmi Kft. The previous interest held amounting to 48.28% was accounted for as other not consolidated investment.

Measurement of goodwill

In EUR mn

| | Shell U/S New Zealand | Other ¹ |
|----------------------------|-----------------------|--------------------|
| Consideration given (cash) | 500 | 10 |
| FX hedge effect | (32) | - |
| Net assets acquired | 468 | 4 |
| Goodwill | - | 7 |

¹ Includes Todd and DUNATÁR

Changes in ownership of subsidiaries without gain/loss of control

On June 7, 2018, OMV increased its interest in KOM MUNAI LLP, based in Aktau (Kazakhstan), to 100% by acquiring the remaining non-controlling interest.

Other significant transactions

On April 29, 2018, OMV signed an agreement for the award of a 20% stake in the offshore concession in Abu Dhabi, SARB and Umm Lulu, as well as the associated infrastructure. The agreed participation fee of USD 1.5 bn was allocated to the acquired assets and is recognized in the lines "Intangible assets" and "Property, plant and equipment" in the balance sheet.

On December 19, 2018 a concession agreement was signed awarding OMV with a 5% interest in the Ghasha concession offshore Abu Dhabi comprising the Ghasha mega project.

Fair values acquired

In EUR mn

| | SapuraOMV |
|---|--------------|
| Intangible assets | 708 |
| Property, plant and equipment | 669 |
| Deferred taxes | 4 |
| Non-current assets | 1,381 |
| Inventories | 17 |
| Trade receivables | 12 |
| Other financial and non-financial assets | 59 |
| Cash and cash equivalents | 8 |
| Current assets | 96 |
| Total assets | 1,476 |
| Other interest-bearing debts | 247 |
| Decommissioning and restoration obligations | 69 |
| Deferred taxes | 410 |
| Non-current liabilities | 726 |
| Other interest-bearing debts | 68 |
| Trade payables | 43 |
| Income tax liabilities | 1 |
| Other liabilities | 35 |
| Current liabilities | 147 |
| Total liabilities | 872 |
| Net assets | 604 |
| Non-controlling interests | (302) |
| Net assets acquired | 302 |

Changes in consolidated Group after the reporting period – Upstream

On January 31, 2019 OMV has bought a 50% stake of the issued share capital in SapuraOMV Upstream Sdn. Bhd for an amount of USD 540 mn. In addition, the parties agreed to an additional consideration of up to USD 85 mn based on certain conditions, mainly linked to the resource volume in Block 30, Mexico, at the time the final investment decision is taken. Both parties have also agreed to refinance the existing intercompany debt of USD 350 mn.

The initial accounting for the business combination is not yet complete and is based on preliminary unaudited financials of SapuraOMV Upstream Sdn. Bhd. The estimated impact on OMV Group's financials is detailed in the below tables.

Measurement of goodwill

In EUR mn

| | SapuraOMV |
|----------------------------|------------------|
| Consideration given (cash) | 470 |
| FX hedge effect | 2 |
| Net assets acquired | 302 |
| Goodwill | 170 |

The non-controlling interest in SapuraOMV Upstream Sdn. Bhd. is measured at its proportionate share of the acquiree's identifiable net assets. The goodwill expected to be recorded is mostly related to the deferred tax liability recognized for the differences in book and tax values of the assets acquired. The goodwill is not expected to be deductible for income tax purposes.

Cash flow impact of acquisitions and disposals

Cash flow from investing activities included an outflow of USD 1.5 bn attributable to the acquisition

of a 20% stake in the offshore concession in Abu Dhabi, SARB and Umm Lulu, and the associated infrastructure, shown in the line "Intangible assets and property, plant and equipment" in the cash flow statement.

The cash flow from investing activities further contained EUR 350 mn net cash outflow related to the acquisition of Shell's Upstream business in New Zealand reflected in the line "Acquisition of subsidiaries and businesses net of cash acquired".

Net cash outflows related to the acquisition of subsidiaries and businesses

In EUR mn

| | 2018 |
|--|-------------|
| Consideration paid | 478 |
| less cash acquired | (121) |
| Net cash outflows from subsidiaries and businesses acquired | 357 |

The proceeds from the sale of subsidiaries and businesses (net of cash disposed) were mainly attributable to the divestments of OMV's Upstream business in Pakistan, of parts of OMV's Upstream Business in Tunisia, of OMV's share in Polarled

pipeline and Nyhamna gas processing facilities in North Sea region and of OMV Samsun Elektrik Üretim Sanayi ve Ticaret A.Ş. as summarized in the following table:

Net cash inflows from disposal of subsidiaries and businesses

In EUR mn

| | 2018 |
|--|-------------|
| Consideration received | 465 |
| less cash disposed of | (23) |
| Net cash inflows from disposal of subsidiaries and businesses | 442 |

Net assets of disposed subsidiaries and businesses

In EUR mn

| | 2018 |
|---|-------------|
| Non-current assets | 497 |
| Current assets | 132 |
| Non-current liabilities | 157 |
| Current liabilities | 80 |
| Net assets of disposed subsidiaries and businesses | 391 |

Segment Reporting

4 Segment Reporting

Business operations and key markets

For business management purposes, OMV is divided into two operating Business Segments: Upstream and Downstream, as well as the segment Corporate and Other (Co&O). Each segment represents a strategic unit with different products and markets. Each Business Segment is managed independently. Strategic business decisions are made by the Executive Board of OMV. With the exception of Co&O, the reportable segments of OMV are the same as the operating segments.

Upstream (U/S) engages in the business of oil and gas exploration, development and production and focuses on the regions Central and Eastern Europe, North Sea, Russia, Middle East and Africa and Asia-Pacific.

The Downstream Oil (D/S Oil) part of the **Downstream** (D/S) Business Segment refines and markets fuel products and petrochemicals. 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. OMV holds a strong position in the markets located within the areas of its supply, serving commercial customers and operating a retail network of approximately 2,100 filling stations. Downstream Gas (D/S Gas) operates across the gas value chain with a successful gas sales and logistics business in Europa. OMV is operating storage capacities in Austria and Germany and holds a stake in GAS CONNECT AUSTRIA GmbH which engages in the regulated gas transportation business in Austria. Downstream Gas activities also cover supply, marketing and trading of gas in Europe and Turkey and the Group's power business activities, with one gas-fired power plant in Romania.

Group management, financing and insurance activities and certain service functions are concentrated in the **Co&O** segment.

The key measure 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 delivery of goods or services is effective. 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 Co&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 Current Cost of Supply (CCS) effect is eliminated from the 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 based on purchases from the most recent month 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 indicator 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

| | U/S | D/S | thereof D/S Oil | thereof D/S Gas | thereof intraseg- mental elim. D/S | Co&O | Total | Consoli- dation | Group total |
|--|--------------|---------------|--------------------|--------------------|--|-----------|----------------|--------------------|----------------|
| 2018 | | | | | | | | | |
| Sales revenues¹ | 5,556 | 20,830 | 14,755 | 6,215 | (139) | 339 | 26,725 | (3,795) | 22,930 |
| Intra-group sales | (3,386) | (74) | (48) | (166) | 139 | (335) | (3,795) | 3,795 | — |
| External sales revenues | 2,170 | 20,756 | 14,707 | 6,049 | — | 4 | 22,930 | — | 22,930 |
| Other operating income | 329 | 127 | 59 | 69 | — | 61 | 517 | — | 517 |
| thereof write-up of tangible and intangible assets | 106 | 1 | 1 | — | — | — | 106 | — | 106 |
| Net income from equity- accounted investments | 40 | 352 | 327 | 25 | — | — | 391 | — | 391 |
| Depreciation and amortization | 1,231 | 467 | 398 | 69 | — | 20 | 1,718 | — | 1,718 |
| Impairment losses (incl. exploration & appraisal) | 165 | 3 | 3 | — | — | 0 | 168 | — | 168 |
| Operating Result | 2,122 | 1,420 | 1,402 | 18 | — | (47) | 3,495 | 28 | 3,524 |
| Special items for personnel restructuring | 11 | 4 | 3 | 1 | — | 24 | 40 | — | 40 |
| Special items for unscheduled depreciation and write-ups | (52) | 1 | 1 | — | — | — | (51) | — | (51) |
| Special items for asset disposal | (2) | (3) | (4) | 1 | — | 2 | (3) | — | (3) |
| Other special items | (52) | 216 | 32 | 184 | — | — | 164 | — | 164 |
| Special items | (95) | 219 | 33 | 185 | — | 26 | 149 | — | 149 |
| CCS effect | — | 4 | 4 | — | — | — | 4 | (31) | (27) |
| Clean CCS Operating Result | 2,027 | 1,643 | 1,439 | 204 | — | (21) | 3,649 | (3) | 3,646 |
| Segment assets ² | 13,536 | 4,755 | 3,798 | 957 | — | 141 | 18,432 | — | 18,432 |
| Additions in PPE/IA ³ | 3,003 | 558 | 501 | 56 | — | 25 | 3,585 | — | 3,585 |
| Equity-accounted invest- ments | 428 | 2,582 | 2,509 | 74 | — | — | 3,011 | — | 3,011 |

¹ Including intra-group sales² Property, plant and equipment (PPE), intangible assets (IA), not including assets reclassified to assets held for sale³ Excluding additions in assets reclassified to held for sale

Segment reporting

In EUR mn

| | U/S | D/S | thereof D/S Oil | thereof D/S Gas | thereof intraseg- mental elim. D/S | Co&O | Total | Consoli- dation | Group Total |
|--|--------------|---------------|--------------------|--------------------|--|-----------|---------------|--------------------|----------------|
| 2017 | | | | | | | | | |
| Sales revenues ¹ | 4,168 | 18,967 | 14,099 | 4,983 | (116) | 355 | 23,490 | (3,267) | 20,222 |
| Intra-group sales | (2,839) | (79) | (34) | (161) | 116 | (349) | (3,267) | 3,267 | — |
| External sales revenues | 1,329 | 18,887 | 14,065 | 4,822 | — | 6 | 20,222 | — | 20,222 |
| Other operating income | 260 | 174 | 91 | 82 | — | 54 | 488 | — | 488 |
| thereof write-up of tangible and intangible assets | 34 | 14 | 13 | — | — | — | 47 | — | 47 |
| Net income from equity- accounted investments | 107 | 403 | 395 | 8 | — | — | 510 | — | 510 |
| Depreciation and amortization | 1,264 | 471 | 396 | 75 | — | 26 | 1,761 | — | 1,761 |
| Impairment losses (incl. exploration & appraisal) | 209 | 17 | 2 | 14 | — | — | 226 | — | 226 |
| Operating Result | 1,218 | 584 | 412 | 171 | — | (48) | 1,753 | (21) | 1,732 |
| Special items for personnel restructuring | 2 | 3 | 3 | — | — | 27 | 31 | — | 31 |
| Special items for unscheduled depreciation and write-ups | (19) | 2 | (12) | 14 | — | — | (16) | — | (16) |
| Special items for asset disposal | 26 | 5 | 2 | 3 | — | — | 31 | — | 31 |
| Other special items | (3) | 1,232 | 1,204 | 28 | — | 6 | 1,235 | — | 1,235 |
| Special items | 7 | 1,242 | 1,197 | 45 | — | 32 | 1,281 | — | 1,281 |
| CCS effect | — | (55) | (55) | — | — | — | (55) | — | (55) |
| Clean CCS Operating Result | 1,225 | 1,770 | 1,554 | 217 | — | (16) | 2,979 | (21) | 2,958 |
| Segment assets ² | 11,322 | 4,839 | 3,704 | 1,135 | — | 140 | 16,301 | — | 16,301 |
| Additions in PPE/IA ³ | 1,274 | 474 | 409 | 64 | — | 15 | 1,762 | — | 1,762 |
| Equity-accounted invest- ments | 430 | 2,482 | 2,411 | 72 | — | — | 2,913 | — | 2,913 |

¹ Including intra-group sales² Property, plant and equipment (PPE), intangible assets (IA), not including assets reclassified to assets held for sale³ Excluding additions in assets reclassified to held for sale

Other special items included in 2018 in Upstream temporary hedging effects of EUR 89 mn, gains from divestments in Pakistan in amount of EUR 52 mn and Tunisia in amount of EUR 39 mn, partly compensated by special items related to the contingent consideration from the divestment of Rosebank and of OMV (U.K.) Limited amounting to EUR (78) mn, mainly as a result of a shift in the expected final investment decision.

In Downstream other special items were impacted by divestment of the Samsun power plant in Turkey in amount of EUR (150) mn and by the impairment of the Borealis fertilizer business in amount of EUR (33) mn.

2017 Other special items in Downstream Oil mainly included the divestment of OMV Petrol Ofisi.

Information on geographical areas

In EUR mn

| | 2018 | | 2017 | |
|----------------------------|----------------|-------------------------------|----------------|-------------------------------|
| | External sales | Allocated assets ¹ | External sales | Allocated assets ¹ |
| Austria | 8,264 | 3,046 | 6,416 | 3,002 |
| Germany | 3,717 | 962 | 3,065 | 985 |
| Romania | 3,973 | 6,165 | 3,449 | 6,159 |
| Russia | 697 | 868 | 137 | 1,093 |
| New Zealand | 256 | 1,406 | 276 | 270 |
| United Arab Emirates | 77 | 1,630 | 18 | — |
| Rest of CEE | 3,322 | 487 | 2,765 | 465 |
| Rest of Europe | 1,241 | 2,070 | 963 | 2,395 |
| Rest of world ² | 1,384 | 1,450 | 3,132 | 1,581 |
| Total | 22,930 | 18,084 | 20,222 | 15,950 |
| Not allocated assets | | 348 | | 351 |
| Segment assets | | 18,432 | | 16,301 |

¹ Property, plant and equipment (PPE), intangible assets (IA)

² Rest of world: Principally Australia, Kazakhstan, Libya, Pakistan, Tunisia, Yemen, Singapore, Hong Kong and Kurdistan Region of Iraq

Not allocated assets contained goodwill in amount of EUR 29 mn (2017: EUR 40 mn) related to the cash-generating unit 'Refining West' and in amount of EUR 319 mn (2017: EUR 311 mn) to

the cash-generating unit 'Middle East and Africa' as these CGUs are operating in more than one geographical area.

Notes to the Income Statement

5 Sales revenues

Revenues

In EUR mn

| | 2018 |
|---------------------------------------|---------------|
| Revenue from contracts with customers | 22,607 |
| Revenue from other sources | 323 |
| Sales revenue | 22,930 |

Revenues from contracts with customers

In EUR mn

| | 2018 | | | | |
|--|--------------|--------------------|--------------------|---------------------|---------------|
| | Upstream | Down-stream Oil | Down-stream Gas | Corporate &Other | Total |
| Crude Oil, NGL, condensates | 1,181 | 795 | — | — | 1,976 |
| Natural gas and LNG | 744 | 4 | 5,136 | — | 5,884 |
| Fuel, heating oil and other refining products | — | 11,130 | — | — | 11,130 |
| Petrochemicals | — | 1,981 | — | — | 1,981 |
| Gas storage, transmission, distribution and transportation | 11 | — | 207 | — | 218 |
| Other goods and services ¹ | 39 | 843 | 533 | 2 | 1,417 |
| Total | 1,975 | 14,754 | 5,876 | 2 | 22,607 |

¹ Mainly non-oil business in Downstream Oil and power sales in Downstream Gas

6 Other operating income and net income from equity-accounted investments

Other operating income and net income from equity-accounted investments

In EUR mn

| | 2018 | 2017 |
|---|------------|------------|
| Foreign exchange gains from operating activities | 95 | 88 |
| Gains from fair value changes of financial assets | 23 | 13 |
| Gains on the disposal of businesses, subsidiaries, tangible and intangible assets | 105 | 152 |
| Write-up of tangible and intangible assets | 106 | 47 |
| Residual other operating income | 188 | 188 |
| Other operating income | 517 | 488 |
| Income from equity-accounted investments | 394 | 512 |
| Expenses from equity-accounted investments | 2 | 3 |
| Net income from equity-accounted investments | 391 | 510 |

Gains on the disposal of businesses, subsidiaries, tangible and intangible assets contained a gain of EUR 52 mn related to the disposal of the Upstream companies active in Pakistan and a gain on disposal of the subsidiary OMVTunisia Upstream GmbH amounting to EUR 39 mn. For further details on changes in the group structure see Note 3.

2017 included a gain of EUR 137 mn related to the disposal of OMV (U.K.) Limited.

Write-up of tangible and intangible assets

During the regular impairment trigger review process, several cash generating units in Upstream were identified that showed significantly improved operational performance. As a result, reversals of past impairments amounting to EUR 105 mn were recognized for oil and gas assets in Romania (Asset VII) and Norway (Gudrun) based on value in use calculation.

In 2017, write-ups of tangible and intangible assets were mainly related to the Pakistan cash generating units with EUR 26 mn following the signing of a sales agreement for the two Pakistani subsidiaries and the reclassification to assets held for sale.

Residual other operating income included insurance income related to a damage claim for the Brazi power plant and the gas distribution station

Baumgarten in the amount of EUR 34 mn (2017: EUR 40 mn). **Net income from equity-accounted investments** decreased in 2018 compared to 2017 mainly due to a positive impact in the 2017 net result of Pearl Petroleum Company Limited, following the reach of a settlement over a dispute concerning certain matters under the Heads of Agreement at the Khor Mor and Chemchemal fields amounting to EUR 90 mn.

7 Depreciation, amortization and impairment charges

Impairment losses are part of the income statement line "Depreciation, amortization and impairment charges", 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 and impairment losses (excluding exploration & appraisal)

In EUR mn

| | | |
|---|--------------|--------------|
| Depreciation and amortization | 2018 | 2017 |
| Impairment losses (excl. exploration & appraisal) | 1,718 | 1,761 |
| Total | 1,827 | 1,852 |

Total impairments (including exploration & appraisal)

In EUR mn

| | | |
|---|------------|------------|
| Impairment losses (excl. exploration & appraisal) | 2018 | 2017 |
| Impairment losses (exploration & appraisal) | 109 | 90 |
| Total | 168 | 226 |

Depreciation, amortization and impairment losses – split per function

In EUR mn

Depreciation and amortization:

| | | |
|---|--------------|--------------|
| attributable to exploration expenses | — | — |
| attributable to production and operating expenses | 1,549 | 1,594 |
| attributable to selling, distribution and administrative expenses | 169 | 167 |
| Total | 1,718 | 1,761 |

Impairment losses (incl. exploration & appraisal):

| | | |
|---|------------|------------|
| attributable to exploration expenses | 59 | 135 |
| attributable to production and operating expenses | 108 | 87 |
| attributable to selling, distribution and administrative expenses | 2 | 3 |
| Total | 168 | 226 |

Impairments in Upstream

In 2018, a sales transaction of OMV's share in Polarled pipeline and Nyhamna gas processing facilities in the North Sea region was closed and resulted in a pre-tax impairment amounting to EUR 36 mn. Other impairments in 2018 are mainly related to the unsuccessful workovers and obsolete

or replaced assets in Romania (EUR 58 mn), unsuccessful exploration wells in Romania, Norway and Bulgaria (EUR 37 mn) as well as to an impaired exploration license in Madagascar (EUR 14 mn) following an exit decision.

In 2017, total impairments in the Upstream segment were mainly related to unsuccessful exploration wells in Romania, United Arab Emirates, Bulgaria and Norway (EUR 116 mn) as well as to unsuccessful workovers and obsolete or replaced assets in Romania (EUR 63 mn).

8 Exploration expenses

The following financial information represents the amounts included within the Group totals relating to exploration for and appraisal of oil

Impairments in Downstream

In 2018 as well as in 2017, there were no significant impairments in the Downstream Business Segment.

and natural gas resources. All such activities are recorded within the Upstream segment.

Exploration for and appraisal of mineral resources

In EUR mn

Impairment losses (exploration & appraisal)

| | 2018 | 2017 |
|---|------------|------------|
| Impairment losses (exploration & appraisal) | 59 | 135 |
| Other exploration costs | 115 | 86 |
| Exploration expenses | 175 | 221 |
| Total assets – exploration and appraisal expenditure incl. acquisition of unproved reserves | 1,906 | 1,019 |
| Net cash used in operating activities | 133 | 99 |
| Net cash used in investing activities ¹ | 474 | 118 |

Other exploration costs

Exploration expenses

Total assets – exploration and appraisal expenditure incl. acquisition of unproved reserves

Net cash used in operating activities

Net cash used in investing activities¹

¹ Does not include the acquisition of Shell's Upstream assets in New Zealand (see Note 3 for more details)

9 Other operating expenses

Other operating expenses

In EUR mn

Foreign exchange losses from operating activities

| | 2018 | 2017 |
|---|------------|--------------|
| Foreign exchange losses from operating activities | 64 | 105 |
| Losses on disposals of businesses, subsidiaries, tangible and intangible assets | 162 | 1,228 |
| Losses from fair value changes of financial assets | 85 | 32 |
| Net impairment losses on financial assets measured at amortized cost | 11 | 5 |
| Personnel reduction schemes | 34 | 16 |
| Research and development expenses | 40 | 33 |
| Residual other operating expenses | 90 | 71 |
| Other operating expenses | 485 | 1,491 |

Losses on disposals of businesses, subsidiaries, tangible and intangible assets

Losses from fair value changes of financial assets

Net impairment losses on financial assets measured at amortized cost

Personnel reduction schemes

Research and development expenses

Residual other operating expenses

Other operating expenses

Losses on the disposal of businesses, subsidiaries, tangible and intangible assets showed in 2018 a loss on the divestment of OMV Samsun Elektrik Üretim Sanayi ve Ticaret A.Ş. of EUR 150 mn. For further details on changes in the group structure see Note 3.

2017 contained a loss on the divestment of OMV Petrol Ofisi disposal group of EUR 1,209 mn, which was mainly related to the reclassification ("recycling") of FX losses from other comprehensive income to the income statement.

Losses from fair value changes of financial assets contained a negative fair value adjustment of EUR 88 mn (2017: EUR 36 mn), which was recog-

nized for the financial assets related to the contingent considerations from the divestments of Rosebank and of OMV (U.K.) Limited. The recent developments in the Rosebank license led to a delay of the estimated final investment date. For further details see Note 18.

Net impairment losses on financial assets measured at amortized cost are mainly related to impairments for receivables from Romanian State. For further details see Note 18.

In 2017, **Residual other operating expenses** contained a positive impact of OMV Petrom SA from the partial reversal of provision related to litigations

with employees, following the outcome of court decisions.

10 Personnel expenses

Personnel expenses

In EUR mn

Wages and salaries
Costs of defined benefit plans
Costs of defined contribution plans
Net expenses for personnel reduction schemes
Other employee benefits
Taxes and social contribution
Total

| | 2018 | 2017 |
|--|--------------|--------------|
| Wages and salaries | 788 | 744 |
| Costs of defined benefit plans | 8 | 12 |
| Costs of defined contribution plans | 25 | 25 |
| Net expenses for personnel reduction schemes | 34 | 16 |
| Other employee benefits | 134 | 150 |
| Taxes and social contribution | 120 | 169 |
| Total | 1,108 | 1,116 |

The total expenses for pensions included in the costs of defined benefit plans, costs of defined contribution plans and net expenses for person-

nel reduction schemes amounted to EUR 41 mn (2017: EUR 37 mn).

11 Net financial result

Interest income

In EUR mn

Derivatives
Discounted receivables
Loans, receivables and cash deposits
Other
Interest income

| | 2018 | 2017 |
|--------------------------------------|------------|-----------|
| Derivatives | 8 | — |
| Discounted receivables | 9 | 10 |
| Loans, receivables and cash deposits | 98 | 51 |
| Other | 2 | 4 |
| Interest income | 117 | 64 |

Interest income from loans, receivables and cash deposits included EUR 51 mn (2017: EUR 20 mn) related to the Nord Stream 2 financing agreement. For further details see Note 18.

Interest expenses

In EUR mn

Financial liabilities measured at amortized cost
Non-financial liabilities
Provisions for decommissioning and restoration obligations
Provisions for jubilee payments, personnel reduction plans and other employee benefits
Provisions for pensions and severance payments
Other
Interest expenses, gross
Capitalized borrowing costs
Interest expenses

| | 2018 | 2017 |
|--|------------|------------|
| Financial liabilities measured at amortized cost | 151 | 150 |
| Non-financial liabilities | 11 | 8 |
| Provisions for decommissioning and restoration obligations | 84 | 73 |
| Provisions for jubilee payments, personnel reduction plans and other employee benefits | 3 | 3 |
| Provisions for pensions and severance payments | 15 | 15 |
| Other | 46 | 42 |
| Interest expenses, gross | 311 | 291 |
| Capitalized borrowing costs | (21) | (26) |
| Interest expenses | 290 | 265 |

The interest expenses on pension provisions were netted against interest income on pension plan assets amounting to EUR 7 mn (2017: EUR 7 mn).

For OMV Petrom SA the unwinding expenses for decommissioning provision are included net of the unwinding income for related state receivables. For further details see Note 18.

Other interest expenses included unwinding expenses for the Gate LNG obligation and associated transportation commitments of OMV Gas Marketing & Trading GmbH in amount of EUR 21 mn (2017: EUR 18 mn). For further details see Note 23.

Capitalized borrowings costs applied to the carrying value of qualifying assets and were mainly related to oil and gas development assets in Norway. The average interest rate used was 2.4% (2017: 2.6%).

Other financial income and expense

In EUR mn

| | 2018 | 2017 |
|--|-------------|-------------|
| Financing charges for factoring and securitization | (31) | (27) |
| Net foreign exchange gain/ (loss) | (11) | (26) |
| Other | (30) | (8) |
| Other financial income and expense | (72) | (60) |

The position **Other** was mainly related to bank charges, including breakage fees for early repayment of loans, amounting to EUR 30 mn (2017: EUR 12 mn). In 2017 the position Other was also

impacted by proceeds from the liquidation of NABUCCO Gas Pipeline International GmbH which amounted to EUR 4 mn.

12 Taxes on income

Taxes on income

In EUR mn

| | 2018 | 2017 |
|-----------------------------------|--------------|------------|
| Current taxes | 1,007 | 492 |
| thereof related to previous years | 21 | (26) |
| Deferred taxes | 298 | 142 |
| Total taxes on income | 1,305 | 634 |

Changes in deferred taxes

In EUR mn

| | 2018 | 2017 |
|---|--------------|--------------|
| Deferred taxes January 1 | 338 | 837 |
| Adjustments on initial application of IFRS 9 and IFRS 15 | 1 | |
| Adjusted deferred taxes January 1 | 339 | |
| Deferred taxes December 31 ¹ | 28 | 338 |
| Changes in deferred taxes | (310) | (499) |
| Deferred taxes accounted for in equity | 22 | (2) |
| Changes in consolidated Group, exchange differences and other changes ² | (9) | 359 |
| Deferred taxes per income statement | (298) | (142) |
| The deferred taxes per income statement comprise the following elements: | | |
| Change in tax rate | 8 | 13 |
| Release of and allocation to valuation allowance for deferred taxes | 118 | 122 |
| Adjustments within loss carryforwards (not recognized in prior years, expired loss carryforwards and other adjustments) | (17) | 5 |
| Reversal of temporary differences, including additions to and use of loss carryforwards | (406) | (282) |

¹ Including deferred taxes reclassified to assets or liabilities associated with assets held for sale of EUR 0 mn (2017: EUR 31 mn)

² 2018 included the acquisition of Shell's Upstream business in New Zealand (EUR 117 mn) as well as the disposal of OMV's share in Polarled pipeline and Nyhamna gas processing facilities in North Sea region (EUR 100 mn). 2017 mainly contained the acquisition of JSC GazpromYRGM Development (EUR 221 mn), the divestments of OMV (U.K.) Limited (EUR 177 mn) and OMV Petrol Ofisi disposal group (EUR 74 mn).

Taxes on income accounted for in other comprehensive income

In EUR mn

| | 2018 | 2017 |
|----------------|-----------|------------|
| Deferred taxes | 53 | (2) |
| Current taxes | 3 | (6) |
| Total | 55 | (7) |

In 2018, deferred tax impact booked in profit or loss related to the usage of tax loss carryforwards was EUR 205 mn (2017: EUR 139 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.

In 2018 as well as in the previous year, a **valuation allowance for deferred tax assets for the Austrian tax group** was recognized. The valuation allowance 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 in %**Austrian corporate income tax rate****Tax effect of:**

| | | |
|--|-----------|-----------|
| Differing foreign tax rates | 16 | 15 |
| Non-deductible expenses | 5 | 31 |
| Non-taxable income | (5) | (20) |
| Change in tax rate | (0) | (1) |
| Permanent effects within tax loss carryforwards | 0 | 0 |
| Tax write-downs and write-ups on investments at parent company level | (0) | 3 |
| Change in valuation allowance for deferred taxes | (4) | (8) |
| Taxes related to previous years | 1 | (2) |
| Other | 2 | (0) |
| Effective Group income tax rate | 40 | 43 |

| 2018 | 2017 |
|-----------|-----------|
| 25 | 25 |
| 16 | 15 |
| 5 | 31 |
| (5) | (20) |
| (0) | (1) |
| 0 | 0 |
| (0) | 3 |
| (4) | (8) |
| 1 | (2) |
| 2 | (0) |
| 40 | 43 |

Tax rate reconciliation in EUR mn

| | 2018 | 2017 |
|--|--------------|------------|
| Theoretical taxes on income based on Austrian income tax rate | 824 | 372 |
| Tax effect of: | | |
| Differing foreign tax rates | 528 | 225 |
| Non-deductible expenses | 166 | 457 |
| Non-taxable income | (178) | (295) |
| Change in tax rate | (8) | (13) |
| Permanent effects within tax loss carryforwards | 2 | 0 |
| Tax write-downs and write-ups on investments at parent company level | (6) | 38 |
| Change in valuation allowance for deferred taxes | (118) | (122) |
| Taxes related to previous years | 35 | (25) |
| Other | 59 | (2) |
| Total taxes on income | 1,305 | 634 |

The Group's effective tax rates in 2018 and 2017 were significantly impacted by high result contributions in Upstream from high tax rates fiscal regimes such as Norway and Libya. In 2017, the effective tax rate was additionally affected by the divestment of OMV Petrol Ofisi.

Non-deductible expenses in 2018 mainly contained FX losses reclassified from other comprehensive income to the income statement resulting from the divestment of the Samsun power plant in Turkey as well as permanent effects in depreciation, depletion and amortization. In 2017 non-deductible expenses were mainly impacted by permanent effects related to FX losses reclassified from other comprehensive income to the income statement resulting from the divestment of OMV Petrol Ofisi disposal group as

well as permanent effects in depreciation, depletion and amortization from acquisitions.

Non-taxable income in 2018 and 2017 was predominantly attributable to the result contribution from equity-accounted investments as well as to tax incentives in Norway.

In 2017, the position **tax write-downs and write-ups on investments at parent company level** was predominantly impacted by taxable write-ups of participations mainly in Downstream companies. According to Austrian Corporate Tax Law the tax relief of such impairments may only be claimed in installments over seven years.

13 Earnings Per Share**Earnings Per Share (EPS)**

| | 2018 | | | 2017 | | |
|---------|--|---|------------|--|---|------------|
| | Earnings attributable to stock- holders of the parent in EUR mn | Weighted average number of shares out- standing | EPS in EUR | Earnings attributable to stock- holders of the parent in EUR mn | Weighted average number of shares out- standing | EPS in EUR |
| Basic | 1,438 | 326,651,395 | 4.40 | 435 | 326,486,772 | 1.33 |
| Diluted | 1,438 | 327,145,348 | 4.40 | 435 | 327,272,727 | 1.33 |

The calculation of diluted Earnings Per Share takes into account the weighted average number of ordinary shares in issue following the conversion of all potentially diluting ordinary shares. This includes

493,953 (2017: 930,424) contingently issuable bonus shares related to the 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 | Oil and gas assets with unproved reserves | Goodwill | Total |
|--|---|---|------------|--------------|
| 2018 | | | | |
| Costs of acquisition and production | | | | |
| January 1, 2018 | 1,932 | 1,423 | 416 | 3,771 |
| Foreign exchange differences | (153) | 8 | 4 | (141) |
| Changes in consolidated Group | 0 | 386 | 7 | 393 |
| Additions | 23 | 553 | — | 576 |
| Internally generated additions | — | 2 | — | 2 |
| Transfers | 4 | (15) | — | (11) |
| Assets held for sale | (34) | (2) | (7) | (43) |
| Disposals | (3) | (103) | — | (107) |
| December 31, 2018 | 1,769 | 2,252 | 420 | 4,441 |
| Development of amortization | | | | |
| January 1, 2018 | 719 | 404 | — | 1,123 |
| Foreign exchange differences | (17) | 1 | — | (15) |
| Amortization | 109 | — | — | 109 |
| Impairments | 0 | 51 | — | 51 |
| Transfers | 0 | (6) | — | (6) |
| Assets held for sale | (30) | (2) | — | (32) |
| Disposals | (2) | (103) | — | (105) |
| December 31, 2018 | 779 | 346 | — | 1,125 |
| Carrying amount January 1, 2018 | 1,213 | 1,019 | 416 | 2,648 |
| Carrying amount December 31, 2018 | 991 | 1,906 | 420 | 3,317 |
| 2017 | | | | |
| Costs of acquisition and production | | | | |
| January 1, 2017 | 859 | 1,707 | 492 | 3,059 |
| Foreign exchange differences | (24) | (89) | (56) | (168) |
| Changes in consolidated Group | 1,106 | — | — | 1,106 |
| Additions | 9 | 162 | — | 171 |
| Internally generated additions | 1 | 1 | — | 2 |
| Transfers | 20 | (198) | — | (178) |
| Assets held for sale | (3) | (111) | (20) | (134) |
| Disposals | (36) | (50) | — | (86) |
| December 31, 2017 | 1,932 | 1,423 | 416 | 3,771 |
| Development of amortization | | | | |
| January 1, 2017 | 733 | 612 | — | 1,346 |
| Foreign exchange differences | (19) | (42) | — | (62) |
| Amortization | 31 | — | — | 31 |
| Impairments | 0 | 119 | — | 119 |
| Transfers | 13 | (133) | — | (121) |
| Assets held for sale | (3) | (111) | — | (114) |
| Disposals | (36) | (40) | — | (76) |
| Write-ups | 0 | (1) | — | (1) |
| December 31, 2017 | 719 | 404 | — | 1,123 |
| Carrying amount January 1, 2017 | 126 | 1,095 | 492 | 1,713 |
| Carrying amount December 31, 2017 | 1,213 | 1,019 | 416 | 2,648 |

In 2018 there were changes in consolidated group of EUR 386 mn related to the Upstream acquisitions in New Zealand. Additions to the oil and gas assets included EUR 261 mn related to the offshore fields Umm Lulu and SARB in Abu Dhabi (including decommissioning, restoration and other obligations). See Note 3 for additional details.

Intangible assets with a total carrying amount of EUR 11 mn (2017: EUR 20 mn) were transferred to

assets held for sale and were related to OMV Samsun Elektrik Üretim Sanayi ve Ticaret A.Ş. as well as to goodwill allocated to OMVTunisia Upstream GmbH. Both companies were disposed within the same year. For details see Note 3 and Note 20.

Goodwill arising from business combinations has been allocated to the following CGUs and groups of CGUs, for impairment testing:

Goodwill allocation

In EUR mn

Middle East and Africa

Goodwill allocated to Upstream

Downstream Gas Austria

Refining West

Retail Slovakia

Refining Austria

Goodwill allocated to Downstream

Total

| | 2018 | 2017 |
|------------|-------------|------|
| 319 | 311 | |
| 319 | 311 | |
| 38 | 38 | |
| 29 | 40 | |
| 7 | 7 | |
| 27 | 20 | |
| 101 | 105 | |
| 420 | 416 | |

In 2018, the goodwill allocated to Middle East and Africa region increased due to positive foreign currency differences, which were partially compensated by the reclassification of goodwill allocated to OMVTunisia Upstream GmbH to assets held for sale.

In Downstream segment, the goodwill allocated to Refining Austria increased by EUR 7 mn following the acquisition of additional shares in DUNATÀR KöolajtermékTároló és Kereskedelmi Kft. (see Note 3 for further details). Goodwill allocated to Refining West decreased due to unfavorable foreign exchange differences.

Goodwill impairment tests based on a value in use calculation have been performed and showed a headroom in all cases. For the impairment test of the goodwill allocated to Middle East and Africa, an after-tax discount rate of 11.19% (2017: 8.72%) was used. There is no reasonable change in the discount rate that would lead to an impairment. Furthermore, assuming a long term oil price of USD 60 per barrel would also not lead to an impairment.

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

In EUR mn

| | Land and buildings | Oil and gas assets | Plant and machinery | and equipment | Other fixtures, fittings | Assets under construction | Total |
|--|--------------------|--------------------|---------------------|---------------|--------------------------|---------------------------|-------|
| Costs of acquisition and construction | | | | | | | |
| January 1, 2018 | 2,760 | 20,603 | 8,734 | 1,836 | 385 | 34,317 | |
| Foreign exchange differences | (14) | 192 | (62) | (3) | (2) | 111 | |
| Changes in consolidated Group | 3 | 778 | 5 | 7 | 0 | 793 | |
| Additions | 62 | 2,401 | 235 | 76 | 235 | 3,008 | |
| Transfers | 17 | (25) | 119 | 73 | (173) | 11 | |
| Assets held for sale | (31) | (446) | (244) | (4) | (11) | (735) | |
| Disposals | (22) | (470) | (96) | (30) | (24) | (642) | |
| December 31, 2018 | 2,774 | 23,033 | 8,691 | 1,953 | 411 | 36,862 | |
| Development of depreciation | | | | | | | |
| January 1, 2018 | 1,556 | 12,144 | 5,559 | 1,375 | 30 | 20,663 | |
| Foreign exchange differences | (8) | 109 | (38) | (3) | 0 | 61 | |
| Depreciation | 84 | 1,091 | 349 | 84 | — | 1,609 | |
| Impairments | 1 | 109 | 1 | 0 | 5 | 117 | |
| Transfers | 3 | (9) | (19) | 33 | (0) | 7 | |
| Assets held for sale | (13) | (174) | (148) | (2) | — | (338) | |
| Disposals | (15) | (107) | (93) | (28) | (23) | (266) | |
| Write-ups | (1) | (103) | (2) | (0) | (0) | (106) | |
| December 31, 2018 | 1,607 | 13,060 | 5,608 | 1,459 | 12 | 21,747 | |
| Carrying amount January 1, 2018 | 1,203 | 8,459 | 3,175 | 461 | 355 | 13,654 | |
| Carrying amount December 31, 2018 | 1,167 | 9,972 | 3,083 | 494 | 399 | 15,115 | |

Property, plant and equipment

In EUR mn

| | Land and buildings | Oil and gas assets | Plant and machinery | Other fixtures, fittings and equipment | Assets under construction | Total |
|--|--------------------|--------------------|---------------------|--|---------------------------|---------------|
| Costs of acquisition and construction | | | | | | |
| January 1, 2017 | 2,717 | 21,480 | 8,578 | 1,871 | 339 | 34,987 |
| Foreign exchange differences | (15) | (1,372) | (124) | (12) | (13) | (1,536) |
| Additions | 55 | 1,071 | 214 | 50 | 199 | 1,589 |
| Transfers | 22 | 186 | 138 | (28) | (135) | 182 |
| Assets held for sale | 0 | (482) | (1) | (5) | (3) | (491) |
| Disposals | (19) | (281) | (71) | (41) | (2) | (414) |
| December 31, 2017 | 2,760 | 20,603 | 8,734 | 1,836 | 385 | 34,317 |
| Development of depreciation | | | | | | |
| January 1, 2017 | 1,499 | 12,144 | 5,322 | 1,380 | 29 | 20,374 |
| Foreign exchange differences | (4) | (879) | (76) | (8) | (1) | (968) |
| Depreciation | 85 | 1,205 | 355 | 85 | — | 1,730 |
| Impairments | 1 | 83 | 12 | 1 | 3 | 100 |
| Transfers | 0 | 149 | 17 | (41) | 0 | 125 |
| Assets held for sale | 0 | (408) | (1) | (3) | — | (413) |
| Disposals | (14) | (116) | (68) | (38) | (2) | (238) |
| Write-ups | (10) | (33) | (2) | (1) | — | (46) |
| December 31, 2017 | 1,556 | 12,144 | 5,559 | 1,375 | 30 | 20,663 |
| Carrying amount January 1, 2017 | 1,219 | 9,336 | 3,257 | 491 | 310 | 14,613 |
| Carrying amount December 31, 2017 | 1,203 | 8,459 | 3,175 | 461 | 355 | 13,654 |

The changes in the consolidated group in 2018 of EUR 793 mn were mainly related to the acquisitions of Upstream assets in New Zealand. Additions to oil and gas assets included EUR 1,263 mn related to the offshore fields Umm Lulu and SARB in Abu Dhabi (including decommissioning, restoration and other obligations). See Note 3 for more details.

Disposals of oil and gas assets were mainly related to downward revisions of estimates for decommissioning obligations (EUR 349 mn).

Property, plant and equipment with a total carrying amount of EUR 397 mn (2017: EUR 78 mn) were transferred to **assets held for sale**, mainly related to OMV's share in Polarled pipeline and Nyhamna gas processing facilities in North Sea region and OMV Samsun Elektrik Üretim Sanayi ve Ticaret A.Ş. For more details please see Note 7 and Note 20.

Contractual obligations

In EUR mn

| | 2018 | 2017 |
|--------------------------------------|--------------|------------|
| Intangible assets | 329 | 303 |
| Property, plant and equipment | 674 | 672 |
| Total contractual obligations | 1,003 | 974 |

In 2018 the contractual commitments were mainly related to exploration and production activities in Upstream.

Finance leases

Finance lease assets were mainly related to gas storage caverns in Germany, land and filling stations in Austria, Germany, Slovakia and the Czech Republic, gas equipment at filling stations, a hydrogen plant at Petrobrazi refinery in Romania,

power generators in Upstream Romania as well as an office building in Austria. OMV has an option to prolong the finance lease contract for the gas storage caverns in Germany for additional 10 years.

Lease and rental agreements

In EUR mn

| | 2018 | | | 2017 | | |
|--|------------------|--------------------------|-----------------|------------------|--------------------------|-----------------|
| | Acquisition cost | Accumulated depreciation | Carrying amount | Acquisition cost | Accumulated depreciation | Carrying amount |
| Land and buildings | 71 | 23 | 49 | 66 | 21 | 45 |
| Oil and gas assets | 15 | 7 | 7 | 16 | 6 | 10 |
| Plant and machinery | 267 | 236 | 31 | 267 | 230 | 37 |
| Other fixtures, fittings and equipment | 3 | 1 | 2 | 3 | 1 | 2 |
| Total | 355 | 266 | 89 | 351 | 257 | 94 |

In 2018, contingent lease payments under finance lease agreements amounted to EUR 8 mn (2017: EUR 9 mn).

Commitments under existing finance leases as of December 31

In EUR mn

| | 2018 | | | 2017 | | |
|--|-----------|-------------|------------|-----------|-------------|------------|
| | ≤1 year | 1 – 5 years | >5 years | ≤1 year | 1 – 5 years | >5 years |
| Total future minimum lease commitments | 30 | 99 | 412 | 31 | 100 | 431 |
| less interest component | (17) | (60) | (176) | (17) | (62) | (191) |
| Present value of minimum lease payments | 14 | 38 | 236 | 14 | 38 | 240 |

Operating leases

OMV also makes use of operating leases, mainly for filling station sites, office buildings and vehicle fleets. In 2018, these expenses amounted to

EUR 129 mn (2017: EUR 128 mn). There are options to renew the leases, among others for many of the leased filling station sites.

Future minimum lease payments under non-cancellable operating leases

In EUR mn

| | 2018 | 2017 |
|---|------------|------------|
| Payable within 1 year | 100 | 103 |
| Payable between 1 and 5 years | 205 | 214 |
| Payable after more than 5 years | 175 | 185 |
| Total future minimum lease commitments | 480 | 501 |

16 Equity-accounted investments

Material associates

OMV has a 36% (2017: 36%) interest in Borealis AG, a provider of innovative solutions in the fields of polyolefins, base chemicals and fertilizers. The company is incorporated in Vienna, Austria and operates on a global level.

Furthermore, OMV has 10% (2017: 10%) of 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%.

Both companies are not listed on public exchanges thus quoted market prices do not exist.

The tables below contain summarized financial information for the material associates:

Statement of comprehensive income

In EUR mn

| | |
|---------------------------------------|--|
| Sales revenue | |
| Net income for the year | |
| Other comprehensive income | |
| Total comprehensive income | |
| Group's share of comprehensive income | |
| Dividends received | |

| 2018 | | 2017 | |
|----------|-------|----------|-------|
| Borealis | Pearl | Borealis | Pearl |
| 8,334 | 309 | 7,564 | 247 |
| 907 | 256 | 1,095 | 1,075 |
| 154 | — | (475) | — |
| 1,061 | 256 | 619 | 1,075 |
| 382 | 26 | 223 | 108 |
| 360 | 34 | 270 | 67 |

Statement of financial position

In EUR mn

| | |
|---------------------------------------|--|
| Current assets | |
| Non-current assets | |
| Current liabilities | |
| Non-current liabilities | |
| Equity | |
| Group's share | |
| Goodwill | |
| OMV Group adjustments | |
| Group's carrying amount of investment | |

| 2018 | | 2017 | |
|----------|-------|----------|-------|
| Borealis | Pearl | Borealis | Pearl |
| 2,658 | 327 | 2,554 | 422 |
| 7,290 | 1,733 | 6,840 | 1,600 |
| 2,023 | 108 | 1,431 | 86 |
| 1,504 | 38 | 1,599 | 1 |
| 6,421 | 1,914 | 6,365 | 1,935 |
| 2,312 | 191 | 2,291 | 194 |
| 30 | — | 30 | — |
| (22) | 144 | (15) | 135 |
| 2,319 | 336 | 2,307 | 329 |

Carrying amount reconciliation

In EUR mn

| | |
|---|--|
| January 1 | |
| Adjustments on initial application of IFRS 9 | |
| Exchange differences | |
| Net income | |
| Other comprehensive income | |
| Reclassification of cash flow hedges to balance sheet | |
| Dividends and elimination of intercompany profits | |
| December 31 | |

| 2018 | | 2017 | |
|--------------|------------|--------------|------------|
| Borealis | Pearl | Borealis | Pearl |
| 2,307 | 329 | 2,360 | 334 |
| 3 | — | n.a. | n.a. |
| — | 16 | — | (46) |
| 327 | 26 | 394 | 108 |
| 55 | — | (171) | — |
| (5) | — | — | — |
| (367) | (34) | (276) | (67) |
| 2,319 | 336 | 2,307 | 329 |

Contingent liabilities

On January 5, 2017, Borealis received two decisions of the Finnish Board of Adjustment with regard to Borealis Technology Oy. The Board of Adjustment has confirmed the Finnish tax authority's view that the license arrangements, entered into between Borealis Technology Oy and Borealis AG in 2008 and 2010, should be re-characterized into transfers of businesses. Based on this the Board of Adjustment requests Borealis to pay EUR 297 mn, comprising of taxes, late payment interest and penalties.

Borealis believes that this decision fails to properly apply Finnish and international tax law and does not adequately consider the relevant facts of the case. Therefore, Borealis has appealed this decision to the Helsinki Administrative Court on March 6, 2017, and has obtained a suspension of payment.

On October 11, 2017, Borealis received a decision of the Board of Adjustment with regard to Borealis Polymers Oy. Unlike the Finnish tax authority, the Board of Adjustment has recognized the license agreement which Borealis Polymers Oy and Borealis AG had concluded in the course of the introduction of the toll manufacturing set up in 2009. The Board of Adjustment has however decided that the license percentage should be increased from 1% to 2.6% and that in the course of the introduction of the toll manufacturing set up "something else of value" amounting to EUR 142 mn has been transferred. The resulting payment request for the year 2009 amounts to EUR 62 mn comprising taxes, late payment interest and penalties. The decision of the Board of Adjustment did not comprise other years than 2009 and no reassessment claims for other years have been received yet.

Borealis believes that this decision fails to properly apply Finnish and international tax law and does not

adequately consider the relevant facts of the case. Therefore, Borealis has appealed this decision to the Helsinki Administrative Court on December 15, 2017, and has obtained a suspension of payment.

Individually immaterial associates and joint ventures

OMV holds 55.6% (2017: 55.6%) of Erdöl-Lagergesellschaft m.b.H (ELG), 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.

OMV holds 15.53% (2017: 15.53%) in Trans Austria Gasleitung GmbH. As unanimous consent of the parties is required for decisions about relevant activities and OMV has rights to the net assets of Trans Austria Gasleitung GmbH based on the legal structure, OMV classified it as a joint venture according to IFRS 11.

OMV exercises joint control over Abu Dhabi Petroleum Investments LLC (ADPI, OMV's interest 25%) and Pak-Arab Refinery Limited (PARCO; indirect interest of OMV amounts to 10%) and accounted both investments at-equity starting with December 31, 2018. ADPI 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 (see Note 3 for further details).

Statement of comprehensive income for individually immaterial associates and joint ventures – Group's share

In EUR mn

| | 2018 | | 2017 | |
|----------------------------|------------|----------------|------------|----------------|
| | Associates | Joint ventures | Associates | Joint ventures |
| Sales revenue | 555 | 35 | 396 | 34 |
| Net income for the year | 19 | 20 | 3 | 5 |
| Total comprehensive income | 19 | 20 | 3 | 5 |

Carrying amount reconciliation for individually immaterial associates and joint ventures

In EUR mn

| | 2018 | | 2017 | |
|-------------------------------|------------|----------------|------------|----------------|
| | Associates | Joint ventures | Associates | Joint ventures |
| January 1 | 214 | 63 | 116 | 49 |
| Exchange differences | (18) | — | (4) | — |
| Changes in consolidated Group | — | 85 | 117 | 19 |
| Net income | 19 | 20 | 3 | 5 |
| Disposals and other changes | (1) | — | 3 | — |
| Dividends | (13) | (15) | (21) | (11) |
| December 31 | 202 | 154 | 214 | 63 |

17 Inventories**Inventories**

In EUR mn

| | 2018 | 2017 |
|--------------------------------------|--------------|--------------|
| Crude oil | 401 | 440 |
| Natural gas | 233 | 169 |
| Other raw materials | 206 | 199 |
| Work in progress: Petroleum products | 115 | 101 |
| Other work in progress | 3 | 2 |
| Finished petroleum products | 571 | 553 |
| Other finished products | 43 | 40 |
| Total | 1,571 | 1,503 |

Expenses with inventories

In EUR mn

| | 2018 | 2017 |
|---|---------------|---------------|
| Costs of goods and materials | 14,100 | 12,356 |
| Inventory changes | (21) | (37) |
| Write-downs to net realizable value and write-offs of inventories | 16 | 13 |
| Reversal of inventories write-down | (2) | (2) |
| Purchases (net of inventory variation) | 14,094 | 12,331 |

18 Financial assets

Financial assets¹

In EUR mn

| | Valued at fair value through profit or loss | Valued at fair value through other compre- hensive income | Valued at amortized cost | Total carrying amount | thereof short-term | thereof long-term |
|---|---|---|--------------------------------|-----------------------------|-----------------------|----------------------|
| 2018 | | | | | | |
| Trade receivables from contracts with customers | 82 | — | 1,460 | 1,541 | 1,541 | — |
| Other trade receivables | — | — | 1,878 | 1,878 | 1,878 | — |
| Total trade receivables | 82 | — | 3,338 | 3,420 | 3,420 | — |
| Investments in other companies | — | 21 | — | 21 | — | 21 |
| Investment funds | 6 | — | — | 6 | — | 6 |
| Bonds | — | — | 78 | 78 | 32 | 46 |
| Derivatives designated and effective as hedging instruments | — | 392 | — | 392 | 258 | 134 |
| Other derivatives | 2,384 | — | — | 2,384 | 1,983 | 401 |
| Loans | — | — | 671 | 671 | 2 | 669 |
| Other sundry financial assets | 725 | — | 1,108 | 1,833 | 452 | 1,381 |
| Total other financial assets | 3,115 | 414 | 1,857 | 5,386 | 2,727 | 2,659 |
| Total | 3,197 | 414 | 5,195 | 8,806 | 6,147 | 2,659 |
| 2017 | | | | | | |
| Trade receivables | — | — | 2,503 | 2,503 | 2,503 | — |
| Investments in other companies | — | — | 39 | 39 | — | 39 |
| Investment funds | — | 6 | — | 6 | — | 6 |
| Bonds | — | 78 | — | 78 | 17 | 61 |
| Derivatives designated and effective as hedging instruments | — | 97 | — | 97 | 97 | — |
| Other derivatives | 732 | — | — | 732 | 668 | 64 |
| Loans | — | — | 348 | 348 | 2 | 346 |
| Other sundry financial assets | 641 | 139 | 1,019 | 1,799 | 355 | 1,444 |
| Total other financial assets | 1,373 | 320 | 1,406 | 3,099 | 1,140 | 1,959 |
| Total | 1,373 | 320 | 3,909 | 5,602 | 3,643 | 1,959 |

¹ 2018 financial assets were presented based on measurement categories under IFRS 9 and in 2017 based on measurement categories under IAS 39.

The carrying amount of other **financial assets at fair value through profit or loss** as at December 31, 2018, was EUR 3,197 mn (2017:

EUR 1,373 mn). These consist of financial assets held for trading as well as an acquired contractual position towards Gazprom with regard to the reserves redetermination in amount of EUR 664 mn

(2017: EUR 641 mn) in connection with the acquisition of interests in the Yuzhno Russkoye field.

OMV recognized receivables related to the contingent considerations from the divestment of the 30% stake in Rosebank and from the divestment of OMV (U.K.) Limited, which are dependent on the date when the Rosebank project coventurers will

approve the final investment decision. The receivables are included within other sundry financial assets valued at fair value through profit or loss and amounted to EUR 61 mn (2017: valued at fair value through other comprehensive income; EUR 139 mn). For further details see Note 9.

In 2018, 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 669 mn (2017: EUR 344 mn). The drawdowns made during 2018 amounted to EUR 275 mn (2017: EUR 324 mn). For further details see Note 11.

Other sundry financial assets included expenditure recoverable from Romanian State amounting to EUR 378 mn (2017: EUR 434 mn) related to obligations for decommissioning, restoration and environmental costs in OMV Petrom SA. The receivables consist of EUR 341 mn (2017: EUR 390 mn) for costs relating to decommissioning and EUR 37 mn (2017: EUR 44 mn) for costs relating to environmental cleanup.

Equity investments measured at FVOCI

In EUR mn

Investment

Abu Dhabi Petroleum Investments LLC ¹
APK-Pensionskasse Aktiengesellschaft
BSP Bratislava-Schwechat Pipeline GmbH
CEESEG Aktiengesellschaft
CISMO Clearing Integrated Services and Market Operations GmbH
FSH Flughafen-Schwechat-Hydranten-Gesellschaft GmbH & Co OG
H2 Mobility Deutschland GmbH & Co KG
Other
Total

| | 2018 | | |
|-----------|------------|-----------------------------------|-------------------------------|
| | Fair value | Fair value adjustment through OCI | Dividend recognized as income |
| — | — | 21 | 8 |
| 2 | (0) | — | 0 |
| 3 | — | — | — |
| 6 | 3 | — | 0 |
| 3 | 1 | — | 0 |
| 2 | 0 | — | 0 |
| 3 | — | — | — |
| 3 | (0) | — | 6 |
| 21 | 26 | | 15 |

¹ Abu Dhabi Petroleum Investments LLC was reclassified to equity-accounted investments as of December 31, 2018. See Note 3 for further details.

Impairment of trade receivables

In EUR mn

January 1

Adjustment on initial application of IFRS 9

January 1, adjusted

Amounts written off

Additions/(releases)

Net remeasurement of expected credit losses

Foreign exchange rate differences and changes in consolidated group ¹

December 31

| | 2018 | 2017 |
|-----------|-----------|------|
| 76 | 98 | |
| 2 | — | — |
| 78 | 98 | |
| (3) | (2) | |
| — | (4) | |
| 5 | — | |
| (0) | (17) | |
| 79 | 76 | |

¹ Changes in consolidated group in 2017 included OMV Petrol Ofisi disposal group.

Net remeasurement of expected credit losses is mainly related to the trade receivables from contracts with customers.

Credit Quality of trade receivables

In EUR mn

| | | 2018 | | |
|--------------|--------------------------------------|------------------------|-----------------------|----------------------|
| | Equivalent to external credit rating | Probability of default | Gross carrying amount | Expected credit loss |
| Risk Class 1 | AAA, AA+, AA, AA-, A+, A, A- | 0.08% | 1,935 | 1 |
| Risk Class 2 | BBB+, BBB, BBB- | 0.25% | 725 | 1 |
| Risk Class 3 | BB+, BB, BB- | 1.25% | 638 | 4 |
| Risk Class 4 | B+, B, B-, CCC/CC | 10.33% | 41 | 1 |
| Risk Class 5 | SD/D | 100.00% | 78 | 71 |
| Total | | | 3,417 | 79 |

Impairment of other financial assets at amortized cost

In EUR mn

| | | 2018 | | | 2017 |
|--|--------------|----------------------------------|------------------------------|------------|------------|
| | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total | |
| January 1 | — | 54 | 170 | 224 | 242 |
| Adjustment on initial application of IFRS 9 | 3 | 3 | — | 6 | — |
| January 1, adjusted | 3 | 57 | 170 | 230 | 242 |
| Amounts written off | (0) | — | (3) | (3) | — |
| Additions/(releases) | — | — | — | — | (3) |
| Net remeasurement of expected credit losses | 0 | 1 | (9) | (8) | — |
| Foreign exchange rate differences and changes in consolidated group ¹ | 0 | 3 | (0) | 3 | (15) |
| December 31 ² | 4 | 59 | 158 | 221 | 224 |

¹ Changes in consolidated group in 2017 included OMV Petrol Ofisi disposal group.

² "12-month ECL" included an amount of EUR 1 mn and "Lifetime ECL credit impaired" an amount of EUR 15 mn related to expenditure recoverable from Romanian State, which are outside the scope of IFRS 9.

Credit Quality other financial assets at amortized cost – Gross carrying amount

In EUR mn

| | 2018 | | | | |
|---------------------------|--------------------------------------|------------------------|--------------|----------------------------------|------------------------------|
| | Equivalent to external credit rating | Probability of default | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired |
| Risk Class 1 | AAA, AA+, AA, AA-, A+, A, A- | 0.08% | 410 | — | 4 |
| Risk Class 2 ¹ | BBB+, BBB, BBB- | 0.25% | 1,258 | — | 15 |
| Risk Class 3 | BB+, BB, BB- | 1.25% | 85 | 165 | 2 |
| Risk Class 4 | B+, B, B-, CCC/CC | 10.33% | 0 | — | 22 |
| Risk Class 5 | SD/D | 100.00% | 0 | — | 117 |
| Total | | | 1,753 | 165 | 159 |
| | | | | | 2,078 |

¹ "12-month ECL" included an amount of EUR 378 mn and "Lifetime ECL credit impaired" an amount of EUR 15 mn related to expenditure recoverable from Romanian State, which are outside the scope of IFRS 9.

Credit Quality other financial assets at amortized cost – Expected credit loss

In EUR mn

| | 2018 | | | | |
|---------------------------|--------------------------------------|------------------------|--------------|----------------------------------|------------------------------|
| | Equivalent to external credit rating | Probability of default | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired |
| Risk Class 1 | AAA, AA+, AA, AA-, A+, A, A- | 0.08% | 1 | — | 3 |
| Risk Class 2 ¹ | BBB+, BBB, BBB- | 0.25% | 2 | — | 15 |
| Risk Class 3 | BB+, BB, BB- | 1.25% | 1 | 59 | 1 |
| Risk Class 4 | B+, B, B-, CCC/CC | 10.33% | 0 | — | 22 |
| Risk Class 5 | SD/D | 100.00% | 0 | — | 117 |
| Total | | | 4 | 59 | 158 |
| | | | | | 221 |

¹ "12-month ECL" included an amount of EUR 1 mn and "Lifetime ECL credit impaired" an amount of EUR 15 mn related to expenditure recoverable from Romanian State, which are outside the scope of IFRS 9.

19 Other assets

Other assets

In EUR mn

| | 2018 | | 2017 | |
|--|------------|-----------|------------|-----------|
| | Short-term | Long-term | Short-term | Long-term |
| Prepaid expenses | 44 | 14 | 38 | 8 |
| Advance payments on fixed assets | 16 | — | 31 | — |
| Other payments on account | 103 | — | 69 | — |
| Receivables from other taxes and social security | 77 | 15 | 55 | 40 |
| Contract assets | 1 | 1 | — | — |
| Emission rights | 7 | — | 23 | — |
| Other non-financial assets | 16 | 7 | 49 | 6 |
| Other assets | 264 | 36 | 265 | 55 |

Out of EUR 4 mn contract assets balance recognized due to initial application of IFRS 15 at January 1, 2018, revenue in amount of EUR 1 mn was recognized in 2018. The contract asset results from a long-

term supply contract with different prices in different periods where the rates do not reflect the value of the goods at the time of delivery and amounted to EUR 3 mn at December 31, 2018.

20 Assets and liabilities held for sale

Assets and liabilities held for sale

In EUR mn

| | 2018 | 2017 |
|---|-----------|------------|
| Non-current assets | 47 | 121 |
| Deferred taxes | 0 | 31 |
| Other current assets | 0 | 45 |
| Cash and cash equivalents | — | 9 |
| Assets held for sale | 47 | 206 |
| Provisions | 22 | 29 |
| Deferred taxes | 0 | — |
| Liabilities | 0 | 34 |
| Liabilities associated with assets held for sale | 22 | 63 |

Assets and liabilities held for sales – segment split

In EUR mn

| | 2018 | 2017 |
|---|-----------|------------|
| Assets held for sale | | |
| Upstream | 27 | 181 |
| Downstream | 20 | 24 |
| Total | 47 | 206 |
| Liabilities associated with assets held for sale | | |
| Upstream | 22 | 62 |
| Downstream | 0 | 2 |
| Total | 22 | 63 |

As of December 31, 2018, assets held for sale and liabilities associated with assets held for sale consisted of marginal fields in Romania as well as various non-core assets within Downstream Oil.

In 2018 OMV finalized the divestment of the Upstream business in Pakistan, which was classified

as held for sale as of December 31, 2017 (see Note 3). Furthermore, OMV Samsun Elektrik Üretim Sanayi ve Ticaret A.Ş. and OMV Tunisia Upstream GmbH (see Note 3) as well as OMV's share in Polarled pipeline and Nyhamna gas processing facilities in North Sea region (see Note 7) were

reclassified to held for sale in 2018 and disposed within the same year.

As of December 31, 2017, the assets held for sale and liabilities associated with assets held for sale consisted mainly of Pakistan disposal group, filling stations in Czech Republic and other non-core

assets within Downstream Oil. As of December 31, 2017 OMV equity of the parent included EUR 42 mn related to Pakistan disposal group which was recognized in other comprehensive income and accumulated in equity.

21 OMV equity of the parent

Capital stock

The **capital stock** of OMV Aktiengesellschaft consists of 327,272,727 (2017: 327,272,727) fully paid no par value shares with a total nominal value of EUR 327,272,727 (2017: 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 2018, with the exception of treasury shares held by OMV Aktiengesellschaft.

As the authorized capital granted by the Annual General Meeting on May 13, 2009 expired on May 13, 2014, the Annual General Meeting decided upon a new authorized capital on May 14, 2014. Specifically, it authorized the Executive Board until May 14, 2019 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 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 options or long term incentive plans (including matching share plans 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 1,987 mn consists of perpetual hybrid notes which are subordinated to all other creditors. According to IFRS, the 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 size of EUR 1,500 mn, in two tranches of EUR 750 mn each with the following interest payable:

- ▶ The hybrid notes of tranche 1 bear a fixed interest rate of 5.250% until, but excluding, December 9, 2021, which is the first call date of tranche 1. From December 9, 2021, until, but excluding, December 9, 2025, hybrid notes of tranche 1 will bear interest according to a reset interest rate to be determined according to the relevant five-year swap rate and an additional margin of 4.942% and, from December 9, 2025, with an additional step-up of 1% per annum.
- ▶ The hybrid notes of tranche 2 bear a fixed interest rate of 6.250% until, but excluding, December 9, 2025, which is the first call date of tranche 2. From December 9, 2025, tranche 2 will bear interest according to a reset interest rate to be determined according to the relevant five-year swap rate and an additional margin of 5.409%, with an additional step-up of 1% per annum

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 General Meeting

of OMV resolves upon a dividend payment on OMV shares.

On June 19, 2018 OMV issued a hybrid bond with a size of EUR 500 mn. The hybrid bears a fixed interest rate of 2.875% until, but excluding, June 19, 2024. From June 19, 2024 until, but excluding, June 19, 2028 the hybrid notes will bear interest at a rate according to the relevant five-year swap rate and an additional margin of 2.335% per annum and, from June 19, 2028, with an additional step-up of 1% per annum. 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 General Meeting of OMV resolves upon a dividend payment on OMV shares.

The hybrid notes outstanding as of December 31, 2018 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 bond is redeemed. In the case of a change of control, 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.

The EUR 750 mn hybrid bond, which was issued in 2011, was called and redeemed at its nominal value plus interest on April 26, 2018, the first possible call date.

Revenue reserves

The Group's **revenue reserves** included the net income and losses of consolidated subsidiaries and investments included at equity, as adjusted for the purposes of consolidation.

Treasury shares

The Annual General Meetings for the years 2000 to 2011 (with the exception of 2010) 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 May 18, 2016, the Annual General Meeting authorized the Executive Board for a period of five years from the adoption of the resolution, therefore, until (including) May 17, 2021, upon approval of the Supervisory Board, to dispose of or utilize stock repurchased or already held by the Company to grant treasury shares to employees, senior employees and/or members of the Executive Board/management boards of the Company or one of its affiliates including for purposes of share transfer programs, in particular long term incentive plans including matching share plans or other stock ownership plans, under exclusion of the general purchasing possibility 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

| | 2018 | | | 2017 | | |
|--|-----------------------------------|--|-----------------------------------|-----------------------------------|--|-----------------------------------|
| | 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 |
| Exchange differences from translation of foreign operations | 28 | (3) | 25 | 340 | 6 | 346 |
| Gains/(losses) on hedges | 195 | (49) | 146 | 32 | (0) | 32 |
| Remeasurement gains/(losses) on defined benefit plans | (114) | 6 | (108) | 7 | 2 | 10 |
| Gains/(losses) on equity investments | 26 | (6) | 19 | n.a. | n.a. | n.a. |
| Gains/(losses) on hedges that are subsequently transferred to the carrying amount of the hedged item | 9 | (3) | 6 | n.a. | n.a. | n.a. |
| Share of other comprehensive income of equity-accounted investments | 55 ² | n.a. | 55 | (171) ² | n.a. | (171) |
| Other comprehensive income for the year | 199 | (55) | 144 | 209 | 7 | 216 |

¹ Includes valuation allowances for deferred tax assets for the Austrian tax group. For further details please refer to Note 12.

² Represent net-of-tax amounts

For 2018, the Executive Board of OMV Aktiengesellschaft proposed a dividend of EUR 1.75 per eligible share, which is subject to confirmation by the Annual General Meeting in 2019. The dividend for 2017 was paid in June 2018 and amounted to

EUR 490 mn (EUR 1.50 per share). In 2017, the payment amounted to EUR 392 mn (EUR 1.20 per share). The interest paid for hybrid bonds amounted EUR 86 mn (2017: EUR 137 mn).

Treasury shares

| | Number of shares | Cost EUR mn |
|--------------------------|------------------|-------------|
| January 1, 2017 | 824,369 | 9.1 |
| Disposals | (52,139) | (0.6) |
| December 31, 2017 | 772,230 | 8.5 |
| Disposals | (230,079) | (2.5) |
| December 31, 2018 | 542,151 | 6.0 |

Number of shares in issue

| | Number of shares | Treasury shares | Shares in issue |
|------------------------------------|--------------------|-----------------|--------------------|
| January 1, 2017 | 327,272,727 | 824,369 | 326,448,358 |
| Used for share-based compensations | — | (52,139) | 52,139 |
| December 31, 2017 | 327,272,727 | 772,230 | 326,500,497 |
| Used for share-based compensations | — | (230,079) | 230,079 |
| December 31, 2018 | 327,272,727 | 542,151 | 326,730,576 |

22 Non-controlling interests**Subsidiaries with material NCI**

In EUR mn

| Subsidiary | Place of business | 2018 | | | 2017 | | |
|--|-------------------|-----------------------------|-----|-----------------|-----------------------------|-----------------|-------|
| | | Net income allocated to NCI | | Accumulated NCI | Net income allocated to NCI | Accumulated NCI | |
| | | NCI | 49% | 434 | 3,279 | 276 | 2,961 |
| OMV Petrom group | n.a. | 49% | 364 | 2,974 | 49% | 225 | 2,813 |
| OMV PETROM SA | Romania | 49% | 364 | 2,974 | 49% | 225 | 2,813 |
| OMV PETROM MARKETING SRL | Romania | 49% | 47 | 205 | 49% | 36 | 198 |
| TASBULAT OIL CORPORATION LLP | Kazakhstan | 49% | 6 | (8) | 49% | 2 | (13) |
| KOM MUNAI LLP | Kazakhstan | 49% | (1) | 11 | 52% | (5) | (132) |
| Others | n.a. | — | 17 | 96 | — | 18 | 95 |
| Gas Connect group¹ | n.a. | 49% | 39 | 129 | 49% | 36 | 130 |
| GAS CONNECT | | | | | | | |
| AUSTRIA GmbH | Austria | 49% | 39 | 127 | 49% | 35 | 129 |
| AGGM Austrian Gas Grid Management AG | Austria | 74% | 1 | 1 | 74% | 1 | 1 |
| Subsidiaries with individually immaterial non-controlling interests | n.a. | — | 4 | 29 | — | 4 | 27 |
| OMV GROUP | n.a. | n.a. | 477 | 3,436 | n.a. | 315 | 3,118 |

¹ Includes the result of the equity accounted investment Trans Austria Gasleitung GmbH

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 and Kazakhstan), 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). In 2018, OMV Petrom SA acquired the remaining 5% share in KOM MUNAI LLP leading to an ownership of 100% (2017: 95%) and thus the related NCI is 49% (2017: 52%).

GAS CONNECT AUSTRIA GmbH operates an approximately 900 km long natural gas high-pressure pipeline grid in Austria and markets transportation capacity to meet domestic natural gas demand and support export to Europe.

The following tables summarize the financial information relating to the subsidiaries with material non-controlling interests, before intra-group eliminations:

Statement of comprehensive income

In EUR mn

| | 2018 | | 2017 | |
|----------------------------|------------------|-----------------------------------|------------------|-----------------------------------|
| | OMV Petrom SA | GAS CONNECT AUSTRIA GmbH | OMV Petrom SA | GAS CONNECT AUSTRIA GmbH |
| Sales revenue | 3,681 | 198 | 3,167 | 213 |
| Net income for the year | 831 | 72 | 460 | 78 |
| Total comprehensive income | 838 | 68 | 269 | 80 |
| Attributable to NCI | 410 | 33 | 132 | 39 |
| Dividends paid to NCI | 117 | 39 | 89 | 45 |

Statement of financial position

In EUR mn

| | 2018 | | 2017 | |
|--|------------------|-----------------------------------|------------------|-----------------------------------|
| | OMV Petrom SA | GAS CONNECT AUSTRIA GmbH | OMV Petrom SA | GAS CONNECT AUSTRIA GmbH |
| Current assets | 2,004 | 38 | 1,649 | 41 |
| Non-current assets | 7,640 | 684 | 7,492 | 672 |
| Assets held for sale | 27 | — | — | — |
| Current liabilities | 1,259 | 388 | 991 | 71 |
| Non-current liabilities | 1,437 | 69 | 1,790 | 366 |
| Liabilities associated with assets held for sale | 22 | — | — | — |

Statement of cash flows

In EUR mn

| | 2018 | | 2017 | |
|---|------------------|-----------------------------------|------------------|-----------------------------------|
| | OMV Petrom SA | GAS CONNECT AUSTRIA GmbH | OMV Petrom SA | GAS CONNECT AUSTRIA GmbH |
| Operating cash flow | 1,379 | 102 | 1,231 | 127 |
| Investing cash flow | (1,050) | (42) | (579) | (40) |
| Financing cash flow | (89) | (61) | (230) | (86) |
| Net increase /(decrease) in cash and cash equivalents | 240 | 0 | 403 | (0) |

23 Provisions

Provisions

In EUR mn

| | Pensions and similar obligations | Decommissioning and restoration | Other provisions | Total |
|--|----------------------------------|---------------------------------|------------------|--------------|
| January 1, 2018 | 1,003 | 3,180 | 846 | 5,029 |
| Foreign exchange differences | (0) | 5 | 2 | 6 |
| Changes in consolidated Group | 4 | 692 | 17 | 712 |
| Usage and releases | (62) | (456) | (280) | (798) |
| Payments to funds | (5) | — | — | (5) |
| Allocations | 176 | 367 | 198 | 741 |
| Transfers | (20) | — | 20 | (0) |
| Liabilities associated with assets held for sale | (0) | (51) | (2) | (53) |
| December 31, 2018 | 1,096 | 3,736 | 801 | 5,633 |
| thereof short-term as of December 31, 2018 | — | 63 | 355 | 418 |
| thereof short-term as of January 1, 2018 | — | 110 | 349 | 459 |

Provisions for pensions and similar obligations

The majority of **pension commitments** of several Austrian OMV companies were transferred to an external pension fund managed by APK-Pensionskasse AG in earlier years. The pension plan

in New Zealand is operated by AMP Wealth Management New Zealand Limited, known as the New Zealand Retirement Trust (NZTR).

Defined benefit pension plans and obligations for severance payments

In EUR mn

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|------------|------------|------------|------------|------------|
| Present value of funded obligations | 776 | 729 | 764 | 728 | 745 |
| Market value of plan assets | (413) | (436) | (453) | (460) | (471) |
| Provision for funded obligations | 363 | 293 | 311 | 268 | 274 |
| Present value of unfunded obligations | 490 | 463 | 479 | 497 | 530 |
| Provision for unfunded obligations | 490 | 463 | 479 | 497 | 530 |
| Present value of obligations of severance payments | 129 | 135 | 144 | 150 | 163 |
| Total | 982 | 891 | 935 | 915 | 967 |

Present value of obligations

In EUR mn

| | 2018 | | 2017 | |
|--|--------------|------------|--------------|------------|
| | Pensions | Severance | Pensions | Severance |
| Present value of obligation as of January 1 | 1,191 | 135 | 1,243 | 144 |
| Changes in the consolidated Group | 23 | — | — | — |
| Foreign exchange differences | 0 | (0) | 0 | (1) |
| Liabilities associated with assets held for sale | — | (0) | 0 | — |
| Current service cost | 3 | 5 | 3 | 5 |
| Interest cost | 20 | 3 | 19 | 2 |
| Benefits paid | (74) | (9) | (75) | (13) |
| Expected defined benefit obligations as per December 31 | 1,164 | 134 | 1,192 | 138 |
| Actual defined benefit obligations as per December 31 | 1,266 | 129 | 1,191 | 135 |
| Remeasurements of the period (OCI) | 102 | (5) | (0) | (3) |
| thereof changes in demographic assumptions | 96 | 0 | — | 0 |
| thereof changes in financial assumptions | (5) | (7) | (6) | (2) |
| thereof experience adjustments | 11 | 1 | 6 | (1) |

Market value of plan assets

In EUR mn

| | 2018 | | | | 2017 | | |
|--|------------------|------------------|-------------|-------------|------------------|------------------|-------------|
| | VRG IV - Austria | VRG VI - Austria | New Zealand | Total | VRG IV - Austria | VRG VI - Austria | Total |
| Market value of plan assets as of January 1 | 285 | 151 | — | 436 | 298 | 155 | 453 |
| Changes in the consolidated Group | — | — | 20 | 20 | — | — | — |
| Interest income | 5 | 2 | — | 7 | 5 | 2 | 7 |
| Allocation to funds | — | 5 | — | 5 | 0 | 9 | 9 |
| Benefits paid | (22) | (17) | — | (38) | (21) | (17) | (38) |
| Remeasurements of the period (OCI) | (12) | (5) | — | (17) | 3 | 1 | 4 |
| Market value of plan assets as of December 31 | 256 | 137 | 20 | 413 | 285 | 151 | 436 |

Provisions and expenses

In EUR mn

| | 2018 | | 2017 | |
|---|------------|------------|------------|------------|
| | Pensions | Severance | Pensions | Severance |
| Provision as of January 1 | 756 | 135 | 791 | 144 |
| Changes in the consolidated group | 4 | — | — | — |
| Foreign exchange differences | 0 | (0) | 0 | (1) |
| Liabilities associated with assets held for sale | — | (0) | 0 | — |
| Expense for the year | 16 | 8 | 16 | 8 |
| Benefits paid | (35) | (9) | (37) | (13) |
| Payments to funds | (5) | — | (9) | — |
| Remeasurements for the year | 119 | (5) | (5) | (3) |
| thereof changes in demographic assumptions | 96 | 0 | — | 0 |
| thereof changes in financial assumptions | 12 | (7) | (10) | (2) |
| thereof experience adjustments | 11 | 1 | 6 | (1) |
| Provision as of December 31 | 853 | 129 | 756 | 135 |
| Current service cost | 3 | 5 | 3 | 5 |
| Net interest cost | 13 | 3 | 12 | 2 |
| Expenses of defined benefit plans for the year | 16 | 8 | 16 | 8 |

In 2018, the total pension fund contributions for the Executive Board and former members of the

Executive Board amounted to EUR 1 mn (2017: EUR 1 mn).

Underlying assumptions for calculating pension expenses and expected defined benefit entitlements as of December 31

| | 2018 | | | 2017 | | |
|------------------------------|---------------------|-----------|-----------|---------------------|-----------|-----------|
| | Austria and Germany | | Romania | Austria and Germany | | Romania |
| | Pensions | Severance | Severance | Pensions | Severance | Severance |
| Capital market interest rate | 1.90% | 1.60% | 4.75% | 1.70% | 1.30% | 4.10% |
| Future increases in salaries | 3.00% | 3.00% | 2.61% | 3.00% | 3.00% | 3.15% |
| Future increase in pensions | 2.00% | — | — | 1.80% | — | — |

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

| | 2018 | | | |
|-----------|------------------------------|---------|------------------------------|---------|
| | Capital market interest rate | | Future increases in salaries | |
| | +0.50% | (0.50)% | +0.25% | (0.25)% |
| Pensions | (5.75)% | 6.36% | 2.47% | (2.36)% |
| Severance | (4.09)% | 4.36% | 2.13% | (2.08)% |

Sensitivities - absolute change

In EUR mn

| | 2018 | | | |
|-----------|------------------------------|------------------------------|---------|------|
| | Capital market interest rate | Future increases in salaries | | |
| +0.50% | (0.50)% | +0.25% | (0.25)% | |
| Pensions | (73) | 80 | 31 | (30) |
| Severance | (5) | 6 | 3 | (3) |

Duration profiles and average duration of defined benefit obligations as of December 31

In EUR mn

| | 2018 | | |
|-----------|-------------------|-----------|----------|
| | Duration profiles | Duration | |
| 1–5 years | 6–10 years | >10 years | in years |
| Pensions | 342 | 278 | 646 |
| Severance | 43 | 37 | 49 |
| | | | 12 |
| | | | 9 |

Cash duration profiles and average duration as of December 31

In EUR mn

| | 2018 | | |
|-----------|-------------------|-----------|----------|
| | Duration profiles | Duration | |
| 1–5 years | 6–10 years | >10 years | in years |
| Pensions | 359 | 324 | 1,158 |
| Severance | 50 | 55 | 135 |
| | | | 14 |
| | | | 11 |

Allocation of plan assets as of December 31

| Asset category | 2018 | | | 2017 | |
|-----------------------------------|------------------|------------------|----------------|------------------|------------------|
| | VRG IV - Austria | VRG VI - Austria | New Zealand | VRG IV - Austria | VRG VI - Austria |
| Equity securities | 22.14% | 21.81% | 53.63% | 23.75% | 24.10% |
| Debt securities | 62.21% | 62.48% | 25.41% | 61.03% | 60.42% |
| Cash and money market investments | 6.76% | 6.70% | 15.73% | 7.55% | 7.68% |
| Other | 8.89% | 9.01% | 5.23% | 7.67% | 7.80% |
| Total | 100.00% | 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. A smaller 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.

The actual returns of the individual VRGs can deviate from the target returns on the plan assets, due to differences in the allocation, the developments of the capital markets and costs. The performance of the VRG IV was in 2018 (5.1)% and the performance of the VRG VI was (4.6)% mainly due to negative performance on debt and equity securities market.

In 2019, defined benefit related contributions for 2018 to APK-Pensionskasse AG of EUR 50 mn are planned.

Provisions for decommissioning and restoration obligations

Provisions for decommissioning and restoration obligations

In EUR mn

| | Carrying amount |
|--|-----------------|
| January 1, 2018 | 3,180 |
| Foreign exchange differences | 5 |
| Changes in consolidated Group | 692 |
| New obligations | 144 |
| Increase arising from revisions in estimates | 124 |
| Reduction arising from revisions in estimates | (411) |
| Unwinding of discounting | 96 |
| Liabilities associated with assets held for sale | (51) |
| Usage and disposals | (44) |
| December 31, 2018 | 3,736 |
| thereof short-term as of December 31, 2018 | 63 |
| thereof short-term as of January 1, 2018 | 110 |

Changes in the consolidated Group were related to the acquisition of Upstream assets in New Zealand. The line **new obligations** was mainly impacted by the acquisition of a 20% stake in two offshore fields in Abu Dhabi. For further details see Note 3.

Net change from **revisions in estimates** amounted to EUR (286) mn. The reduction arising from revisions in estimates were mainly driven by increased discount rates for RON and USD compared to 2017.

Estimation of maturities of decommissioning and restoration obligations

In EUR mn

| | 2018 |
|---------------|--------------|
| ≤1 year | 63 |
| 1 – 5 years | 374 |
| 5 – 10 years | 837 |
| 10 – 20 years | 1,956 |
| 20 – 30 years | 298 |
| 30 – 40 years | 208 |
| >40 years | 1 |
| Total | 3,736 |

A decrease of 1 percentage point in the real interest rates used to calculate the decommissioning provisions would lead to an additional provision of EUR 356 mn (2017: EUR 242 mn).

The provision for decommissioning and restoration costs includes obligations in respect of OMV Petrom SA amounting to EUR 1,311 mn

(2017: EUR 1,622 mn). Part of the obligations is to be recovered from the Romanian State in accordance with the privatization agreement. As of December 31, 2018, OMV Petrom SA holds receivables from the Romanian state related to decommissioning and restoration costs amounting to EUR 341 mn (2017: EUR 390 mn).

Other provisions

In EUR mn

| | 2018 | | 2017 | |
|----------------------------|-------------|------------|-------------|------------|
| | Short-term | Long-term | Short-term | Long-term |
| Environmental costs | 26 | 33 | 32 | 39 |
| Onerous contracts | 60 | 375 | 69 | 388 |
| Other personnel provisions | 109 | 11 | 127 | 21 |
| Other | 160 | 26 | 121 | 49 |
| Other provisions | 355 | 446 | 349 | 497 |

Other personnel provisions include short-term costs of staff reductions amounting to EUR 30 mn (2017: EUR 33 mn).

The provisions for onerous contracts amounting to EUR 435 mn (2017: EUR 457 mn) are mainly related to the Gate LNG obligation and associated transportation commitments of OMV Gas Marketing & Trading GmbH, to reserved gas pipeline capacities in Norway and to certain retail assets in Austria.

The provision for the Gate LNG obligation was recorded in 2012 for 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, 2018 was EUR 340 mn (2017: EUR 348 mn). 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 4.9% (2017: 5.2%). A 50% decrease in either LNG volumes or margin would lead to an additional provision of EUR 156 mn. Furthermore, a 1 percentage point decrease in the discount rate would lead to an additional provision of EUR 26 mn.

As per end of 2018, the provision for the related non-cancellable transportation commitments of OMV Gas Marketing & Trading GmbH amounted to EUR 68 mn (2017: EUR 62 mn). 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 4.9% (2017: 5.2%). Besides the discount rates, the key assumptions are the gas prices at the relevant gas hubs which are based on forward rates where available and on

management's best estimates for the remaining contract term.

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 received a total of 3,213,524 free emissions certificates in 2018 (2017: 3,328,837).

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.

As of December 31, 2018, the total market value of emissions certificates amounted to EUR 225 mn (December 31, 2017: EUR 74 mn).

OMV expects to surrender in 2019 7,916,134 emissions certificates for (not yet externally verified) emissions.

Emissions certificates

Certificates held as of January 1

Free allocation for the year

Certificates surrendered according to verified emissions for the prior year

Changes in consolidated Group

Net purchases and sales during the year

Certificates held as of December 31

| | 2018 | 2017 |
|------------------|------------------|------|
| 9,091,596 | 9,273,402 | |
| 3,213,524 | 3,328,837 | |
| (6,335,946) | (6,459,422) | |
| 2,271 | — | |
| 3,105,973 | 2,948,779 | |
| 9,077,418 | 9,091,596 | |

As of December 31, 2018 a provision for a shortfall of emission certificates in New Zealand in amount of EUR 15 mn was included in **Other provisions**.

As of December 31, 2017 the Group was not short of certificates.

24 Liabilities

Liabilities

In EUR mn

| | 2018 | | | 2017 | | |
|--|--------------|--------------|---------------|--------------|--------------|---------------|
| | Short-term | Long-term | Total | Short-term | Long-term | Total |
| Bonds | 539 | 4,468 | 5,007 | 788 | 3,968 | 4,757 |
| Other interest-bearing debts | 304 | 441 | 745 | 114 | 823 | 937 |
| thereof to banks | 157 | 441 | 598 | 114 | 676 | 790 |
| Trade payables | 4,401 | — | 4,401 | 3,262 | — | 3,262 |
| Other financial liabilities | 2,806 | 924 | 3,730 | 1,288 | 405 | 1,693 |
| Other liabilities | 863 | 138 | 1,002 | 775 | 148 | 922 |
| Liabilities associated with assets held for sale | 22 | — | 22 | 63 | — | 63 |
| Total | 8,936 | 5,971 | 14,907 | 6,291 | 5,344 | 11,635 |

Bonds

Bonds issued

| | Nominal | Coupon | Repayment | 2018 Carrying amount December 31 EUR mn | 2017 Carrying amount December 31 EUR mn |
|------------------------------|-------------------|--------------|------------|--|--|
| International corporate bond | EUR 750,000,000 | 0.60% fixed | 11/19/2018 | — | 750 |
| | EUR 500,000,000 | 1.75% fixed | 11/25/2019 | 500 | 500 |
| | EUR 500,000,000 | 4.375% fixed | 02/10/2020 | 519 | 518 |
| | EUR 500,000,000 | 4.25% fixed | 10/12/2021 | 503 | 502 |
| | EUR 750,000,000 | 2.625% fixed | 09/27/2022 | 750 | 749 |
| | EUR 500,000,000 | 0.75% fixed | 12/04/2023 | 497 | — |
| | EUR 1,000,000,000 | 1.00% fixed | 12/14/2026 | 991 | 990 |
| | EUR 750,000,000 | 3.50% fixed | 09/27/2027 | 748 | 748 |
| | EUR 500,000,000 | 1.875% fixed | 12/04/2028 | 499 | — |
| Total | | | | 5,007 | 4,757 |

Bonds and other interest-bearing debts

As at December 31, 2018, OMV Group was in compliance with all financial covenants stipulated by the loan agreements.

Bonds and other interest-bearing debts

In EUR mn

| | 2018 | 2017 |
|---|--------------|--------------|
| Short-term loan financing | 101 | 20 |
| Short-term component of long-term financing | 742 | 882 |
| Total short-term | 843 | 902 |
| Maturities of long-term financing | | |
| 2019/2018 (short-term component of long-term financing) | 742 | 882 |
| 2020/2019 | 556 | 734 |
| 2021/2020 | 855 | 588 |
| 2022/2021 | 768 | 867 |
| 2023/2022 | 500 | 781 |
| 2024/2023 and subsequent years | 2,230 | 1,822 |
| Total for 2019/2018 onwards | 5,651 | 5,674 |

Breakdown of bonds and other interest-bearing debts by currency and interest rate

In EUR mn

| | | 2018 | 2017 | Weighted average interest rate | Weighted average interest rate |
|---|-----|--------------|--------------|--------------------------------------|--------------------------------------|
| Bonds and other long-term interest-bearing debts¹ | | | | | |
| Fixed rates | EUR | 5,386 | 5,332 | 2.29% | 2.49% |
| | USD | 21 | 27 | 2.28% | 2.28% |
| Total | | 5,407 | 5,358 | 2.29% | 2.49% |
| Variable rates | EUR | 147 | 211 | 1.06% | 1.72% |
| | USD | 98 | 105 | 3.05% | 1.97% |
| Total | | 245 | 315 | 1.85% | 1.80% |
| Other short-term interest-bearing debts | | | | | |
| HUF | | 58 | 19 | 0.38% | 0.39% |
| EUR | | 43 | 1 | 0.50% | 0.50% |
| Total | | 101 | 20 | 0.43% | 0.40% |

¹ Including short-term components of long-term debts**Other financial liabilities****Other financial liabilities**

In EUR mn

| | Short-term | Long-term | Total |
|--|--------------|------------|--------------|
| | 2018 | | |
| Liabilities on derivatives designated and effective as hedging instruments | 223 | 125 | 348 |
| Liabilities on other derivatives | 2,042 | 410 | 2,452 |
| Liabilities on finance leases | 14 | 275 | 288 |
| Other sundry financial liabilities | 527 | 114 | 641 |
| Total | 2,806 | 924 | 3,730 |
| | | | 2017 |
| Liabilities on derivatives designated and effective as hedging instruments | 97 | — | 97 |
| Liabilities on other derivatives | 829 | 51 | 879 |
| Liabilities on finance leases | 15 | 278 | 292 |
| Other sundry financial liabilities | 347 | 77 | 424 |
| Total | 1,288 | 405 | 1,693 |

The table hereafter summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows:

Financial liabilities

In EUR mn

| | ≤1 year | 1 – 5 years | >5 years | Total |
|----------------------------------|--------------|--------------|--------------|---------------|
| 2018 | | | | |
| Bonds | 621 | 2,571 | 2,432 | 5,624 |
| Other interest bearing debts | 308 | 448 | — | 756 |
| Trade payables | 4,401 | — | — | 4,401 |
| Derivative financial liabilities | 2,265 | 535 | — | 2,800 |
| Other financial liabilities | 549 | 170 | 428 | 1,147 |
| Total | 8,145 | 3,724 | 2,859 | 14,728 |
| 2017 | | | | |
| Bonds | 862 | 2,590 | 1,921 | 5,374 |
| Other interest bearing debts | 118 | 743 | 91 | 953 |
| Trade payables | 3,262 | — | — | 3,262 |
| Derivative financial liabilities | 926 | 51 | — | 977 |
| Other financial liabilities | 369 | 165 | 418 | 952 |
| Total | 5,538 | 3,549 | 2,431 | 11,518 |

Other liabilities**Other liabilities**

In EUR mn

| | Short-term | Long-term | Total |
|---|------------|------------|--------------|
| 2018 | | | |
| Other taxes and social security liabilities | 698 | — | 698 |
| Payments received in advance | 14 | 3 | 18 |
| Contract liabilities | 63 | 129 | 192 |
| Other sundry liabilities | 88 | 6 | 94 |
| Total | 863 | 138 | 1,002 |
| 2017 | | | |
| Other taxes and social security liabilities | 628 | — | 628 |
| Payments received in advance | 7 | 4 | 10 |
| Contract liabilities | 62 | 140 | 202 |
| Other sundry liabilities | 78 | 3 | 82 |
| Total | 775 | 148 | 922 |

Contract liabilities

In EUR mn

| | Carrying amount |
|---|-----------------|
| January 1, 2018 | 202 |
| Revenue recognized that was included in the contract liability balance at the beginning of the period | (72) |
| Increases due to cash received, excluding amounts recognized as revenue during the period | 62 |
| December 31, 2018 | 192 |

The contract liabilities consist mainly of a non-refundable prepayment of storage fee received from Erdöl-Lagergesellschaft m.b.H., Lannach on the basis of a long-term service contract.

For details on liabilities associated with assets held for sale we make reference to Note 20.

25 Deferred tax

Deferred taxes

In EUR mn

| | Deferred tax assets total | Deferred tax assets not recognized | Deferred tax assets recognized | Deferred tax liabilities |
|--|---------------------------|------------------------------------|--------------------------------|--------------------------|
| 2018 | | | | |
| Intangible assets | 89 | 22 | 67 | 456 |
| Property, plant and equipment | 134 | 47 | 87 | 1,370 |
| Inventories | 21 | 3 | 18 | 33 |
| Derivatives | 300 | — | 300 | 372 |
| Receivables and other assets | 67 | 33 | 34 | 74 |
| Deferred taxes reclassified to assets and liabilities associated with assets held for sale | 0 | — | 0 | 0 |
| Provisions for pensions and similar obligations | 202 | 142 | 57 | 16 |
| Provisions for decommissioning, restoration obligations and environmental costs | 1,212 | 27 | 1,182 | 0 |
| Other provisions | 134 | 58 | 76 | 11 |
| Liabilities | 42 | 16 | 32 | 16 |
| Tax impairments according section 12 (3)/2 of the Austrian Corporate Income Tax Act (KStG) | 445 | — | 445 | — |
| Tax loss carryforwards | 1,134 | 1,049 | 85 | — |
| Outside basis differences | — | — | — | 8 |
| Total | 3,781 | 1,396 | 2,385 | 2,357 |
| Netting (same tax jurisdictions) | | | (1,626) | (1,626) |
| Deferred taxes reclassified to assets and liabilities associated with assets held for sale | | | — | (0) |
| Deferred taxes as per statement of financial position | | | 759 | 731 |

Deferred taxes

In EUR mn

| | Deferred tax assets total | Deferred tax assets not recognized | Deferred tax assets recognized | Deferred tax liabilities |
|--|---------------------------|------------------------------------|--------------------------------|--------------------------|
| 2017 | | | | |
| Intangible assets | 88 | 21 | 68 | 332 |
| Property, plant and equipment | 171 | 125 | 46 | 1,015 |
| Inventories | 17 | 4 | 13 | 28 |
| Derivatives | 145 | 121 | 25 | 111 |
| Receivables and other assets | 48 | 16 | 32 | 57 |
| Deferred taxes reclassified to assets and liabilities associated with assets held for sale | 58 | 25 | 33 | 2 |
| Provisions for pensions and similar obligations | 176 | 130 | 46 | 10 |
| Provisions for decommissioning, restoration obligations and environmental costs | 956 | 47 | 909 | 0 |
| Other provisions | 138 | 80 | 59 | 61 |
| Liabilities | 44 | 13 | 31 | 27 |
| Tax impairments according section 12 (3)/2 of the Austrian Corporate Income Tax Act (KStG) | 632 | 95 | 536 | — |
| Tax loss carryforwards | 1,037 | 847 | 191 | — |
| Outside basis differences | — | — | — | 6 |
| Total | 3,511 | 1,524 | 1,987 | 1,649 |
| Netting (same tax jurisdictions) | | | (1,212) | (1,212) |
| Deferred taxes reclassified to assets and liabilities associated with assets held for sale | | | (31) | 0 |
| Deferred taxes as per statement of financial position | 744 | 437 | | |

Deferred taxes were mainly related to different valuation methods, differences in impairments, write-offs, depreciation and amortization as well as different definition of costs.

In 2018 deferred taxes were mainly impacted by the acquisition of Shell's Upstream business in New Zealand (please refer to Note 3 for further details).

In 2017, deferred taxes reclassified to assets and liabilities associated with assets held for sale were

related to Pakistan disposal group and mainly contained deferred taxes related to unused tax loss carryforwards.

The overall net deferred tax asset position of tax jurisdictions which suffered a tax loss either in current or preceding year amounted to EUR 354 mn, thereof EUR 279 mn is attributable to the Austrian tax group (2017: EUR 368 mn, thereof Austrian tax group EUR 274 mn).

As of December 31, 2018, OMV recognized **tax loss carryforwards** of EUR 4,138 mn before allowances (2017: EUR 3,470 mn), thereof EUR 182 mn (2017:

EUR 243 mn) are considered recoverable for calculation of deferred taxes. Eligibility of losses for carryforward expires as follows:

Losses for carryforward

In EUR mn

| | | Base amount (before allowances) | | |
|-----------------|--|------------------------------------|--------------|------------------------|
| | | 2018 | 2017 | thereof not recognized |
| 2018 | | — | 27 | 22 |
| 2019 | | — | 85 | 50 |
| 2020 | | 5 | 28 | 28 |
| 2021 | | 5 | 109 | 29 |
| 2022 | | 0 | 14 | 94 |
| 2023 | | 198 | | 107 |
| After 2023/2022 | | 90 | 141 | 23 |
| Unlimited | | 3,840 | 3,065 | 3,806 |
| Total | | 4,138 | 3,470 | 3,946 |
| | | | | 2,950 |
| | | | | 3,227 |

As of December 31, 2018, 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 4,459 mn (2017: EUR 3,728 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

In 2018, the cash balance was not entirely available for use within OMV Supply & Trading Limited, EUR 42 mn being blocked as collateral for a documentary letter of credit.

Significant non-cash items

In 2017, net income of the year included a loss of EUR 1,209 mn related to the divestment of OMV Petrol Ofisi disposal group, which was mainly related to the reclassification ("recycling") of FX losses from other comprehensive income to the income statement. This effect had been neutralized in the cash flow statement in the line "other changes".

In 2018 as well as in 2017, non-cash additions to fixed assets included mainly effects related to the reassessment of decommissioning and restoration obligations.

Cash flow from investing activities

For details about the cash flow effect from the Nord Stream 2 pipeline project refer to Note 18 Financial

assets and for the cash flow effect from acquisitions and disposals to Note 3 Changes in group structure.

Cash flow from financing activities

In 2018, OMV issued a EUR 500 mn Eurobond with a maturity date of December 4, 2028 and a EUR 500 mn Eurobond with a maturity date of December 4, 2023. These transactions were reflected in the line "Increase in long-term borrowings".

The line "Repayments of long-term borrowings" shows the repayment of a EUR 750 mn Eurobond and a EUR 750 mn hybrid bond. Before repayment, the hybrid bond was reclassified from equity to financial liabilities after the Supervisory Board had approved on March 14, 2018 that OMV exercises the right to call the hybrid bond.

A new hybrid bond with a size of EUR 500 mn was issued in 2018 and disclosed in the line "Increase hybrid bonds".

Changes in liabilities arising from financing activities

In EUR mn

| January 1, 2018 | | | | |
|--|--|--|--|--|
| Increase in long-term borrowings | | | | |
| Repayments of long-term borrowings | | | | |
| Increase/(decrease) in short-term borrowings | | | | |
| Total cash flows related to financing activities | | | | |
| Foreign exchange difference | | | | |
| Reclassification of hybrid bond from equity to financial liabilities | | | | |
| Difference interest expenses and interest paid | | | | |
| Other changes | | | | |
| Total non-cash changes | | | | |
| Coupon payment of hybrid bond before reclassification from equity² | | | | |
| December 31, 2018 | | | | |

| 2018 | | | | |
|--|--------------|------------------------------|---------------------------|--------------|
| | Bonds | Other interest-bearing debts | Finance lease liabilities | Total |
| January 1, 2018 | 4,757 | 937 | 292 | 5,986 |
| Increase in long-term borrowings | 994 | 17 | — | 1,011 |
| Repayments of long-term borrowings | (1,500) | (293) | (11) | (1,805) |
| Increase/(decrease) in short-term borrowings | — | 102 | — | 102 |
| Total cash flows related to financing activities | (506) | (175) | (11) | (692) |
| Foreign exchange difference | — | (35) | (0) | (35) |
| Reclassification of hybrid bond from equity to financial liabilities | 800 | — | — | 800 |
| Difference interest expenses and interest paid | (0) | 3 | — | 3 |
| Other changes | — | 14 | 8 ¹ | 22 |
| Total non-cash changes | 800 | (17) | 8 | 791 |
| Coupon payment of hybrid bond before reclassification from equity² | (45) | — | — | (45) |
| December 31, 2018 | 5,007 | 745 | 288 | 6,040 |

¹ Mainly related to new lease agreements

² Shown in the line "Dividends paid to OMV equity holders" in the Statement of Cash Flows

Changes in liabilities arising from financing activities

In EUR mn

| | 2017 | | | |
|---|--------------|--|---------------------------------|--------------|
| | Bonds | Other interest- bearing debts | Finance lease liabilities | Total |
| January 1, 2017 | 3,763 | 1,234 | 278 | 5,275 |
| Increase in long-term borrowings | 989 | 12 | — | 1,001 |
| Repayments of long-term borrowings | — | (202) | (15) | (217) |
| Increase/(decrease) in short-term borrowings | — | (89) | — | (89) |
| Total cash flows related to financing activities | 989 | (279) | (15) | 695 |
| Foreign exchange difference | — | (50) | (1) | (51) |
| Difference interest expenses and interest paid | 5 | (1) | — | 4 |
| Other changes | — | 34 | 30 ¹ | 64 |
| Total non-cash changes | 5 | (17) | 29 | 16 |
| December 31, 2017 | 4,757 | 937 | 292 | 5,986 |

¹ Mainly related to new lease agreements

As of December 31, 2018, the Group had available EUR 3,264 mn of undrawn committed borrowing facilities that can be used for future activities without any restrictions (December 31, 2017: EUR 3,538 mn).

As of December 31, 2018, there were EUR 351 mn financing commitments provided to Nord Stream 2 AG for the planned additional funding of Nord Stream 2 project (December 31, 2017: EUR 626 mn).

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, will not materially affect the Group's financial position.

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.

In Romania, group activities related to refining of petroleum products could lead to obligations related to soil remediation activities, depending on the requirements of environmental agencies, when these activities are closed. With reference to Arpechim refinery site, at the date of these financial statements, contamination existence and a reliable estimation of the amount required to settle a potential remediation obligation cannot be deter-

mined until performance of specialized studies in order to establish the degree of contamination, if any; consequently, no provision has been booked by the company in this respect.

In May 2009, OMV signed an agreement with the sellers Crescent Petroleum Company International and Dana Gas PJSC to acquire a 10% share in Pearl Petroleum Company Limited (Pearl), a company that operates Khor Mor and Chemchemal gas fields in the Kurdistan Region of Iraq. The agreement included contingent payments to be made by OMV which are dependent on further reserves determinations. The reserves determinations will have to be made by a jointly appointed independent expert. Until recently, the likelihood of incurring additional payments was assessed to be remote. Currently Pearl is drilling appraisal wells in the aforementioned fields, which could become the basis of potential Field Development Plans (FDP) for these fields. These plans will be subject to approval by Pearl Shareholders and Government of Kurdistan Region of Iraq. Depending on further progress, the timing and the availability of the required approvals and on the reserves determinations in these approved FDP's, a contingent payment could potentially arise. At the date of these financial statements, a reliable estimate of the potential additional payment, if any, cannot be made. Therefore, no provision has been recognized in OMV Group's financial statements.

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 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 gearing ratio of below 30%.

Capital Management – key performance measures

In EUR mn

| | 2018 | 2017 |
|--|---------------|---------------|
| Bonds | 5,007 | 4,757 |
| Other interest-bearing debts | 745 | 937 |
| Liabilities on finance leases | 288 | 292 |
| Debt | 6,040 | 5,986 |
| Cash and cash equivalents ¹ | 4,026 | 3,981 |
| Net Debt | 2,014 | 2,005 |
| Equity | 15,342 | 14,334 |
| Gearing Ratio ² | 13% | 14% |

¹ Including cash reclassified to "held for sale"² With the implementation of IFRS 16 on January 1, 2019 the Gearing Ratio will be 18%.**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 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, 2018, the average weighted maturity of the Group's debt portfolio has been 5.0 years (as of December 31, 2017: 4.8 years).

OMV Group's operational liquidity management is done centrally via a cash pooling system, which enables optimum use of existing cash and liquidity reserves to the benefit of every individual member of cash pooling system and therefore the Group as a whole.

Details of OMV Group's financial liabilities are shown in Note 24.

Political Risk

OMV operates and has financial investments in countries that are subject to political uncertainties – in particular, Libya, Kazakhstan, Yemen, Pakistan, Russia, Tunisia and Turkey. Possible political changes may lead to disruptions and limitations in production as well as an increased tax burden, restrictions on foreign ownership or even nationalization of property. However, OMV has extensive experience

in the political environment in Central, Eastern and Southeastern Europe, and political developments in all markets where OMV operates are kept under constant observation. Country-specific risks are assessed before entering new countries.

An analysis to assess the potential impact of a hard Brexit scenario on OMV group companies was undertaken, which showed that there is no significant impact expected. OMV evaluates the risk of potential US or EU sanctions and their impact on planned or existing operations with the aim to stay in full compliance with all applicable sanctions. In particular risks due to US sanctions on the Nord Stream 2 project and on OMV's activities in Russia are regularly assessed and monitored.

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.

Commodity price risk - Upstream

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 envisaged 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.

In 2018, in addition to already existing financial oil and gas swaps, further swaps for gas volumes and options for oil volumes were entered into, resulting in a total Operating result impact of EUR (219) mn (oil: EUR (98) mn, gas: EUR (121) mn).

In 2017, the financial swaps that were concluded for both oil and gas volumes resulted in a total Operating result impact of EUR (72) mn (oil: EUR (128) mn, gas: EUR 56 mn).

For these derivative instruments no hedge accounting was applied.

Commodity price risk – Downstream

Commodity price risk management in Downstream refers to analysis, assessment, reporting and hedging of market price risk exposure arising from non-trading and trading activities, covering refining (refinery margin, petrochemical margin, inventories up to a defined threshold) as well as oil & 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 are performed for the purpose of creating market access within the oil, power and gas markets. In Downstream Gas, OTC swaps, options, futures and forwards are used to hedge purchase and sales price risks. The aim is to hedge the price risk on inventory fluctuations and the differences in terms and conditions of purchases and sales.

In Downstream Oil, 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.

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 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.

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 commodity contracts

In EUR mn

| | 2018 | | | 2017 | | |
|---|---------------|-------------------|------------------------|---------------|-------------------|------------------------|
| | Nominal | Fair value assets | Fair value liabilities | Nominal | Fair value assets | Fair value liabilities |
| Derivatives at FVOCI – Cash flow hedging | | | | | | |
| Downstream Oil swaps ¹ | 4,284 | 391 | (351) | 1,417 | 97 | (97) |
| Derivatives at FVTPL | | | | | | |
| Upstream Oil swaps | — | — | — | 859 | — | (128) |
| Upstream Gas swaps | 705 | 39 | (75) | 961 | 41 | (27) |
| Upstream | 705 | 39 | (75) | 1,820 | 41 | (155) |
| Downstream Oil futures | 12,282 | 1,202 | (1,181) | 7,860 | 358 | (358) |
| Downstream Oil-Swaps | 11,063 | 202 | (224) | 5,589 | 38 | (41) |
| Downstream Oil | 23,345 | 1,404 | (1,405) | 13,449 | 397 | (400) |
| Downstream Gas options | — | — | — | 1 | 0 | (0) |
| Downstream Gas swaps | 329 | 15 | (35) | 162 | 5 | (5) |
| Downstream Gas futures | 195 | 4 | (11) | 77 | 2 | (2) |
| Downstream Gas forwards | 16,737 | 905 | (910) | 8,136 | 287 | (314) |
| Downstream Gas | 17,260 | 925 | (957) | 8,376 | 295 | (321) |

¹ Including inefficient part of cash flow hedges**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 currencies (RON, RUB, NOK and NZD). 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 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 Forwards and swaps are used exclusively 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.

As of December 31, the value of transactions used to hedge foreign currency receivables and liabilities and of transactions used to manage liquidity was as follows:

Currency derivatives

In EUR mn

| | 2018 | | | 2017 | | |
|----------------------------------|--------------|-------------------|------------------------|------------|-------------------|------------------------|
| | Nominal | Fair value assets | Fair value liabilities | Nominal | Fair value assets | Fair value liabilities |
| Currency Options (FVOCI) | | | | | | |
| Currency Options (FVOCI) | 238 | 1 | — | — | — | — |
| Currency forwards (FVTPL) | 1,701 | 16 | (12) | 334 | 1 | (5) |
| Currency swaps (FVTPL) | 65 | 0 | — | 168 | 1 | 0 |

Cash flow hedge accounting

In the Downstream Oil 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 as well as stock hedges.

The risk management strategy 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.

Furthermore, 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.

Stock hedges are used to mitigate price exposure whenever actual priced stock levels deviate from target levels. Forecast sales and 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 product price is used as the risk component. Other components like product crack spreads and other local market cost components are not hedged.

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.

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 hedge 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).

Cash flow hedging – impact of hedging on the statement of financial positions

In EUR mn

| | 2018 | | | |
|--|---|--|--|--------------|
| | Swaps fix to floating – forecast purchase | Swaps fix to floating – forecast sales | Option - firm commitment to acquire a business in a business combination | Total |
| | Commodity price risk | | Foreign currency risk | |
| Nominal Value | 204 | 4,080 | 238 | 4,522 |
| Below one year | 204 | 2,336 | 238 | 2,778 |
| More than one year | – | 1,744 | – | 1,744 |
| Fair value – assets | – | 391 | 1 | 392 |
| Fair value – liabilities | 44 | 304 | – | 348 |
| Line item in the statement of financial position | other financial assets/liabilities | other financial assets/liabilities | other financial assets/liabilities | n.a. |
| Cash flow hedge reserve (before taxes) | (44) | 94 | (2) | 49 |
| thereof cost of hedging reserve | – | – | (2) | (2) |

Cash flow hedging – effect of hedging in the statement of profit or loss and other comprehensive income

In EUR mn

| | 2018 | | | | |
|---|--|---|--|--|-------------|
| | | Forward - firm commitment | to acquire a business in a business combination | Option - firm commitment | |
| | Swaps fix to floating – forecast purchase | Swaps fix to floating – forecast sales | to acquire a business in a business combination | to acquire a business in a business combination | Total |
| | Commodity price risk | | | Foreign currency risk | |
| Gains/(losses) of the period recognized in OCI | (21) | 43 | 32 | (2) | 52 |
| Hedge ineffectiveness recognized in profit or loss | (1) | (14) | — | — | (15) |
| Line item in the statement of profit or loss (hedge ineffectiveness) | Purchases (net of inventory variation) | Sales revenues | n.a. | n.a. | n.a. |
| Amount reclassified from OCI to profit or loss | — | 152 | — | — | 152 |
| Line item in the statement of profit or loss (recycling) | n.a. | Sales revenues | n.a. | n.a. | n.a. |

Cash flow hedging – Impact of hedging on equity

In EUR mn

| | 2018 | | | | |
|---|--|---|--|--|--------------|
| | | Forward - firm commitment | to acquire a business in a business combination | Option - firm commitment | |
| | Swaps fix to floating – forecast purchase | Swaps fix to floating – forecast sales | to acquire a business in a business combination | to acquire a business in a business combination | Total |
| | Commodity price risk | | | Foreign currency risk | |
| Cash flow hedge reserve as of January 1 (net of tax) | 81 | (72) | — | — | 8 |
| Gains/(losses) of the period recognized in OCI | (21) | 43 | 32 | (2) | 52 |
| Amounts reclassified to profit or loss | — | 152 | — | — | 152 |
| Amounts transferred to cost of non- financial item | (132) | — | (32) | — | (163) |
| Tax effects | 40 | (50) | — | 0 | (10) |
| Cash flow hedge reserve as of December 31 (net of tax) | (33) | 73 | — | (1) | 39 |

Cash flow hedging for commodities

In EUR mn

| | | 2017 | | |
|--|--|-----------------------------------|-------------------------------|--|
| | Period of expected cash flows for cash flow hedges | Adjustments from cash flow hedges | in other comprehensive income | thereof: Transfer from other comprehensive income disclosed in income statement |
| Downstream Oil price risk hedge | | | | |
| Swaps fix to floating – Brent | until Q4/18 | 99 | (5) | |
| Swaps fix to floating – products | until Q4/18 | (66) | 23 | |

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 earnings or equity 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 equity. Sensitivity to market price fluctuations for all other open derivatives is shown in the sensitivity tables for profit before tax.

Sensitivity analysis for open derivatives affecting profit before tax

In EUR mn

| | 2018 | | 2017 | |
|-----------------------------------|-------------------|--------------------|-------------------|--------------------|
| | Market price +10% | Market price (10)% | Market price +10% | Market price (10)% |
| Upstream | | | | |
| Upstream Commodity Oil swaps | — | — | (99) | 99 |
| Upstream Commodity Gas swaps | (40) | 40 | (34) | 34 |
| Downstream | | | | |
| Downstream Oil | | | | |
| Downstream Oil Commodity futures | 6 | (6) | 6 | (6) |
| Downstream Oil Commodity swaps | (2) | 2 | 9 | (9) |
| Downstream Gas | | | | |
| Downstream Gas Commodity swaps | 1 | (1) | (5) | 5 |
| Downstream Gas Commodity futures | 4 | (4) | 0 | (0) |
| Downstream Gas Commodity forwards | (51) | 51 | (34) | 34 |

Sensitivity analysis for open derivatives affecting equity

In EUR mn

| | 2018 | | 2017 | |
|--------------------------------|-------------------|--------------------|-------------------|--------------------|
| | Market price +10% | Market price (10)% | Market price +10% | Market price (10)% |
| Downstream Oil | | | | |
| Downstream Oil Commodity swaps | 26 | (26) | (7) | 7 |

For financial instruments, sensitivity analysis is performed for changes in foreign exchange rates. 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 and EUR-NZD exposure.

Sensitivity analysis for financial instruments affecting profit before tax¹

In EUR mn

| | 2018 | | 2017 | |
|---------|--|--|--|--|
| | 10% apprecia- tion of the EUR | 10% deprecia- tion of the EUR | 10% apprecia- tion of the EUR | 10% deprecia- tion of the EUR |
| EUR-RON | (4) | 4 | 15 | (15) |
| EUR-USD | (48) | 48 | (43) | 43 |
| EUR-NZD | 9 | (9) | 2 | (2) |
| EUR-NOK | 14 | (14) | 12 | (12) |

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

Translation risk

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, RUB, NOK and NZD denominated assets against the EUR.

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. As of December 31, 2018, OMV did not have any open position, since no interest rate swaps were entered during the year 2018 (2017: no open position).

Interest sensitivities

OMV Group holds financial assets whose market value would be affected by changes in interest rates. The effect of an interest rate increase of 0.5 percentage points on the main financial assets as of December 31, 2018, would have been a EUR 30 mn reduction in the market value of these financial assets (2017: EUR 35 mn). A 0.5 percentage points fall in the interest rate as of December 31, 2018 would have led to an increase in market value of EUR 31 mn (2017: EUR 37 mn).

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 rate are not considered to be a material risk.

Credit risk management

The main counterparty credit risks are assessed and monitored at Group level 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.

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. The Group is exposed to credit risk arising from credit exposures with customer accounts receivables (see Note 18), 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), foreign exchange transactions and other financial instruments (see Note 18).

29 Fair value hierarchy

Fair value hierarchy of financial assets and assets held for sale 2018

In EUR mn

| | Carrying amount | | | Fair value level | | | |
|---|-------------------|---------------|--------------|------------------|--------------|------------|--------------|
| | At amortized cost | At fair value | Total | Level 1 | Level 2 | Level 3 | Total |
| Trade receivables | 3,338 | 82 | 3,420 | — | 82 | — | 82 |
| Investments in other companies designated as at FVOCI ¹ | — | 21 | 21 | — | — | 21 | 21 |
| Investment funds | — | 6 | 6 | 6 | — | — | 6 |
| Bonds ² | 78 | — | 78 | — | — | — | — |
| Derivatives designated and effective as hedging instruments | — | 392 | 392 | — | 392 | — | 392 |
| Other derivatives | — | 2,384 | 2,384 | 1,206 | 1,178 | — | 2,384 |
| Loans | 671 | — | 671 | — | — | — | — |
| Other sundry financial assets ³ | 1,107 | 725 | 1,833 | — | — | 725 | 725 |
| Net amount of assets and liabilities associated with assets held for sale | n.a. | — | — | — | — | — | — |
| Total | 5,195 | 3,610 | 8,805 | 1,212 | 1,651 | 747 | 3,610 |

¹ Upon implementation of IFRS 9, the classification of equity investments changed to Fair Value through OCI. Please see Note 2 for further details.

² Upon implementation of IFRS 9, the classification of bonds changed to Amortized Costs. Please see Note 2 for further details.

³ Includes an asset from reserves redetermination rights related to the acquisition of interests in the field Yuzhno Russkoye and contingent considerations from the divestments of the 30% stake in the field Rosebank and of OMV (U.K.) Limited. Please see Note 18 for further details.

Fair value hierarchy of financial liabilities 2018

In EUR mn

| | Carrying amount | | | Fair value level | | | |
|--|-------------------|---------------|---------------|------------------|--------------|----------|--------------|
| | At amortized cost | At fair value | Total | Level 1 | Level 2 | Level 3 | Total |
| Bonds | 5,007 | — | 5,007 | — | — | — | — |
| Other interest bearing debt | 745 | — | 745 | — | — | — | — |
| Trade payables | 4,401 | — | 4,401 | — | — | — | — |
| Liabilities on derivatives designated and effective as hedging instruments | — | 348 | 348 | — | 348 | — | 348 |
| Liabilities on other derivatives | — | 2,452 | 2,452 | 1,192 | 1,260 | — | 2,452 |
| Liabilities on finance lease | 288 | — | 288 | — | — | — | — |
| Other sundry financial liabilities | 641 | — | 641 | — | — | — | — |
| Total | 11,083 | 2,800 | 13,883 | 1,192 | 1,608 | — | 2,800 |

Financial assets and liabilities for which fair values are disclosed 2018

In EUR mn

| | Fair Value | Fair value level | | |
|------------------------------|--------------|------------------|--------------|----------|
| | | Level 1 | Level 2 | Level 3 |
| Bonds | 77 | 5 | 72 | — |
| Financial assets | 77 | 5 | 72 | — |
| Bonds | 5,323 | 5,323 | — | — |
| Other interest bearing debt | 759 | — | 759 | — |
| Liabilities on finance lease | 386 | — | 386 | — |
| Financial liabilities | 6,467 | 5,323 | 1,144 | — |

Fair value hierarchy of financial assets including assets held for sale 2017

In EUR mn

| | Carrying amount | | | Fair value level | | | |
|---|-------------------|---------------|--------------|------------------|------------|------------|--------------|
| | At amortized cost | At fair value | Total | Level 1 | Level 2 | Level 3 | Total |
| Trade receivables | 2,503 | — | 2,503 | — | — | — | — |
| Investments in other companies | 39 | — | 39 | — | — | — | — |
| Investment funds | — | 6 | 6 | 6 | — | — | 6 |
| Bonds | — | 78 | 78 | 5 | 73 | — | 78 |
| Derivatives designated and effective as hedging instruments | — | 97 | 97 | — | 97 | — | 97 |
| Other derivatives | — | 732 | 732 | 360 | 372 | — | 732 |
| Loans | 348 | — | 348 | — | — | — | — |
| Other sundry financial assets ¹ | 1,018 | 780 | 1,798 | — | — | 780 | 780 |
| Net amount of assets and liabilities associated with assets held for sale | n.a. | 2 | 2 | — | — | 2 | 2 |
| Total | 3,908 | 1,695 | 5,604 | 371 | 542 | 782 | 1,695 |

¹ Includes an asset from reserves redetermination rights related to the acquisition of interests in the field Yuzhno Russkoye and contingent considerations from the divestments of the 30% stake in the field Rosebank and of OMV (U.K.) Limited. Please see Note 18 for further details.

Fair value hierarchy of financial liabilities 2017

In EUR mn

| | Carrying amount | | | Fair value level | | | |
|--|-------------------|---------------|---------------|------------------|------------|---------|------------|
| | At amortized cost | At fair value | Total | Level 1 | Level 2 | Level 3 | Total |
| Bonds | 4,757 | — | 4,757 | — | — | — | — |
| Other interest bearing debt | 937 | — | 937 | — | — | — | — |
| Trade payables | 3,262 | — | 3,262 | — | — | — | — |
| Liabilities on derivatives designated and effective as hedging instruments | — | 97 | 97 | — | 97 | — | 97 |
| Liabilities on other derivatives | — | 879 | 879 | 360 | 519 | — | 879 |
| Liabilities on finance lease | 292 | — | 292 | — | — | — | — |
| Other sundry financial liabilities | 424 | — | 424 | — | — | — | — |
| Total | 9,672 | 977 | 10,649 | 360 | 616 | — | 977 |

Financial liabilities for which fair values are disclosed 2017

In EUR mn

| | Fair Value | Fair value level | | |
|------------------------------|--------------|------------------|--------------|---------|
| | | Level 1 | Level 2 | Level 3 |
| Bonds | 5,169 | 5,169 | — | — |
| Other interest bearing debt | 981 | — | 981 | — |
| Liabilities on finance lease | 399 | — | 399 | — |
| Financial liabilities | 6,549 | 5,169 | 1,380 | — |

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 that do not meet the criteria of offsetting in the statement of the financial position in accordance with IAS 32.

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 | 2018 | | | |
|----------------------------------|------|-------------------------------|--|--|--|
| | | 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) |
| Derivative financial instruments | 18 | 2,776 | — | 2,776 | (2,446) 330 |
| Trade receivables | 18 | 3,451 | (31) | 3,420 | (1,656) 1,764 |
| Other sundry financial assets | 18 | 1,837 | (4) | 1,833 | (27) 1,806 |
| Total | | 8,065 | (36) | 8,029 | (4,129) 3,900 |

Offsetting of financial liabilities

In EUR mn

| | Note | 2018 | | | |
|------------------------------------|------|-------------------------------|--|--|---|
| | | 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) |
| Derivative financial instruments | 24 | 2,800 | — | 2,800 | (2,471) 329 |
| Trade payables | 24 | 4,432 | (31) | 4,401 | (1,656) 2,745 |
| Other sundry financial liabilities | 24 | 1,152 | (4) | 1,147 | (2) 1,145 |
| Total | | 8,385 | (36) | 8,349 | (4,129) 4,220 |

Offsetting of financial assets

In EUR mn

| | Note | 2017 | | | |
|----------------------------------|------|-------------------------------|--|--|--|
| | | 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) |
| Derivative financial instruments | 18 | 829 | — | 829 | (748) 82 |
| Trade receivables | 18 | 2,503 | — | 2,503 | (892) 1,611 |
| Other sundry financial assets | 18 | 1,795 | (2) | 1,793 | (31) 1,762 |
| Total | | 5,127 | (2) | 5,126 | (1,671) 3,455 |

Offsetting of financial liabilities

In EUR mn

| | Note | 2017 | | | |
|------------------------------------|------|-------------------------------|--|--|---|
| | | 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) |
| Derivative financial instruments | 24 | 977 | — | 977 | (777) 200 |
| Trade payables | 24 | 3,262 | — | 3,262 | (892) 2,371 |
| Other sundry financial liabilities | 24 | 426 | (2) | 424 | (2) 422 |
| Total | | 4,665 | (2) | 4,663 | (1,671) 2,992 |

31 Result on financial instruments

Result on financial instruments

In EUR mn

| | Amount | Fair value through profit or loss | Equity instruments designated as at fair value through other comprehensive income | Financial assets at amortized cost | Financial liabilities at amortized cost |
|--|--------------|-----------------------------------|---|------------------------------------|---|
| | | 2018 | | | |
| Fair value changes of financial assets and derivatives | (321) | (321) | — | — | — |
| Net impairment losses on financial assets | (13) | — | — | (13) | — |
| Result on financial instruments within operating result | (334) | (321) | — | (13) | — |
| Dividend income | 20 | — | 20 | — | — |
| Interest income | 117 | 8 | — | 108 | — |
| Interest expense | (290) | — | — | — | (131) |
| Expenses on the sales of trade receivables | (31) | (31) | — | — | — |
| Impairments of financial instruments, net | 1 | — | — | 1 | — |
| Other (mainly banking fees) | (30) | — | — | — | (30) |
| Result on financial instruments within financial result | (214) | (23) | 20 | 109 | (161) |

Result on financial instruments

In EUR mn

| | Amount | Fair value through profit or loss | Available-for-sale financial instruments | Loans and receivables | Liabilities measured at amortized cost |
|--|--------------|-----------------------------------|--|-----------------------|--|
| | | 2017 | | | |
| Fair value changes of financial assets and derivatives | (135) | (102) | (32) | — | — |
| Net impairment losses on financial assets | (18) | — | — | (18) | — |
| Result on financial instruments within operating result | (153) | (102) | (32) | (18) | — |
| Dividend income | 15 | — | 15 | — | — |
| Interest income | 64 | — | — | 60 | — |
| Interest expense | (265) | — | — | — | (124) |
| Results from the disposal of other investments | 4 | — | 4 | — | — |
| Impairments of financial instruments, net | — | — | (1) | — | — |
| Expenses on the sales of trade receivables | (27) | — | — | (27) | — |
| Other (mainly banking fees) | (11) | — | — | — | (12) |
| Result on financial instruments within financial result | (220) | — | 19 | 34 | (136) |

The **interest expense** not allocated mainly refers to the unwinding of provisions in amount of EUR 149 mn (2017: EUR 133 mn).

32 Share based payments

Long Term Incentive (LTI) plans

LTI plans with similar conditions have been granted to the Executive Board and selected senior executives in the Group yearly. At vesting date, bonus shares will be granted to the participants. The number of bonus shares is determined depending on the achievement of defined performance targets. Disbursement is made in cash or in shares. From 2011 till 2015, participation to the plan also was granted to selected employees with outstanding development potential (potentials). Executive Board members and senior executives 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. The shareholding requirement is defined as a percentage of the annual gross base salary, for Executive Board members the requirement needs to

be fulfilled 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.

Long Term Incentive Plans

| | 2018 plan | 2017 plan | 2016 plan | 2015 plan |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| Start of plan | 1/1/2018 | 1/1/2017 | 1/1/2016 | 1/1/2015 |
| End of performance period | 12/31/2020 | 12/31/2019 | 12/31/2018 | 12/31/2017 |
| Vesting date | 3/31/2021 | 3/31/2020 | 3/31/2019 | 3/31/2018 |
| Shareholding requirement | | | | |
| Executive Board Chairman | 200% of gross base salary |
| Executive Board Deputy Chairman | 175% of gross base salary |
| Executive Board members | 150% of gross base salary |
| Senior executives | 75% of gross base salary |
| Expected bonus shares as of December 31, 2018 | 180,687 shares | 392,978 shares | 733,322 shares | — |
| Maximum bonus shares as of December 31, 2018 | 273,302 shares | 420,518 shares | 869,228 shares | — |
| Fair value of plan (in EUR mn) as of December 31, 2018 | 7 | 16 | 30 | — |
| Provision (in EUR mn) as of December 31, 2018 | 2 | 7 | 19 | — |
| Estimated tax payments related to equity settled transactions (in EUR mn)¹ | 1 | 2 | 5 | — |

¹ This position includes estimated tax obligations of participants of the plan associated with equity settled transactions of the whole plan. This amount is paid by OMV in cash to the tax authority on behalf of participants after vesting date.

Personal investment held in shares

| | 12/31/2018 | 12/31/2017 | 12/31/2016 | 12/31/2015 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Active executive Board members | | | | |
| Seele | 70,890 shares | 48,435 shares | 38,038 shares | 32,200 shares |
| Pleininger ¹ | 28,511 shares | 19,333 shares | 12,979 shares | 8,462 shares |
| Florey | 13,401 shares | 8,335 shares | — | — |
| Leitner | 65,245 shares | 59,335 shares | 51,249 shares | 37,163 shares |
| Former executive Board members² | | | | |
| Davies | — | — | — | 54,626 shares |
| Floren | — | — | — | 31,929 shares |
| Huijskes | — | — | — | 38,419 shares |
| Roiss | — | — | 81,831 shares | 80,600 shares |
| Total — Executive Board | 178,047 shares | 135,438 shares | 184,097 shares | 283,399 shares |
| Other senior executives ² | 299,997 shares | 256,202 shares | 317,840 shares | 287,397 shares |
| Total personal investment | 478,044 shares | 391,640 shares | 501,937 shares | 570,796 shares |

¹ Johann Pleininger also took part in the 2015 plan in his position as senior executive.

² Personal investment of former executive Board members and other senior executives are only included if shares are held in the OMV trustee deposit.

Equity Deferral

The Equity Deferral (equity part of the Annual Bonus, previously OMV Share Part of the Annual Bonus) serves as a long-term compensation vehicle 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 plan also seeks to prevent inadequate risk-taking.

The Annual Bonus is capped at 180% of the target Annual Bonus (until 2017: 200% of the annual gross salary). One third of the Annual Bonus (until 2017: 50% of the granted 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). In case of major changes in external factors the Supervisory Board can adjust the target levels of the performance criteria of the Annual Bonus. The granted shares after deduction of taxes are transferred to a trustee deposit, managed by the Company, to be held for three years.

In 2018 expenses amounting to EUR 2 mn were recorded with a corresponding increase in equity (2017: EUR 3 mn).

Total expense

In 2018 expenses related to share based payment transactions were as follows:

Expenses related to share based payment transactions

In EUR mn

| | 2018 | 2017 |
|---|-----------|-----------|
| Cash settled | 6 | 44 |
| Equity settled | 6 | 12 |
| Total expenses arising from share based payment transactions | 12 | 56 |

Other Information

33 Average number of employees

Average number of employees¹

| | 2018 | 2017 |
|---|---------------|---------------|
| OMV Group excluding Petrom group ² | 6,864 | 7,206 |
| OMV Petrom group | 13,409 | 14,210 |
| Total Group | 20,272 | 21,416 |

¹ Calculated as the average of the month's end numbers of employees during the year

² The decrease in the average number of employees compared to 2017 is mainly related to the divestments of OMV Petrol Ofisi and OMV (PAKISTAN) Exploration Gesellschaft m.b.H. OMV Petrol Ofisi impacts the comparison of 2018 to 2017 headcount, as the company was deconsolidated per June 2017 and until then contributed to the average number of employees in 2017.

34 Expenses Group auditor

Expenses for services rendered by the Group auditor (including the international network in terms of section 271b UGB) comprise the following:

Expenses for services rendered by the Group auditor (including the international network)

In EUR mn

| | 2018 | | 2017 | |
|--|---------------|---|---------------|---|
| | 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 | 2.94 | 1.34 | 2.48 | 0.89 |
| Other assurance services | 0.64 | 0.54 | 1.07 | 0.95 |
| Tax advisory services | 0.05 | 0.00 | 0.18 | 0.00 |
| Other services | 0.24 | 0.00 | 0.03 | 0.03 |
| Total | 3.86 | 1.88 | 3.76 | 1.87 |

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; previously Österreichische Bundes- und Industriebeteiligungen GmbH (ÖBIB)), 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 2018, there were arm's-length supplies of goods and services between the Group and equity-accounted companies, except for gas purchases from OJSC Severneftegazprom which are not based on market prices but on cost plus defined margin.

Transactions with equity-accounted investments – Sales and Receivables

In EUR mn

| | 2018 | | 2017 | |
|---------------------------------------|------------------------|-------------------|------------------------|-------------------|
| | Sales and other income | Trade receivables | Sales and other income | Trade receivables |
| Borealis | 1,432 | 55 | 1,126 | 101 |
| GENOL Gesellschaft m.b.H. & Co KG | 208 | 16 | 164 | 20 |
| Enerco Enerji Sanayi Ve Ticaret A.Ş. | 4 | 1 | 3 | 1 |
| Erdöl-Lagergesellschaft m.b.H. | 41 | — | 38 | 0 |
| PEGAS CEGH Gas Exchange Services GmbH | 1 | 0 | 1 | 0 |
| Trans Austria Gasleitung GmbH | 11 | 1 | 29 | 1 |
| Total | 1,696 | 72 | 1,360 | 123 |

Transactions with equity-accounted investments – Purchases and Payables

In EUR mn

| | 2018 | | 2017 | |
|---------------------------------------|---------------------------------|----------------|---------------------------------|----------------|
| | Purchases and services received | Trade payables | Purchases and services received | Trade payables |
| Borealis | 48 | 7 | 44 | 5 |
| Deutsche Transalpine Oelleitung GmbH | 30 | 3 | 28 | 1 |
| Enerco Enerji Sanayi Ve Ticaret A.Ş. | 157 | 8 | 171 | 16 |
| EPS Ethylen-Pipeline-Süd GmbH & Co KG | 2 | — | — | — |
| Erdöl-Lagergesellschaft m.b.H. | 62 | 30 | 77 | 56 |
| GENOL Gesellschaft m.b.H. & Co KG | 2 | 0 | 2 | 0 |
| OJSC Severneftegazprom | 161 | 18 | 16 | 18 |
| Trans Austria Gasleitung GmbH | 22 | 1 | 21 | 2 |
| Total | 482 | 67 | 359 | 100 |

Dividends received from equity-accounted investments

In EUR mn

| | 2018 | 2017 |
|--------------------------------------|------------|------------|
| Borealis AG | 360 | 270 |
| Enerco Enerji Sanayi Ve Ticaret A.Ş. | 1 | 5 |
| GENOL Gesellschaft m.b.H. & Co KG | 1 | 0 |
| OJSC SEVERNEFTEGAZPROM | 10 | 15 |
| Pearl Petroleum Company Limited | 34 | 67 |
| Trans Austria Gasleitung GmbH | 15 | 11 |
| Total Group | 422 | 369 |

As of balance sheet date, other financial receivables in an amount of EUR 6 mn (2017: EUR 6 mn) were outstanding from Freya Bunde-Etzel GmbH & Co. KG.

As per December 31, 2018 there were other financial liabilities in an amount of EUR 3 mn (2017: EUR 4 mn) with Trans Austria Gasleitung GmbH.

The balance of prepayments received, shown in line contract liabilities, from Erdöl-Lagergesellschaft m.b.H. amounted to EUR 140 mn at December 31, 2018 (2017: EUR 153 mn) and is 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 in which the Republic of Austria is a majority shareholder, considered a related party. OMV has transactions at arm's length in the normal course of business mainly with Österreichische Post AG, Verbund AG, Österreichische Bundesbahnen-Holding Aktiengesellschaft, Bundesbeschaffung GmbH and their subsidiaries.

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 2018, there were supplies of goods and services for instance with Compañía Española de Petróleos (CEPSA) and Abu Dhabi National Oil company (ADNOC). OMV cooperates with ADNOC in several Upstream arrangements, one of which is an evaluation agreement over several undeveloped oil and gas fields in North-West Offshore Abu Dhabi. This agreement is resulting in an open long-term

receivable balance towards ADNOC. Furthermore, in 2018 OMV acquired from ADNOC a 20% stake in the offshore fields SARB and Umm Lulu, having CEPSA a partner in the concession and also a 5% interest in the Ghasha concession offshore Abu Dhabi (see Note 3 for further details).

Key management personnel compensation

Remuneration received by the Executive Board

In EUR mn

| | 2018 | | | | | | | | Total |
|--|---|--------------------------|-------------------|-------------|---------------------------------------|---------------------|-----------------------|--------------------|--------------|
| | active members of the Executive Board as of December 31, 2018 | | | | former members of the Executive Board | | | | |
| | Seele | Pleininger | Florey | Leitner | Davies ⁶ | Floren ⁷ | Huijskes ⁸ | Roiss ⁹ | |
| Short term benefits | | | | | | | | | |
| Fixed (base salary) | 2.01 | 1.34 | 1.35 | 1.41 | 0.15 | — | — | — | 6.26 |
| Variable (cash bonus) ¹ | 1.10 | 0.75 | 0.70 | 0.70 | — | — | — | — | 3.25 |
| Benefits in kind | 0.90 | 0.58 | 0.60 | 0.70 | 0.15 | — | — | — | 2.92 |
| Post employment benefits | 0.01 | 0.01 | 0.05 ⁵ | 0.01 | — | — | — | — | 0.09 |
| | 0.28 | 0.19 | 0.18 | 0.18 | — | — | — | — | 0.81 |
| Pension fund contributions | 0.28 | 0.19 | 0.18 | 0.18 | — | — | — | — | 0.81 |
| Share based benefits ¹ | | | | | | | | | |
| Variable (Equity Deferral 2017) ² | 2.35 | 0.96 | 0.53 | 2.34 | 2.59 | 1.48 | 1.78 | 3.30 | 15.32 |
| Variable (LTIP) | 0.80 | 0.51 | 0.53 | 0.62 | 0.13 | — | — | — | 2.59 |
| Total | 1.55 ³ | 0.45 ⁴ | — | 1.72 | 2.45 | 1.48 | 1.78 | 3.30 | 12.73 |
| | 4.64 | 2.49 | 2.06 | 3.93 | 2.74 | 1.48 | 1.78 | 3.30 | 22.40 |

¹ The variable components relate to target achievement in 2017, for which bonuses were paid in 2018.

² The Equity Deferral from the Annual Bonus was renamed from "Share part of the Annual Bonus" at the grant date.

³ Rainer Seele received pro-rated payout in shares for LTIP 2015 as he joined the Executive Board effectively July 1, 2015.

⁴ Johann Pleininger received pro-rated payout in shares and in addition cash payment amounting to EUR 0.52 mn based on the senior manager LTIP 2015.

⁵ Including schooling costs, moving costs and related taxes

⁶ David C. Davies resigned from the Executive Board effectively July 31, 2016.

⁷ Hans-Peter Floren resigned from the Executive Board effectively December 31, 2014.

⁸ Jaap Huijskes resigned from the Executive Board effectively August 31, 2015.

⁹ Gerhard Roiss resigned from the Executive Board effectively June 30, 2015.

Remuneration received by the Executive Board

In EUR mn

| | 2017 | | | | | | | | |
|---------------------------------|---|----------------|-------------------|-------------|---------------------------------------|---------------------|-----------------------|--------------------|--------------|
| | active members of the Executive Board as of December 31, 2017 | | | | former members of the Executive Board | | | | |
| | Seele | Pleininger | Florey | Leitner | Davies ^{3,4} | Floren ⁵ | Huijskes ⁶ | Roiss ⁷ | Total |
| Short term benefits | 1.65 | 1.04 | 0.90 | 1.29 | 0.82 | — | 0.15 | — | 5.85 |
| Fixed (base salary) | 0.90 | 0.57 | 0.60 | 0.70 | 0.22 | — | — | — | 3.00 |
| Variable (cash bonus) | 0.74 | 0.45 | 0.25 | 0.57 | 0.60 | — | 0.15 | — | 2.76 |
| Benefits in kind | 0.01 | 0.01 | 0.06 ² | 0.01 | 0.00 | — | — | — | 0.10 |
| Post employment benefits | 0.23 | 0.14 | 0.15 | 0.18 | 0.05 | — | — | — | 0.75 |
| Pension fund contributions | 0.23 | 0.14 | 0.15 | 0.18 | 0.05 | — | — | — | 0.75 |
| Share based benefits | 0.85 | 0.52 | 0.28 | 0.73 | 0.81 | 0.08 | 0.27 | 0.18 | 3.73 |
| Variable (Matching Share Plan) | 0.85 | 0.52 | 0.28 | 0.66 | 0.69 | — | 0.17 | — | 3.18 |
| Variable (LTIP) | — | — ¹ | — | 0.07 | 0.12 | 0.08 | 0.10 | 0.18 | 0.54 |
| Total | 2.73 | 1.70 | 1.34 | 2.19 | 1.68 | 0.08 | 0.42 | 0.18 | 10.32 |

¹ Johann Pleininger was entitled to EUR 0.04 mn based on the senior manager LTIP 2014 (paid out in cash).² Including schooling costs and related taxes³ David C. Davies resigned from the Executive Board effectively July 31, 2016.⁴ David C. Davies received payments under his employment contract in force until March 31, 2017 as well as bonus and LTIP payments in April 2017.⁵ Hans-Peter Floren resigned from the Executive Board effectively December 31, 2014.⁶ Jaap Huijskes resigned from the Executive Board effectively August 31, 2015.⁷ Gerhard Roiss resigned from the Executive Board effectively June 30, 2015.**Remuneration received by top executives (excl. Executive Board) ¹**

In EUR mn

| | |
|---------------------------|--|
| Salaries and bonuses | |
| Pension fund contribution | |
| Severance benefits | |
| Share-based benefits | |
| Other long-term benefits | |
| Total | |

| | 2018 | 2017 |
|-------------|-------------|-------------|
| 23.2 | 23.2 | 18.5 |
| 1.8 | 1.8 | 1.3 |
| 0.8 | 0.8 | 1.8 |
| 21.7 | 21.7 | 3.8 |
| 0.0 | 0.0 | 0.1 |
| 47.4 | 47.4 | 25.4 |

¹ In 2018 there were 41 top executives (2017: 44).

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 for details on Long Term Incentive Plans and Equity Deferral.

In 2018, remuneration expenses for the Supervisory Board amounted to EUR 0.6 mn (2017: EUR 0.7 mn).

36 Unconsolidated structured entities

OMV is selling trade receivables in a securitization program to Carnuntum DAC, based in Dublin, Ireland. In 2018, OMV transferred trade receivables amounting in total to EUR 4,868 mn to Carnuntum DAC (2017: EUR 4,275 mn).

As at December 31, 2018, OMV held seller participation and complementary notes in Carnuntum DAC amounting to EUR 183 mn (2017: seller participation notes of EUR 138 mn) shown in other financial assets. As of December 31, 2018, the maximum exposure to loss from the securitization transaction was EUR 150 mn (2017: EUR 120 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 30 mn in 2018 (2017: EUR 25 mn). Interest income on the notes held in Carnuntum DAC amounted to EUR 4 mn in 2018 (2017: EUR 3 mn). In addition, OMV received a service fee for the debtor management services provided for the receivables sold.

37 Subsequent events

On January 27, 2019 OMV signed agreements for the purchase of a 15% share in ADNOC Refining. The estimated purchase price for OMV amounts to approximately USD 2.5 bn based on 2018 year-end net debt. The final purchase price is dependent on the net debt as of closing and certain working capital adjustments.

On January 31, 2019, OMV has bought a 50% stake of the issued share capital in Sapura OMV Upstream Sdn. Bhd. for an amount of USD 540 mn.

In addition, the parties agreed to an additional consideration of up to USD 85 mn based on certain conditions, mainly linked to the resource volume in Block 30, Mexico, at the time the final investment decision is taken. Both parties have also agreed to refinance the existing intercompany debt of USD 350 mn. For further details please refer to Note 3.

38 Direct and indirect investments of OMV Aktiengesellschaft

Changes in consolidated group

| Name of company | Registered Office | Type of Change ¹ | Effective date |
|---|-------------------|--------------------------------------|--------------------|
| Upstream | | | |
| OMV GSB LIMITED | Wellington | First consolidation (A) | March 16, 2018 |
| OMV Abu Dhabi Production GmbH | Vienna | First consolidation | April 29, 2018 |
| Energy Infrastructure Limited | Wellington | First consolidation (A) | December 28, 2018 |
| Energy Petroleum Holdings Limited | Wellington | First consolidation (A) | December 28, 2018 |
| Energy Petroleum Investments Limited | Wellington | First consolidation (A) | December 28, 2018 |
| Energy Petroleum Taranaki Limited | Wellington | First consolidation (A) | December 28, 2018 |
| OMV New Zealand Production Limited | Wellington | First consolidation (A) | December 28, 2018 |
| OMV New Zealand Services Limited | Wellington | First consolidation (A) | December 28, 2018 |
| OMV Taranaki Limited | Wellington | First consolidation (A) | December 28, 2018 |
| Taranaki Offshore Petroleum Company | Wellington | First consolidation (A) | December 28, 2018 |
| OMV Maurice Energy Limited | Port Louis | Deconsolidation | June 28, 2018 |
| OMV (PAKISTAN) Exploration Gesellschaft m.b.H. | Vienna | Deconsolidation | June 28, 2018 |
| OMV (Gnondo) Exploration S.A. | Libreville | Deconsolidation (L) | September 10, 2018 |
| OMV (Manga) Exploration S.A. | Libreville | Deconsolidation (L) | September 10, 2018 |
| OMV (Mbeli) Exploration S.A. | Libreville | Deconsolidation (L) | September 10, 2018 |
| OMV (Ntsina) Exploration S.A. | Libreville | Deconsolidation (L) | September 10, 2018 |
| OMV (Gnondo) Exploration GmbH in Liqu. | Vienna | Deconsolidation (L) | December 20, 2018 |
| OMV (Manga) Exploration GmbH in Liqu. | Vienna | Deconsolidation (L) | December 20, 2018 |
| OMV (Mbeli) Exploration GmbH in Liqu. | Vienna | Deconsolidation (L) | December 20, 2018 |
| OMV (Ntsina) Exploration GmbH in Liqu. | Vienna | Deconsolidation (L) | December 20, 2018 |
| OMV Tunisia Upstream GmbH | Vienna | Deconsolidation | December 21, 2018 |
| Downstream Oil | | | |
| DUNATÀR Kölajtermék Tároló és Kereskedelmi Kft. | Budapest | First consolidation ² | October 1, 2018 |
| PETRODYNÉ-CSEPEL Zrt. | Budapest | First consolidation (A) ² | October 1, 2018 |
| Abu Dhabi Petroleum Investments LLC | Abu Dhabi | First consolidation (Q) ³ | December 31, 2018 |
| Pak-Arab Refinery Limited | Karachi | First consolidation (Q) ³ | December 31, 2018 |
| Downstream Gas | | | |
| OMV Gas, Marketing & Trading Belgium BVBA | Brussels | First consolidation | December 26, 2018 |
| OMV Samsun Elektrik Üretim Sanayi ve Ticaret A.Ş. | Istanbul | Deconsolidation | September 6, 2018 |

¹ "First consolidation" refers to newly formed or existing subsidiaries, while "First consolidation (A)" indicates the acquisition of a company. "First consolidation (Q)" the change of consolidation method to at-equity consolidation of a company that was not consolidated before.

Companies marked with "Deconsolidation" have been sold while all companies marked with "Deconsolidation (L)" were deconsolidated following a liquidation process.

² OMV Group previously held DUNATÀR Kölajtermék Tároló és Kereskedelmi Kft as other not consolidated investment (OMV share 48.28%). Through acquisition of 100% shares on PETRODYNÉ-CSEPEL Zrt, which held the remaining shares in the company, both entities were included in the consolidation (see Note 3 for further details).

³ For additional details on PakArab Refinery Limited and Abu Dhabi Petroleum Investments LLC see Note 3.

For further information on acquisitions and disposals refer to Note 3 Changes in group structure.

Number of consolidated companies

| | 2018 | | 2017 | | |
|---|--------------------|----------------------|--------------------|---------------------------------|----------------------|
| | Full consolidation | Equity consolidation | Full consolidation | Share of assets and liabilities | Equity consolidation |
| At the beginning of the year | 98 | 15 | 101 | 1 | 12 |
| Included for the first time | 13 | 2 | 6 | — | 3 |
| Merged | — | — | (2) | — | — |
| Deconsolidated during the year | (12) | — | (7) | (1) | — |
| At the end of the year | 99 | 17 | 98 | — | 15 |
| thereof domiciled and operating abroad | 53 | 9 | 47 | — | 7 |
| thereof domiciled in Austria and operating abroad | 22 | — | 26 | — | — |

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 consolidation ¹ | Equity interest in % as of December 31, 2018 | Equity interest in % as of December 31, 2017 |
|---|----------------|------------------------------------|--|--|
| Upstream | | | | |
| Energy Infrastructure Limited, Wellington | NZEA | C | 100.00 | |
| Energy Petroleum Holdings Limited, Wellington (EPHNZ) | OPLNZ | C | 100.00 | |
| Energy Petroleum Investments Limited, Wellington (EPILNZ) | OSLNZ | C | 100.00 | |
| Energy Petroleum Taranaki Limited, Wellington (EPTLNZ) | OPLNZ | C | 100.00 | |
| ENERGY PRODUCTION ENHANCEMENT SRL, Bucharest | PETROM | NC | 99.99 | 99.99 |
| JSC GAZPROMYRGM Development, Salekhard ² | ROMAN | | 0.01 | 0.01 |
| KOM MUNAI LLP, Aktau ³ | OMVEP | C | 0.00 | 0.00 |
| Maui Development Limited, Wellington | PETROM | C | 100.00 | 95.00 |
| | EPTLNZ | | 38.75 | |
| | EPILNZ | | 20.00 | |
| | EPHNZ | NC | 18.75 | |
| | NZEA | | 16.25 | |
| | TOPNZ | | 6.25 | |
| OJSC SEVERNEFTEGAZPROM, Krasnoselkup | OMVEP | AE | 24.99 | 24.99 |
| OMV Abu Dhabi E&P GmbH, Vienna | OMVEP | C | 100.00 | 100.00 |
| OMV Abu Dhabi Offshore GmbH, Vienna | OMVEP | C | 100.00 | 100.00 |
| OMV Abu Dhabi Production GmbH, Vienna ⁴ | OMVEP | C | 100.00 | 100.00 |
| OMV (AFRICA) Exploration & Production GmbH in Liqu., Vienna (OAFR) ⁵ | OWEAFR | C | 100.00 | 100.00 |
| OMV AUSTRALIA PTY LTD, Perth (OAUST) | OMV AG | C | 100.00 | 100.00 |
| OMV Austria Exploration & Production GmbH, Vienna (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 (Berenty) Exploration GmbH, Vienna | OMVEP | C | 100.00 | 100.00 |
| OMV Bina Bawi GmbH, Vienna | PETEX | C | 100.00 | 100.00 |
| OMV Block 70 Upstream GmbH, Vienna | OMVEP | C | 100.00 | 100.00 |
| OMV East Abu Dhabi Exploration GmbH, Vienna | OMVEP | C | 100.00 | 100.00 |
| OMV (EGYPT) Exploration GmbH in Liqu., Vienna ^{5, 6} | 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 (FAROE ISLANDS) Exploration GmbH, Vienna | OMVEP | NC | 100.00 | 100.00 |
| OMV (Gnondo) Exploration GmbH in Liqu., Vienna | OAFR | | 100.00 | |
| OMV (Gnondo) Exploration S.A., Libreville | OWEAFR | | 100.00 | |
| OMV GSB LIMITED, Wellington | NZEA | C | 100.00 | |
| OMV (IRAN) onshore Exploration GmbH, Vienna | OMVEP | C | 100.00 | 100.00 |
| OMV Jardan Block 3 Upstream GmbH, Vienna | OMVEP | C | 100.00 | 100.00 |
| OMV (Mandabe) Exploration GmbH, Vienna | OMVEP | C | 100.00 | 100.00 |
| OMV (Manga) Exploration GmbH in Liqu., Vienna | OAFR | | 100.00 | |
| OMV (Manga) Exploration S.A., Libreville | OWEAFR | | 100.00 | |
| OMV Maurice Energy GmbH, Vienna (MAURI) | OMVEP | C | 100.00 | 100.00 |
| OMV Maurice Energy Limited, Port Louis | MAURI | | 100.00 | |
| OMV (Mbeli) Exploration GmbH in Liqu., Vienna | OAFR | | 100.00 | |
| OMV (Mbeli) Exploration S.A., Libreville | OWEAFR | | 100.00 | |
| OMV Middle East & Africa GmbH, Vienna | OMVEP | C | 100.00 | 100.00 |
| OMV Myrre Block 86 Upstream GmbH, Vienna | OMVEP | 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, 2018 | Equity interest in % as of December 31, 2017 |
|----------------|------------------------------------|--|--|
| ONAFRU | C | 100.00 | 100.00 |
| OMVEP | C | 100.00 | 100.00 |
| NZEA | C | 100.00 | |
| NZEA | C | 100.00 | |
| OMVEP | C | 100.00 | 100.00 |
| OAFR | | 100.00 | |
| OWEAFR | | 100.00 | |
| OMVEP | C | 100.00 | 100.00 |
| OMVEP | C | 100.00 | 100.00 |
| OMVEP | C | 100.00 | 100.00 |
| OMVEP | C | 100.00 | 100.00 |
| OMVEP | C | 100.00 | 100.00 |
| OMVEP | C | 100.00 | 100.00 |
| OMVEP | C | 100.00 | 100.00 |
| OMVEP | NC | 100.00 | 100.00 |
| OMVEP | NC | 100.00 | 100.00 |
| OMVEP | NC | 100.00 | 100.00 |
| OMVEP | | 100.00 | |
| OMVEP | C | 100.00 | 100.00 |
| NZEA | NC | 100.00 | 100.00 |
| OEPA | NC | 100.00 | 100.00 |
| OMVEP | C | 100.00 | 100.00 |
| NZEA | C | 100.00 | |
| OMVEP | C | 100.00 | 100.00 |
| OMVEP | NC | 100.00 | 100.00 |
| OMVEP | | 100.00 | |
| OMVEP | C | 100.00 | 100.00 |
| OMVEP | C | 100.00 | 100.00 |
| OMVEP | C | 100.00 | 100.00 |
| OMVEP | NC | 100.00 | 100.00 |
| OMVEP | | 100.00 | |
| OMVEP | C | 100.00 | 100.00 |
| OMVEP | C | 100.00 | 100.00 |
| OMVEP | C | 100.00 | 100.00 |
| OMVEP | NC | 100.00 | 100.00 |
| OMVEP | AE | 10.00 | 10.00 |
| OMVEP | NC | 100.00 | 100.00 |
| NZEA | C | 100.00 | 100.00 |
| PETROM | C | 99.99 | 99.99 |
| OMVEP | C | 100.00 | 100.00 |
| OPLNZ | C | 100.00 | |
| PETROM | C | 100.00 | 100.00 |
| OTNPRO | NAE | 50.00 | 50.00 |

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, 2018 | Equity interest in % as of December 31, 2017 |
|---|----------------|------------------------------------|--|--|
| Downstream Oil | | | | |
| Abu Dhabi Petroleum Investments LLC, Abu Dhabi (ADPI) ⁴ | OMVRM | AE2 | 25.00 | 25.00 |
| Aircraft Refuelling Company GmbH, Vienna | OMVRM | NAE | 33.33 | 33.33 |
| Autobahn – Betriebe Gesellschaft m.b.H., Vienna | OMVRM | NAE | 47.19 | 47.19 |
| Avanti Deutschland GmbH, Berchtesgaden ⁶ | FETRAT | C | 100.00 | 100.00 |
| Avanti GmbH, Anif (FETRAT) ⁶ | OMVRM | C | 100.00 | 100.00 |
| Borealis AG, Vienna | OMVRM | AE | 32.67 | 32.67 |
| | OMV AG | | 3.33 | 3.33 |
| BRAZI OIL & ANGHELESCU PROD COM SRL, Brazi ⁵ | PETROM | NAE | 37.70 | 37.70 |
| BSP Bratislava-Schwechat Pipeline GmbH, Vienna | OMVRM | NAE | 26.00 | 26.00 |
| BTF Industriepark Schwechat GmbH, Vienna | OMVRM | NAE | 50.00 | 50.00 |
| Deutsche Transalpine Oelleitung GmbH, Munich | OMVD | AE | 25.00 | 25.00 |
| DUNATÁR Kőolajtermék Tároló és Kereskedelmi Kft., Budapest ^{3, 4, 7} | OHUN | | 48.28 | |
| E-Mobility Provider Austria GmbH, Vienna | PDYNHU | C | 51.72 | 48.28 |
| EPS Ethylen-Pipeline-Süd GmbH & Co KG, Munich | OMVRM | AE2 | 40.00 | 40.00 |
| Erdöl-Lagergesellschaft m.b.H., Lannach | OMVD | AE | 20.66 | 20.66 |
| FE-Trading trgovina d.o.o., Ljubljana | OMVRM | AE1 | 55.60 | 55.60 |
| GENOL Gesellschaft m.b.H., Vienna | FETRAT | C | 100.00 | 100.00 |
| GENOL Gesellschaft m.b.H. & Co, Vienna | OMVRM | NAE | 29.00 | 29.00 |
| Haramidere Depoculuk Anonim Şirketi, İstanbul | OMVRM | AE | 29.00 | 29.00 |
| | OMVRM | C | 51.00 | 51.00 |
| | GASTR | | 49.00 | 49.00 |
| KSW Beteiligungsgesellschaft m.b.H., Feldkirch (SWJS) | OMVRM | NC | 100.00 | 100.00 |
| KSW Elektro- und Industrieanlagenbau Gesellschaft m.b.H., Feldkirch | SWJS | NAE | 25.10 | 25.10 |
| OMV Adriatic Marketing d.o.o., Zagreb | OMVRM | NC | 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 GmbH, Burghausen (OMVD) | OMVRM | C | 90.00 | 90.00 |
| | OMV AG | | 10.00 | 10.00 |
| OMV Hungária Ásványolaj Korlátolt Felelősségi Társaság, Budapest (OHUN) | OMVRM | C | 100.00 | 100.00 |
| OMV – International Services Ges.m.b.H., Vienna | OMVRM | C | 100.00 | 100.00 |
| OMV PETROM Aviation S.A., Otopeni | PETROM | C | 99.99 | 99.99 |
| | ROMAN | | 0.01 | 0.01 |
| OMV PETROM MARKETING SRL, Bucharest (ROMAN) | PETROM | C | 100.00 | 100.00 |
| OMV Refining & Marketing GmbH, Vienna (OMVRM) | OMV AG | C | 100.00 | 100.00 |
| OMV Refining & Marketing Middle East & Asia GmbH, Vienna | OMVRM | C | 100.00 | 100.00 |
| OMV SLOVENIJA trgovina z nafto in naftnim derivati, d.o.o., Koper | OMVRM | C | 92.25 | 92.25 |
| OMV Slovensko s.r.o., Bratislava | OMVRM | C | 99.96 | 99.96 |

List of subsidiaries, equity-accounted investments and other investments of OMV Aktiengesellschaft with an interest of at least 20%

| | | | Equity interest in % as of December 31, 2018 | Equity interest in % as of December 31, 2017 |
|---|-----------------------|--|---|---|
| | Parent company | Type of consolidation¹ | | |
| OMV SRBIJA d.o.o., Belgrade | PETROM | C | 99.96 | 99.96 |
| OMV Supply & Trading AG, Zug | OMVRM | | 0.04 | 0.04 |
| OMV Supply & Trading Italia S.r.l., Trieste | OMVRM | C | 100.00 | 100.00 |
| OMV Supply & Trading Limited, London (OTRAD) | OMVRM | NC | 100.00 | |
| OMV Supply & Trading Singapore PTE LTD., Singapore ⁷ | OMVRM | C | 100.00 | 100.00 |
| Pak-Arab Refinery Limited, Karachi | OTRAD | NC | 100.00 | 100.00 |
| PETRODYNE-CSEPEL Zrt., Budapest (PDYNHU) | ADPI | AE2 | 40.00 | |
| Petrom-Moldova S.R.L., Chisinau | OHUN | C | 100.00 | |
| Routex B.V., Amsterdam | PETROM | C | 100.00 | 100.00 |
| Salzburg Fuelling GmbH, Salzburg | OMVRM | NAE | 20.00 | 20.00 |
| SMATRICS GmbH & Co KG, Vienna | OMVRM | NAE | 33.33 | 33.33 |
| Società Italiana per l'Oleodotto Transalpino S.p.A., Trieste | OMVRM | AE2 | 40.00 | 40.00 |
| SuperShop Marketing GmbH, Budapest | OMVRM | AE | 25.00 | 25.00 |
| TGN Tankdienst-Gesellschaft Nürnberg GbR, Nuremberg | OHUN | NAE | 50.00 | 50.00 |
| TRANS GAS LPG SERVICES SRL, Bucharest | OMVD | NAE | 33.33 | 33.33 |
| Transalpine Ölleitung in Österreich Gesellschaft m.b.H., Matrei in Osttirol | PETROM | NC | 80.00 | 80.00 |
| Downstream Gas | OMVRM | AE | 25.00 | 25.00 |
| AGCS Gas Clearing and Settlement AG, Vienna | OGG | NAE | 23.13 | 23.13 |
| AGGM Austrian Gas Grid Management AG, Vienna | OGG | C | 51.00 | 51.00 |
| Central European Gas Hub AG, Vienna (HUB) | OGI | C | 65.00 | 65.00 |
| Enerco Enerji Sanayi Ve Ticaret A.Ş., Istanbul | OGI | AE | 40.00 | 40.00 |
| Freya Bunde-Etzel GmbH & Co. KG, Bonn | OGSG | AE | 39.99 | 39.99 |
| GAS CONNECT AUSTRIA GmbH, Vienna (OGG) | OGI | C | 51.00 | 51.00 |
| OMV Enerji Ticaret Anonim Şirketi, Istanbul (GASTR) | OGI | C | 100.00 | 100.00 |
| OMV Gas, Marketing & Trading Belgium BVBA, Brussels | ECOGAS | | 99.9 | |
| OMV Gas & Power GmbH, Vienna (OGI) | ECONDE | C | 0.01 | |
| OMV Gas Marketing & Trading d.o.o., Zagreb | OMV AG | C | 100.00 | 100.00 |
| OMV Gas Marketing & Trading Deutschland GmbH, Regensburg (ECONDE) | ECOGAS | C | 100.00 | 100.00 |
| OMV Gas Marketing & Trading GmbH, Vienna (ECOGAS) | ECOGAS | C | 100.00 | 100.00 |
| OMV Gas Marketing & Trading Hungária Kft., Budapest | ECOGAS | C | 100.00 | 100.00 |
| OMV Gas Marketing & Trading Italia S.r.l., Milan | ECOGAS | C | 100.00 | 100.00 |
| OMV Gas Marketing Trading & Finance B.V., Amsterdam | OFS | C | 100.00 | 100.00 |
| OMV Gas Storage Germany GmbH, Cologne (OGSG) | OGI | C | 100.00 | 100.00 |
| OMV Gas Storage GmbH, Vienna | OGI | C | 100.00 | 100.00 |
| OMV Gaz İletim A.Ş., Istanbul | OGI | C | 100.00 | 100.00 |
| OMV Kraftwerk Haiming GmbH, Haiming | OGI | C | 100.00 | 100.00 |
| OMV PETROM GAS SRL, Bucharest | PETROM | C | 99.99 | 99.99 |
| OMV Samsun Elektrik Üretim Sanayi ve Ticaret A.Ş., Istanbul | OGI | | 100.00 | |
| OMV Switzerland Holding AG, Zug | OGI | 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, 2018 | Equity interest in % as of December 31, 2017 |
|--|----------------|------------------------------------|--|--|
| PEGAS CEGH Gas Exchange Services GmbH, Vienna | HUB | AE | 49.00 | 49.00 |
| South Stream Austria GmbH, Vienna | OGI | NAE | 50.00 | 50.00 |
| Trans Austria Gasleitung GmbH, Vienna ⁸ | OGG | AE2 | 15.53 | 15.53 |
| Corporate and Other | | | | |
| Amical Insurance Limited, Douglas | OMV AG | | 100.00 | |
| ASOCIAȚIA ROMANA PENTRU RELATIA CU INVESTITORII, Bucharest | PETROM | NAE | 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 ⁹ | OMV AG | C | 100.00 | 100.00 |
| OMV Petrom Global Solutions SRL, Bucharest | SNO | C | 75.00 | 75.00 |
| OMV Solutions GmbH, Vienna (SNO) | PETROM | | 25.00 | 25.00 |
| PETROMED SOLUTIONS SRL, Bucharest | OMV AG | C | 100.00 | 100.00 |
| Petrom | PETROM | C | 99.99 | 99.99 |
| OMV PETROM SA, Bucharest (PETROM) ¹⁰ | OMV AG | C | 51.01 | 51.01 |

¹ Type of consolidation:

C Consolidated subsidiary

AE Associated companies accounted for at-equity

AE1 Despite majority interest not consolidated due to absence of control

AE2 Joint venture accounted at-equity

NC Not-consolidated subsidiary; shell or distribution companies of relative insignificance individually and collectively to the consolidated financial statements

NAE Other not consolidated investment; associated companies of relatively little importance to the assets and earnings of the consolidated financial statements

² Economic share 99.99%

³ Equity interest changed compared to 2017.

⁴ Type of consolidation was changed compared to 2017.

⁵ In liquidation

⁶ Company name changed compared to 2017.

⁷ Parent company was changed compared to 2017.

⁸ Economic share 10.78%

⁹ Registered office changed compared to 2017.

¹⁰ OMV Petrom SA is assigned to the relevant segments in the segment reporting.

All the subsidiaries 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 | Operating segment | Principal place of business | % ownership 2018 | % ownership 2017 |
|-------------------------------|--|-------------------|-----------------------------|------------------|------------------|
| Nafoora – Augila ¹ | Onshore development of hydrocarbon reservoirs | Upstream | Libya | 100 | 100 |
| Concession 103 ¹ | Onshore development and production of hydrocarbons | Upstream | Libya | 100 | 100 |
| Latif ² | Onshore development and production of hydrocarbons | Upstream | Pakistan | — | 33 |
| Mehar ^{2, 3} | Onshore development and production of hydrocarbons | Upstream | Pakistan | — | 59 |
| Pohokura ⁴ | Offshore production of hydrocarbons | Upstream | New Zealand | 74 | |
| Neptun Deep | Offshore exploration for hydrocarbons | Upstream | Romania | 50 | 50 |
| Nawara | Onshore development of hydrocarbons reservoirs | Upstream | Tunisia | 50 | 50 |
| Block S(2) | Onshore development and production of hydrocarbons | Upstream | Yemen | 44 | 44 |

¹ The percentage disclosed represents the Second Party Share. The state owned Libyan national oil corporation NOC is entitled to 88% to 90% of the production ("primary split").

² Part of the Pakistan disposal group divested as of June 28, 2018

³ OMV had no control over the Mehar joint operation as the minimum percentage for relevant decision taking was 76%.

⁴ OMV increased its share in Pohokura as of December 28, 2018 which lead to the classification as material joint operation according to IFRS11 (previously other significant arrangement).

Other significant arrangements

| Name | Nature of activities | Operating segment | Principal place of business | % ownership 2018 | % ownership 2017 |
|-----------------------|---|-------------------|-----------------------------|------------------|------------------|
| NC 115 ¹ | Onshore development and production of hydrocarbons | Upstream | Libya | 30 | 30 |
| NC 186 ¹ | Onshore development and production of hydrocarbons | Upstream | Libya | 24 | 24 |
| Maari ² | Offshore production of hydrocarbons | Upstream | New Zealand | 69 | 69 |
| Pohokura ³ | Offshore production of hydrocarbons | Upstream | New Zealand | | 26 |
| Aasta Hansteen | Offshore development and production of hydrocarbons | Upstream | Norway | 15 | 15 |
| Edvard Grieg | Offshore production of hydrocarbons | Upstream | Norway | 20 | 20 |
| Gudrun | Offshore production of hydrocarbons | Upstream | Norway | 24 | 24 |
| Gullfaks | Offshore production of hydrocarbons | Upstream | Norway | 19 | 19 |
| Wisting | Offshore exploration for hydrocarbons | Upstream | Norway | 25 | 25 |
| Sarb & Umm Lulu | Offshore development and production of hydrocarbons | Upstream | Abu Dhabi | 20 | — |
| Ghasha | Offshore exploration | Upstream | Abu Dhabi | 5 | — |

¹ The percentage disclosed represents the Second Party Share. The state owned Libyan national oil corporation is entitled to 88% to 90% of the production ("primary split").

² OMV does not have control nor joint control over the Maari fields as there is more than one combination of parties which ensures the necessary majority (75%) for relevant decisions.

³ OMV increased its share in Pohokura as of December 28, 2018 which lead to the classification as material joint operation according to IFRS11.

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).

The regional structure is presented below:

| | |
|------------------------|---|
| Romania and Black Sea | Kazakhstan and Romania |
| Austria | Austria |
| North Sea | Norway and United Kingdom (until 2017) |
| Asia-Pacific | Australia and New Zealand |
| Russia | Russia |
| Middle East and Africa | Bulgaria, Iran (evaluation on hold), Kurdistan Region of Iraq, Libya, Madagascar, Pakistan, Tunisia, United Arab Emirates, Yemen, Algeria (until 2016), Gabon (until 2016) and Namibia (until 2016) |

Acquisitions

On April 29, 2018, OMV signed an agreement for the award of a 20% stake in the offshore concessions SARB and Umm Lulu in Abu Dhabi, as well as the associated infrastructure.

On December 19, 2018 a concession agreement was signed awarding OMV with a 5% interest in the Ghasha concession offshore Abu Dhabi comprising the Ghasha mega project.

On December 28, 2018, OMV completed the acquisition of Shell's Upstream business in New Zealand comprising interests in Pohokura (48%) and Maui (83.75%) as well as related infrastructure for production, storage and transportation.

Furthermore, on December 28, 2018, OMV acquired from Todd Petroleum Mining Company Limited their 6.25% share in Maui. As a result of the transaction, OMV obtained 100% interest in Maui field and assumed control.

See Note 3 for further details on acquisitions in the year 2018.

In 2017, OMV acquired a 24.99% interest in Yuzhno Russkoye gas field in Russia. The transaction was closed on November 30, 2017 and comprised the 24.99% interest in OJSC Severneftegazprom (at-equity consolidated) and the 99.99% economic

interest in JSC Gazprom YRGM Development (fully consolidated).

Disposals

On June 28, 2018, the sale of the Upstream companies active in Pakistan was closed.

On December 21, 2018, the sale of OMVTunisia Upstream GmbH was finalized, comprising part of OMV's Upstream business in Tunisia.

See Note 3 for further details on divestments in the year 2018.

The subsidiary in the United Kingdom was divested on January 13, 2017.

Non-controlling interest

As OMV holds 51% of OMV Petrom, it is fully consolidated; figures therefore include 100% of OMV Petrom assets and results. OMV Petrom holds 100% in Kazakhstan subsidiaries, therefore figures include 100% of KOM MUNAI LLP and TASBULAT OIL CORPORATION LLP assets and results.

Equity-accounted investments

OMV holds a 10% interest in Pearl Petroleum Company Limited (Middle East and Africa region).

OMV has a 24.99% interest in OJSC Severneftegazprom (Russia region).

The disclosures of equity-accounted investments in below tables represent the interest of OMV in the companies.

The subsequent tables may contain rounding differences.

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

| | |
|---------------------------------|---------------|
| Unproved oil and gas properties | |
| Proved oil and gas properties | |
| Total | 27,097 |
| Accumulated depreciation | (13,961) |
| Net capitalized costs | 13,136 |

| | 2018 | 2017 | 2016 |
|---------------------------------|---------------|---------------|---------------|
| Unproved oil and gas properties | 2,587 | 2,116 | 2,392 |
| Proved oil and gas properties | 24,510 | 22,372 | 23,561 |
| Total | 27,097 | 24,489 | 25,952 |
| Accumulated depreciation | (13,961) | (13,487) | (14,266) |
| Net capitalized costs | 13,136 | 11,002 | 11,686 |

Capitalized costs – equity-accounted investments

In EUR mn

| | |
|---------------------------------|------------|
| Unproved oil and gas properties | |
| Proved oil and gas properties | |
| Total | 451 |
| Accumulated depreciation | (35) |
| Net capitalized costs | 417 |

| | 2018 | 2017 | 2016 |
|---------------------------------|------------|------------|------------|
| Unproved oil and gas properties | 249 | 262 | 237 |
| Proved oil and gas properties | 202 | 157 | 119 |
| Total | 451 | 420 | 356 |
| Accumulated depreciation | (35) | (22) | (16) |
| Net capitalized costs | 417 | 397 | 340 |

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 | North Sea | Asia- Pacific | Russia | Middle East and Africa | Total |
|-------------------------------------|-----------------------------|------------|------------|------------------|--------------|------------------------------|--------------|
| 2018 | | | | | | | |
| Subsidiaries | | | | | | | |
| Acquisition of proved properties | — | — | — | 788 | — | 1,014 | 1,801 |
| Acquisition of unproved properties | — | — | 0 | 386 | — | 321 | 707 |
| Exploration costs | 102 | 61 | 99 | 9 | — | 28 | 300 |
| Development costs | 412 | 59 | 210 | 10 | — | 196 | 887 |
| Costs incurred | 514 | 120 | 309 | 1,193 | — | 1,558 | 3,695 |
| Equity-accounted investments | — | — | — | — | 9 | 12 | 21 |
| 2017 | | | | | | | |
| Subsidiaries | | | | | | | |
| Acquisition of proved properties | — | — | 2 | — | 521 | — | 523 |
| Acquisition of unproved properties | — | — | — | — | 584 | — | 584 |
| Exploration costs | 53 | 16 | 55 | 14 | — | 92 | 230 |
| Development costs | 327 | 53 | 265 | 4 | — | 108 | 756 |
| Costs incurred | 380 | 68 | 322 | 18 | 1,106 | 199 | 2,093 |
| Equity-accounted investments | — | — | — | — | 117 | 5 | 122 |
| 2016 | | | | | | | |
| Subsidiaries | | | | | | | |
| Acquisition of proved properties | — | — | 1 | — | — | 302 | 304 |
| Acquisition of unproved properties | — | — | 1 | — | — | — | 1 |
| Exploration costs ¹ | 77 | 5 | 106 | 18 | — | 103 | 307 |
| Development costs | 291 | 31 | 531 | 3 | — | 186 | 1,042 |
| Costs incurred | 368 | 36 | 638 | 21 | — | 591 | 1,653 |
| Equity-accounted investments | — | — | — | — | — | — | — |

¹ In Norway, exploration represents the costs less a 78% refund of the deductible costs.

c) Results of operations of oil and gas producing activities

The following table represents 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 Upstream net income since interest costs, general corporate overhead costs and other costs are not allocated. 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 | North Sea | Asia-Pacific | Russia | Middle East and Africa | Total |
|---|-----------------------|--------------|--------------|--------------|--------------|------------------------|----------------|
| 2018 | | | | | | | |
| Subsidiaries | | | | | | | |
| Sales to unaffiliated parties ¹ | 105 | (194) | 1,051 | 84 | 605 | 520 | 2,172 |
| Intercompany sales | 1,981 | 418 | 394 | 132 | — | 427 | 3,351 |
| | 2,086 | 224 | 1,445 | 216 | 605 | 947 | 5,523 |
| Production costs | (509) | (86) | (156) | (50) | 0 | (72) | (872) |
| Royalties | (267) | (79) | — | (25) | — | (21) | (392) |
| Exploration expenses | (39) | (33) | (50) | (8) | — | (44) | (175) |
| Depreciation, amortization and impairment losses | (513) | (114) | (422) | (64) | (90) | (129) | (1,331) |
| Other costs ² | (51) | (21) | (102) | (10) | (406) | (7) | (598) |
| | (1,379) | (333) | (729) | (157) | (496) | (274) | (3,368) |
| Results before income taxes | 707 | (109) | 716 | 59 | 109 | 673 | 2,155 |
| Income taxes ³ | (127) | 26 | (540) | (21) | (21) | (470) | (1,152) |
| Results from oil and gas production | 580 | (83) | 176 | 37 | 89 | 203 | 1,003 |
| Net income of equity-accounted investments | — | — | — | — | 14 | 26 | 40 |
| 2017 | | | | | | | |
| Subsidiaries | | | | | | | |
| Sales to unaffiliated parties ¹ | 95 | (50) | 810 | 116 | 56 | 301 | 1,329 |
| Intercompany sales | 1,698 | 382 | 316 | 137 | — | 258 | 2,791 |
| | 1,792 | 333 | 1,126 | 253 | 56 | 559 | 4,118 |
| Production costs | (550) | (89) | (191) | (45) | 0 | (62) | (937) |
| Royalties | (203) | (70) | — | (33) | — | (5) | (311) |
| Exploration expenses | (69) | (17) | (52) | (14) | — | (69) | (222) |
| Depreciation, amortization and impairment losses | (529) | (120) | (485) | (79) | (10) | (107) | (1,330) |
| Other costs ² | (52) | (10) | (39) | (9) | (41) | (26) | (177) |
| | (1,404) | (306) | (767) | (180) | (51) | (269) | (2,978) |
| Results before income taxes | 388 | 27 | 359 | 72 | 5 | 289 | 1,141 |
| Income taxes ³ | (65) | (7) | (276) | (17) | (1) | (273) | (640) |
| Results from oil and gas production | 323 | 19 | 83 | 55 | 4 | 16 | 501 |
| Net income of equity-accounted investments | — | — | — | — | (1) | 108 | 107 |

Results of operations of oil and gas producing activities

In EUR mn

| | Romania and Black Sea | Austria | North Sea | Asia-Pacific | Russia | Middle East and Africa | Total |
|---|-----------------------|--------------|----------------|--------------|--------|------------------------|----------------|
| 2016 | | | | | | | |
| Subsidiaries | | | | | | | |
| Sales to unaffiliated parties ¹ | 93 | 13 | 673 | 145 | — | 88 | 1,013 |
| Intercompany sales | 1,533 | 292 | 204 | 82 | — | 89 | 2,201 |
| Result from asset sales | 2 | (1) | (20) | 15 | — | 1 | (2) |
| | 1,628 | 304 | 857 | 243 | — | 179 | 3,211 |
| Production costs | (506) | (85) | (236) | (48) | — | (63) | (938) |
| Royalties | (201) | (56) | — | (27) | — | (6) | (290) |
| Exploration expenses | (60) | (6) | (660) | (19) | — | (63) | (808) |
| Depreciation, amortization and impairment losses | (563) | (132) | (1,095) | (71) | — | (186) | (2,047) |
| Other costs ² | (160) | (13) | (20) | (10) | — | (28) | (230) |
| | (1,490) | (293) | (2,010) | (174) | — | (347) | (4,314) |
| Results before income taxes | | | | | | | |
| taxes | 138 | 11 | (1,153) | 69 | — | (168) | (1,103) |
| Income taxes ³ | (20) | (1) | (5) | (11) | — | (10) | (47) |
| Results from oil and gas production | | | | | | | |
| | 118 | 10 | (1,158) | 58 | — | (179) | (1,150) |
| Net income of equity-accounted investments | | | | | | | |
| | — | — | — | — | — | — | 14 |
| | | | | | | | 14 |

¹ Includes hedging effects; Austria Region includes hedging effects of centrally managed derivatives (2018: EUR (219 mn), 2017: EUR (72) mn, 2016: EUR (9) mn)

² Includes inventory changes

³ Income taxes in North Sea and Middle East and Africa include corporation tax and special petroleum tax.

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 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 | North Sea | Asia- Pacific | Russia | Middle East and Africa | Total |
|---|-----------------------------|---------|-----------|------------------|--------|------------------------------|--------|
| Proved developed and undeveloped reserves – Subsidiaries | | | | | | | |
| as of January 1, 2016 | 361.2 | 43.0 | 82.1 | 10.0 | — | 108.0 | 604.3 |
| Revisions of previous estimates | 19.3 | 3.3 | 14.4 | 1.9 | — | (1.6) | 37.3 |
| Purchases | — | — | — | — | — | 35.1 | 35.1 |
| Disposal | — | — | (0.5) | — | — | — | (0.5) |
| Extensions and discoveries | 0.2 | — | — | — | — | 0.4 | 0.6 |
| Production | (29.1) | (5.1) | (17.3) | (3.3) | — | (3.0) | (57.9) |
| as of December 31, 2016 | 351.5 | 41.2 | 78.7 | 8.5 | — | 138.9 | 618.9 |
| Revisions of previous estimates | 19.5 | 1.4 | 15.1 | (0.6) | — | 2.1 | 37.5 |
| Disposal | (2.3) | — | (27.5) | — | — | (3.5) | (33.4) |
| Extensions and discoveries | — | — | — | — | — | 0.4 | 0.4 |
| Production | (27.3) | (4.6) | (18.7) | (2.9) | — | (11.2) | (64.8) |
| as of December 31, 2017 | 341.4 | 38.0 | 47.6 | 5.0 | — | 126.7 | 558.6 |

Revisions of previous
estimates

| | | | | | | | |
|--------------------------------|--------------|-------------|-------------|-------------|----------|--------------|--------------|
| 9.5 | 3.3 | 15.8 | 1.0 | — | (1.8) | 27.7 | |
| — | — | — | 6.3 | — | 100.3 | 106.6 | |
| — | — | — | — | — | (2.4) | (2.4) | |
| 0.3 | — | 2.2 | — | — | 0.8 | 3.3 | |
| (26.8) | (4.3) | (17.1) | (2.1) | — | (15.3) | (65.6) | |
| as of December 31, 2018 | 324.4 | 37.0 | 48.4 | 10.2 | — | 208.3 | 628.3 |

Proved developed and undeveloped reserves – Equity-accounted investments

| | | | | | | | |
|-------------------------|---|---|---|---|---|------|------|
| as of December 31, 2016 | — | — | — | — | — | 8.6 | 8.6 |
| as of December 31, 2017 | — | — | — | — | — | 12.2 | 12.2 |
| as of December 31, 2018 | — | — | — | — | — | 13.3 | 13.3 |

Proved developed reserves – Subsidiaries

| | | | | | | | |
|-------------------------|-------|------|------|-----|---|-------|-------|
| as of December 31, 2016 | 322.5 | 39.2 | 43.5 | 8.5 | — | 123.4 | 537.1 |
| as of December 31, 2017 | 309.5 | 36.5 | 38.9 | 5.0 | — | 112.7 | 502.5 |
| as of December 31, 2018 | 295.9 | 35.5 | 42.6 | 9.1 | — | 162.1 | 545.2 |

Proved developed reserves – Equity-accounted investments

| | | | | | | | |
|-------------------------|---|---|---|---|---|------|------|
| as of December 31, 2016 | — | — | — | — | — | 8.6 | 8.6 |
| as of December 31, 2017 | — | — | — | — | — | 12.2 | 12.2 |
| as of December 31, 2018 | — | — | — | — | — | 13.3 | 13.3 |

Gas

In bcf

| | Romania and Black Sea | Austria | North Sea | Asia- Pacific | Russia | Middle East and Africa | Total |
|---|-----------------------------|--------------|--------------|------------------|---------|------------------------------|----------------|
| Proved developed and undeveloped reserves – Subsidiaries | | | | | | | |
| as of January 1, 2016 | 1,542.9 | 246.9 | 380.3 | 90.4 | — | 114.5 | 2,375.0 |
| Revisions of previous estimates | 18.9 | 13.6 | 33.1 | 2.7 | — | (3.5) | 64.7 |
| Disposals | — | — | (0.6) | — | — | — | (0.6) |
| Extensions and discoveries | 1.1 | 1.1 | — | — | — | 7.0 | 9.1 |
| Production | (187.0) | (31.2) | (52.3) | (20.3) | — | (24.1) | (314.9) |
| as of December 31, 2016¹ | 1,375.9 | 230.3 | 360.5 | 72.8 | — | 93.9 | 2,133.4 |
| Revisions of previous estimates | 24.1 | 23.0 | 92.8 | 5.5 | — | (1.1) | 144.4 |
| Disposals | (3) | — | (16.6) | — | — | (2) | (21.3) |
| Extensions and discoveries | 0.0 | 0.0 | — | — | — | 1 | 1.4 |
| Production | (182.9) | (34.2) | (61.6) | (20.0) | — | (18.2) | (316.9) |
| as of December 31, 2017¹ | 1,214.1 | 219.1 | 375.0 | 58.4 | — | 74.3 | 1,941.0 |
| Revisions of previous estimates | 77.4 | 8.6 | 110.3 | 27.1 | — | 17.3 | 240.7 |
| Purchases | — | — | — | 166.1 | — | — | 166.1 |
| Disposals | — | — | — | — | — | (26.6) | (26.6) |
| Extensions and discoveries | 3.5 | — | 4.9 | — | — | 0.3 | 8.8 |
| Production | (170.4) | (30.9) | (60.9) | (16.0) | — | (9.9) | (288.1) |
| as of December 31, 2018¹ | 1,124.7 | 196.8 | 429.4 | 235.6 | — | 55.5 | 2,041.9 |
| Proved developed and undeveloped reserves – Equity-accounted investments | | | | | | | |
| as of December 31, 2016 | — | — | — | — | — | 131.0 | 131.0 |
| as of December 31, 2017 | — | — | — | — | 1,166.3 | 209.0 | 1,375.3 |
| as of December 31, 2018 | — | — | — | — | 1,392.0 | 212.6 | 1,604.7 |
| Proved developed reserves – Subsidiaries | | | | | | | |
| as of December 31, 2016 | 1,208.4 | 148.7 | 155.8 | 72.8 | — | 39.6 | 1,625.3 |
| as of December 31, 2017 | 1,071.9 | 141.7 | 159.7 | 58.4 | — | 29.2 | 1,460.9 |
| as of December 31, 2018 | 1,026.6 | 120.3 | 410.6 | 202.3 | — | 7.3 | 1,767.1 |
| Proved developed reserves – Equity-accounted investments | | | | | | | |
| as of December 31, 2016 | — | — | — | — | — | 131.0 | 131.0 |
| as of December 31, 2017 | — | — | — | — | 1,166.3 | 209.0 | 1,375.3 |
| as of December 31, 2018 | — | — | — | — | 997.3 | 212.6 | 1,209.9 |

¹2018: Including approximately 68.4 bcf of cushion gas held in storage reservoirs

2017: Including approximately 68.4 bcf of cushion gas held in storage reservoirs

2016: Including approximately 72 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 | North Sea | Asia- Pacific | Russia | Middle East and Africa | Total |
| Subsidiaries | 2018 | | | | | | |
| Future cash inflows | 20,818 | 3,436 | 5,477 | 1,843 | 3,673 | 12,932 | 48,179 |
| Future production and decommissioning costs | (9,738) | (1,933) | (1,982) | (1,734) | (2,902) | (3,154) | (21,443) |
| Future development costs | (1,921) | (401) | (166) | (69) | — | (613) | (3,171) |
| Future net cash flows, before income taxes | 9,158 | 1,102 | 3,329 | 40 | 771 | 9,164 | 23,564 |
| Future income taxes | (846) | (92) | (2,117) | 61 | (155) | (5,422) | (8,571) |
| Future net cash flows, before discount | 8,312 | 1,010 | 1,212 | 101 | 616 | 3,742 | 14,993 |
| 10% annual discount for estimated timing of cash flows | (4,036) | (413) | (120) | 166 | (140) | (1,145) | (5,689) |
| Standardized measure of discounted future net cash flows | 4,275 | 597 | 1,092 | 267 | 476 | 2,597 | 9,304 |
| Equity-accounted investments | — | — | — | — | 166 | 152 | 318 |
| 2017 | | | | | | | |
| Future cash inflows | 18,067 | 2,803 | 4,131 | 551 | 3,080 | 6,390 | 35,021 |
| Future production and decommissioning costs | (9,927) | (1,856) | (1,922) | (489) | (2,176) | (1,346) | (17,716) |
| Future development costs | (1,811) | (381) | (273) | (24) | — | (418) | (2,907) |
| Future net cash flows, before income taxes | 6,329 | 566 | 1,936 | 38 | 904 | 4,626 | 14,398 |
| Future income taxes | (447) | (43) | (677) | 11 | (223) | (2,929) | (4,308) |
| Future net cash flows, before discount | 5,882 | 523 | 1,259 | 48 | 681 | 1,697 | 10,091 |
| 10% annual discount for estimated timing of cash flows | (2,643) | (119) | (192) | 44 | (167) | (714) | (3,790) |
| Standardized measure of discounted future net cash flows | 3,239 | 404 | 1,067 | 92 | 515 | 983 | 6,300 |
| Equity-accounted investments | — | — | — | — | 82 | 143 | 225 |

Standardized measure of discounted future net cash flows

In EUR mn

| | Subsidiaries and equity-accounted investments | | | | | | |
|---|---|------------|--------------|------------------|--------|------------------------------|-----------------|
| | Romania and Black Sea | Austria | North Sea | Asia- Pacific | Russia | Middle East and Africa | Total |
| Subsidiaries | 2016 | | | | | | |
| Future cash inflows | 15,489 | 2,481 | 4,697 | 597 | — | 5,056 | 28,321 |
| Future production and decommissioning costs | (11,266) | (1,668) | (2,540) | (598) | — | (1,416) | (17,488) |
| Future development costs | (2,009) | (336) | (421) | (34) | — | (662) | (3,462) |
| Future net cash flows, before income taxes | 2,214 | 478 | 1,736 | (35) | — | 2,978 | 7,370 |
| Future income taxes | (24) | (46) | 226 | 17 | — | (1,694) | (1,521) |
| Future net cash flows, before discount | 2,189 | 432 | 1,962 | (18) | — | 1,284 | 5,849 |
| 10% annual discount for estimated timing of cash flows | (869) | (114) | (470) | 54 | — | (579) | (1,978) |
| Standardized measure of discounted future net cash flows | 1,321 | 318 | 1,491 | 36 | — | 705 | 3,872 |
| Equity-accounted investments | — | — | — | — | — | 110 | 110 |

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

| | 2018 | 2017 | 2016 |
|---|--------------|--------------|--------------|
| Subsidiaries | | | |
| Beginning of year | 6,300 | 3,872 | 5,546 |
| Oil and gas sales and transfers produced, net of production costs | (2,323) | (1,365) | (1,842) |
| Net change in prices and production costs | 4,183 | 4,140 | (3,719) |
| Net change due to purchases and sales of minerals in place | 2,706 | 309 | 294 |
| Net change due to extensions and discoveries | 133 | — | 3 |
| Development and decommissioning costs incurred during the period | 669 | 795 | 999 |
| Changes in estimated future development and decommissioning costs | (420) | (536) | (351) |
| Revisions of previous reserve estimates | 983 | 748 | 1,246 |
| Accretion of discount | 550 | 324 | 517 |
| Net change in income taxes (incl. tax effects from purchases and sales) | (3,310) | (1,780) | 1,279 |
| Other ¹ | (168) | (207) | (100) |
| End of year | 9,304 | 6,300 | 3,872 |
| Equity-accounted investments | 318 | 225 | 110 |

¹ Contains movements in foreign exchange rates vs. the EUR

Vienna, March 13, 2019

The Executive Board

Rainer Seele m.p.
Chairman

Reinhard Florey m.p.

Johann Pleininger m.p.
Deputy Chairman

Manfred Leitner m.p.

5

FURTHER INFORMATION

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Consolidated Report on the Payments Made to Governments

Section 267c of the Austrian Commercial Code

Section 267c of the Austrian Commercial Code (UGB) requires that large undertakings and public interest entities that are active in the extractive industry or logging of primary forests prepare the following consolidated report on payments to governments. This section implements Chapter 10 of EU Accounting Directive (2013/34/EU). The “Basis of preparation” paragraph provides information to the reader about the contents of the report. This also includes information on the type of payment for which disclosure is required and how OMV has implemented the regulations in the preparation of the report.

Basis of preparation

Reporting entities

Under the requirements of the regulation, OMV Aktiengesellschaft is required to prepare a consolidated report covering payments made to governments for each financial year in relation to extractive activities by itself and any subsidiary undertakings included in the consolidated Group financial statements.

Activities within the scope of the report

Payments made by the OMV Group (hereafter OMV) to governments that arose from exploration, prospection, discovery, development and extraction of minerals, oils and natural gas deposits or other materials within extractive activities are presented in this report.

Government

A “government” is defined as any national, regional or local authority of a country and includes a department agency or entity undertaking that is controlled by the government authority and includes national oil companies.

In cases where a state-owned entity engages in activities outside of its designated home jurisdiction, then it is not deemed to be a reportable governmental body for these purposes and thus payments made to such an entity in these circumstances are not reportable.

Project definition

The regulation also requires payments to be reported on a “project” basis as well as on a government and governmental body basis. A project is defined as the operational activities that are governed by a single contract, license, lease, concession or similar legal agreement and form the basis for payment liabilities to the government. Where these agreements as per the aforementioned definition are substantially interconnected, these agreements are treated for the purpose of these regulations as a single project.

“Substantially interconnected” is defined as a set of operationally and geographically integrated contracts, licenses, leases or concessions or related agreements with substantially similar terms that are signed with a government, giving rise to payment liabilities. Such agreements can be governed by a single contract, joint venture agreement, production sharing agreement or other overarching legal agreement.

There may be instances – for example, corporate income taxes, where it is not possible to attribute the payment to a single project and therefore these payments are shown at the country level.

Cash and payments in kind

In accordance with the regulation, payments have to be reported on a cash basis. This means that they are reported in the period in which they are paid and not in the period in which they are accounted for on an accruals basis.

Refunds are also reported in the period in which they are received and will either be offset against payments made in the period or be shown as negative amounts in the report.

Payments in kind made to a government are converted to an equivalent cash value based on the most appropriate and relevant valuation method for each payment type. This can be at cost or market value and an explanation is provided in the report to help explain the valuation method. Where applicable, the related volumes are also included in the report.

Payment reporting methodology

The regulations require that payments are to be reported where they are made to governments by OMV. It is required that the report reflect the substance of each transaction and activity. Based on these requirements, OMV has considered its reporting obligation as:

- ▶ Where OMV makes a payment directly to the government, these payments will be reported in full, irrespective of whether this is made in the sole capacity of OMV or in OMV's capacity as the operator of a joint operation.
- ▶ In cases where OMV is a member of a joint operation for which the operator is a state-owned entity (i.e. a government), payments made to that state-owned entity will be disclosed where it is possible to identify the reportable payment from other cost recovery items.
- ▶ For host government production entitlements, the terms of the agreement have to be considered; for the purpose of reporting in this report, OMV will disclose host government entitlements in their entirety where it is the operator.

Materiality

Payments made as a single payment or a series of related payments that are below EUR 100,000 within a financial year are excluded from this report.

Reporting currency

Payments made in currencies other than euros are translated for the purposes of this report at the average rate of the reporting period.

Payment types disclosed

Production entitlements

Under production sharing agreements (PSAs), the host government is entitled to a share of the oil and gas produced and these entitlements are often paid in kind. The report will show both the value and volume of the government's production entitlement for the relevant period in barrels of oil equivalent (boe).

The government share of any production entitlement will also include any entitlements arising from an interest held by a state-owned entity as an investor in projects within its sovereign jurisdiction. Production entitlements arising from activities or interests outside of a state-owned entity's sovereign jurisdiction are excluded.

Taxes

Taxes levied on income, production or profits of companies are reported. Refunds will be netted against payments and shown accordingly. Consumption taxes, personal income taxes, sales taxes, property taxes and environmental taxes are not reported under the regulations. Although there is a tax group in place, the reported corporate income taxes for Austria relate entirely to the extractive activities in Austria of OMV's subsidiaries, with no amounts being reported relating to OMV's non-extractive activities in Austria.

Royalties

Royalties relating to the extraction of oil, gas and minerals paid to a government are to be disclosed. Where royalties are paid in kind, the value and volume are reported.

Dividends

In accordance with the regulations, dividends are reported when paid to a government in lieu of production entitlements or royalties. Dividends that are paid to a government as an ordinary shareholder are not reported, as long as the dividends are paid on the same terms as that of other shareholders.

For the year that ended December 31, 2018, OMV had no such reportable dividend payments to a government.

Bonuses

Bonuses include signature, discovery and production bonuses in each case to the extent paid in relation to the relevant activities.

Fees

These include license fees, rental fees, entry fees and all other payments that are paid in consideration for access to the area where extractive activities are performed.

The report excludes fees paid to a government that are not specifically related to extractive activities or access to extractive resources. In addition payments paid in return for services provided by a government are also excluded.

Infrastructure improvements

The report includes payments made by OMV for infrastructural improvements, such as the building of a road or bridge that serves the community, irrespective of whether OMV pays the amounts to non-government entities. These are reported in the period during which the infrastructure is made available for use by the local community.

Payments overview

The overview table below shows the relevant payments to governments that were made by OMV in the year that ended December 31, 2018.

Of the seven payment types that are required by the Austrian regulations to be reported upon, OMV did not pay any dividends, bonuses or infrastructure improvements that met the defined accounting directive definition and therefore these categories are not shown.

Payments overview

In EUR 1,000

| Country | Production Entitlements | Taxes | Royalties | Fees | Total |
|----------------------|-------------------------|----------------|----------------|------------------|------------------|
| Austria | 24,033 | 75,726 | | | 99,759 |
| Kazakhstan | 24,848 | | 781 | | 25,629 |
| Madagascar | | | 414 | | 414 |
| Norway | 127,898 | | 5,911 | | 133,809 |
| New Zealand | 27,619 | 33,490 | 471 | | 61,580 |
| Pakistan | 1,923 | 1,777 | 633 | | 4,333 |
| Romania | 178,477 | 162,918 | 19,684 | | 361,079 |
| Tunisia | 17,981 | 7,361 | | | 25,342 |
| United Arab Emirates | | 12,567 | 1,271,015 | | 1,283,582 |
| Yemen | 50,946 | | 4,836 | | 55,782 |
| Total | 50,946 | 402,779 | 298,675 | 1,298,909 | 2,051,309 |

No payments have been reported for Libya for the year 2018 as OMV was not the operator.

On April 29, 2018, OMV signed a concession agreement for the acquisition of a 20% stake in two oil fields in Abu Dhabi from ADNOC. The concession area consists of two offshore fields under development, Umm Lulu and Satah Al Razboot (SARB), as well as two satellite fields, Bin Nasher and Al Bateel. The agreed participation fee amounted to USD 1.5 bn.

On June 28, 2018, OMV closed the sale of its Upstream companies active in Pakistan and material payments made in 2018 prior to this date have been reported.

On November 30, 2017, OMV acquired a stake of 24.99% in OJSC Severneftegazprom (SNGP). As SNGP is an associated company and therefore accounted for using the equity method in OMV Group Consolidated Financial Statements it does not meet the definition of a reporting entity in the context of the Austrian Commercial Code.

Payments by country

Payments by country

In EUR 1,000

| | Production Entitlements | Taxes | Royalties | Fees | Total |
|--|----------------------------|-------|-----------|------|-------|
|--|----------------------------|-------|-----------|------|-------|

Austria

Governments

| | | | | |
|---|---------------|---------------|--|---------------|
| Federal Ministry for Digital and Economic Affairs | | 75,726 | | 75,726 |
| Federal Ministry of Finance | 24,033 | | | 24,033 |
| Total | 24,033 | 75,726 | | 99,759 |

Projects

| | | | | |
|---------------|---------------|---------------|--|---------------|
| Lower Austria | 24,033 | 75,726 | | 99,759 |
| Total | 24,033 | 75,726 | | 99,759 |

Kazakhstan

Governments

| | | | |
|-------------------------------|---------------|------------------|---------------|
| State Revenue Committee | 24,848 | 214 | 25,062 |
| Training centers universities | | 567 ¹ | 567 |
| Total | 24,848 | 781 | 25,629 |

Projects

| | | | |
|--------------|---------------|------------|---------------|
| Tasbulat | 9,926 | 533 | 10,459 |
| Komsomolskoe | 14,922 | 248 | 15,170 |
| Total | 24,848 | 781 | 25,629 |

¹ Financing of various expenses with regard to university training centers as agreed within the concession agreement

Madagascar

Governments

| | | | |
|--|--|------------|------------|
| Office des Mines Nationales et des Industries Stratégiques | | 414 | 414 |
| Total | | 414 | 414 |

Projects

| | | |
|--------------|------------|------------|
| Explorations | 414 | 414 |
| Total | 414 | 414 |

Norway

Governments

| | | | |
|------------------|----------------|--------------|----------------|
| Oljedirektoratet | | 5,834 | 5,834 |
| Skatteetaten | 127,898 | 77 | 127,975 |
| Total | 127,898 | 5,911 | 133,809 |

Projects

| | | | |
|---------------------------------------|----------------|--------------|----------------|
| Gulfaks | 51 | | 51 |
| Gudrun | 51 | | 51 |
| Norway Exploration Projects | | 5,905 | 5,905 |
| Payments not attributable to projects | 127,796 | 6 | 127,802 |
| Total | 127,898 | 5,911 | 133,809 |

Payments by country

In EUR 1,000

| | Production Entitlements | Taxes | Royalties | Fees | Total |
|--|----------------------------|----------------|---------------|----------------|---------|
| New Zealand | | | | | |
| Governments | | | | | |
| Crown Minerals | | 33,490 | | | 33,490 |
| Inland Revenue | 27,456 | | | | 27,456 |
| Ministry of Business and Innovation | 163 | | 129 | | 292 |
| Environmental Protection Authority | | | 231 | | 231 |
| Maritime Safety Authority | | | 111 | | 111 |
| Total | 27,619 | 33,490 | 471 | 61,580 | |
| Projects | | | | | |
| Maari | 10 | 6,770 | 289 | | 7,069 |
| Maui | 2 | 1,926 | | | 1,928 |
| Pohokura | 689 | 24,794 | | | 25,483 |
| New Zealand exploration projects | 152 | | 182 | | 334 |
| Payments not attributable to projects | 26,766 | | | | 26,766 |
| Total | 27,619 | 33,490 | 471 | 61,580 | |
| Pakistan | | | | | |
| Governments | | | | | |
| Federal Board of Revenue Government of Pakistan | 1,923 | | | | 1,923 |
| Director General of Petroleum Concessions | 1,777 | 372 | | | 2,149 |
| Local Government, District Sukker | | 261 | | | 261 |
| Total | 1,923 | 1,777 | 633 | 4,333 | |
| Projects | | | | | |
| Mehar | | 432 | 204 | | 636 |
| Miano | | 258 | 326 | | 584 |
| Sawan | 1,087 | | 64 | | 1,151 |
| Pakistan exploration projects | | | 39 | | 39 |
| Payments not attributable to projects | 1,923 | | | | 1,923 |
| Total | 1,923 | 1,777 | 633 | 4,333 | |
| Romania | | | | | |
| Governments | | | | | |
| State budget | 178,477 | 162,918 | | | 341,395 |
| Local councils | | | 4,840 | | 4,840 |
| National Agency for Mineral Resources (ANRM) | | | 566 | | 566 |
| National Company of Forests | | | 13,425 | | 13,425 |
| CONPET SA | | | 106 | | 106 |
| National Authority for Electricity Regulation (ANRE) | | | 569 | | 569 |
| Offshore Operations Regulatory Authority (ACROPO) | | | 178 | | 178 |
| Total | 178,477 | 162,918 | 19,684 | 361,079 | |
| Projects | | | | | |
| Onshore production zones | | 123,809 | 18,901 | | 142,710 |
| Onshore Joint Ventures | | 1,233 | 10 | | 1,243 |
| Offshore Black Sea | | 37,876 | 217 | | 38,093 |
| Payments not attributable to projects | 178,477 | | 556 | | 179,033 |
| Total | 178,477 | 162,918 | 19,684 | 361,079 | |

Payments by country

In EUR 1,000

| | Production Entitlements | Taxes | Royalties | Fees | Total |
|---|----------------------------|--------------------|--------------------|------|---------------|
| Tunisia | | | | | |
| Governments | | | | | |
| Receveur des Finances | 16,418 | | | | 16,418 |
| Receveur des Douanes | 1,563 | | | | 1,563 |
| Entreprise Tunisienne d'Activités Pétrolières | | 6,848 ¹ | | | 6,848 |
| Tresorerie Generale de Tunisie | | 513 | | | 513 |
| Total | 17,981 | | 7,361 | | 25,342 |
| Projects | | | | | |
| TPS | 11,299 | | | | 11,299 |
| South Tunisia | 6,682 | | 7,361 ¹ | | 14,043 |
| Total | 17,981 | | 7,361 | | 25,342 |

¹ Includes payments in kind for 112,781 bbl of crude oil valued using the average monthly price per boe

In Tunisia where OMV is not the operator, its proportional contribution to the host government's royalties for 2018 would have been EUR 6.42 mn for 113,890 bbl of crude oil valued using the average monthly price per boe.

Payments by country

In EUR 1,000

| | Production Entitlements | Taxes | Royalties | Fees | Total |
|---|----------------------------|--------|------------------|------|------------------|
| United Arab Emirates | | | | | |
| Governments | | | | | |
| Abu Dhabi National Oil Company (ADNOC) | | | 905 | | 905 |
| Emirate of Abu Dhabi - Finance Department | | 12,567 | 1,270,110 | | 1,282,677 |
| Total | 12,567 | | 1,271,015 | | 1,283,582 |
| Projects | | | | | |
| Umm Lulu and SARB | | 12,567 | 1,271,015 | | 1,283,582 |
| Total | 12,567 | | 1,271,015 | | 1,283,582 |

Yemen**Governments**

| | | | |
|----------------------------|---------------------|--------------------|---------------|
| Ministry of Oil & Minerals | 50,946 ¹ | 4,836 ² | 55,782 |
| Total | 50,946 | 4,836 | 55,782 |

Projects

| | | | |
|--------------|---------------------|--------------------|---------------|
| Block S2 | 50,946 ¹ | 4,836 ² | 55,782 |
| Total | 50,946 | 4,836 | 55,782 |

¹ Payments in kind for 882,342 boe valued at prices set by the Yemen Crude Oil Marketing Directorate² Payments in kind for 83,738 boe valued at prices set by the Yemen Crude Oil Marketing Directorate

Vienna, March 13, 2019

The Executive Board

Rainer Seele m.p.

Johann Pleininger m.p.

Reinhard Florey m.p.

Manfred Leitner m.p.

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

CAPEX
Capital Expenditure

capital employed
Equity including non-controlling interests plus net debt

cbm
Standard cubic meters (32°F/0°C)

cf

Standard cubic feet (60°F/16°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 Downstream Oil level

CEE

Central and Eastern Europe

CEGH

Central European Gas Hub

CGU

Cash generating unit

Clean CCS Operating Result

Operating Result adjusted for special items and CCS effects. Group clean CCS Operating Result is calculated by adding the clean CCS Operating Result of Downstream Oil, the clean Operating Result of the other segments and the reported consolidation effect adjusted for changes in valuation allowances, in case the net realizable value of the inventory is lower than its cost

Clean CCS EPS

Clean CCS Earnings Per Share is calculated as clean CCS net income attributable to stockholders divided by weighted number of shares

Clean CCS net income attributable to stockholders

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

Clean CCS ROACE

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 (%)

Co&O

Corporate and Other

E

EFET

European Federation of Energy Traders

EPS

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

| | | | | |
|--|-----------------------|---|---|---|
| EPSA | K | | N | |
| Exploration and Production Sharing Agreement | kbbi | Thousand barrels | n.a. | Not available |
| equity ratio | kbbi/d | Thousand barrels per day | n.m. | Not meaningful |
| Equity divided by balance sheet total, expressed as a percentage | kboe | Thousand barrels of oil equivalent | NCG | Net Connect Germany |
| EU | kboe/d | Thousand barrels of oil equivalent per day | net assets | |
| European Union | km² | Square kilometer | Intangible assets, property, plant and equipment, equity-accounted investments, investments in other companies, loans granted to equity-accounted investments, total net working capital, less provisions for decommissioning and restoration obligations | |
| EUR | KPI | Key Performance Indicator | net debt | |
| Euro | KStG | Austrian Corporate Income Tax Act | Interest-bearing debts including bonds and finance lease liabilities less liquid funds (cash and cash equivalents) | |
| F | L | | net income | |
| FX | LNG | Liquefied Natural Gas | Net operating profit or loss after interest and tax | |
| Foreign exchange | LTIR | Lost-Time Injury Rate per million hours worked | NGL | Natural Gas Liquids; natural gas that is extracted in liquid form during the production of hydrocarbons |
| G | M | | NOK | Norwegian krone |
| GDP | min | Minute | NOPAT | Net Operating Profit After Tax; Net income |
| Gross Domestic Product | mn | Million | | + Net interest related to financing |
| gearing ratio | MPPH | Mubadala Petroleum and Petrochemicals Holding Company L.L.C | | - Tax effect of net interest related to financing |
| Net debt divided by equity, expressed as a percentage | MW | Megawatt | | NOPAT is a KPI that shows the financial performance after tax, independent of the financing structure of the company. |
| H | MWh | Megawatt hour | NZD | New Zealand dollar |
| H1, H2 | | | | |
| First, second half of the year | | | | |
| HSSE | | | | |
| Health, Safety, Security, and Environment | | | | |
| I | | | | |
| IASs | | | | |
| International Accounting Standards | | | | |
| IFRSs | | | | |
| International Financial Reporting Standards | | | | |

O**OECD**

Organisation for Economic Cooperation and Development

OPEX

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

ÖBAG

Österreichische Beteiligungs AG

P**payout ratio**

Dividend per share divided by earnings per share, expressed as a percentage

Pearl

Pearl Petroleum Company Limited

PJ

Petajoule, 1 petajoule corresponds to approx. 278 mn kilowatt hours

Q**Q1, Q2, Q3, Q4**

First, second, third, fourth quarter of the year

R**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

ROFA

Return On Fixed Assets, EBIT divided by average intangible and tangible assets expressed as a percentage

RONA

Return On Net Assets; NOPAT divided by average net assets, expressed as a percentage

RON

New Romanian leu

RRR

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

RUB

Russian ruble

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 OMV Group's reported financial performance

T**t**

Metric ton

toe

Metric ton of oil equivalent

TRIR

Total Recordable Injury Rate

TRY

Turkish lira

TSR

Total Shareholder Return

TWh

Terawatt hour

U**UAE**

United Arab Emirates

USD

US dollar

Contacts and Imprint

OMV Aktiengesellschaft

Trabrennstrasse 6–8
1020 Vienna, Austria
Tel. +43 1 40440-0
info@omv.com
www.omv.com

OMV Petrom SA

Strada Coralilor 22, sector 1
013329 Bucharest, Romania
Tel. +40 372 161930
Fax +40 372 868518
investor.relations.petrom@petrom.com

Investor Relations

Florian Greger
OMV Aktiengesellschaft
Trabrennstrasse 6–8
1020 Vienna, Austria
Tel. +43 1 40440-21600
Fax +43 1 40440-621600
investor.relations@omv.com

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Kristina Reissland

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Further publications

OMV Factbook

► www.omv.com/factbook

OMV Sustainability Report

► www.omv.com/sustainability-report

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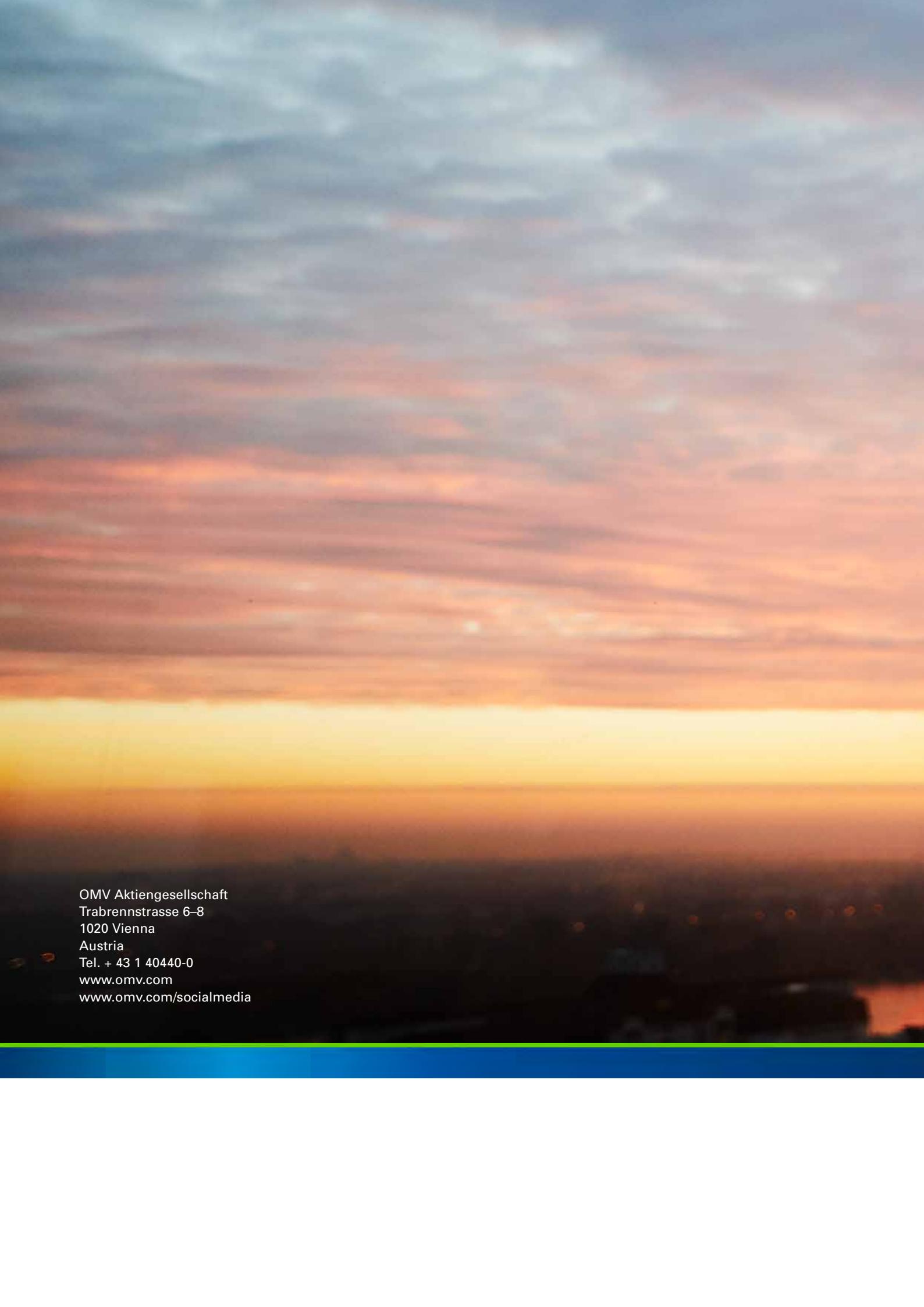
Notes:

Figures in the tables and charts may not add up due to rounding differences.

In the interest of a fluid style that is easy to read, non-gender-specific terms have been used in the notes chapter of this annual report.

Disclaimer regarding forward-looking statements

This report contains forward-looking statements. Forward-looking statements usually may be identified by the use of terms such as "outlook," "believe," "expect," "anticipate," "intend," "plan," "target," "objective," "estimate," "goal," "may," "will" and similar terms, or by their context. These forward-looking 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.



OMV Aktiengesellschaft

Trabrennstrasse 6-8

1020 Vienna

Austria

Tel. + 43 1 40440-0

www.omv.com

www.omv.com/socialmedia

7

reasons
why we're excited
about tomorrow

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Dear Shareholders,

It is with great satisfaction that I look back on an extraordinarily successful 2018. This past financial year, OMV distinguished itself not only with an exceptional financial performance, but also with the decisive steps the Company has taken in implementing its long-term Corporate Strategy.

Key milestones were achieved: OMV was able to expand and further internationalize its successful integrated business model in line with the strategy unveiled in early 2018. Thereby, OMV is preparing to meet future challenges and strengthens its competitive ability and profitability. The successful financial performance during the past year made a crucial contribution to implementing OMV's growth path. Thanks to the best Clean CCS Operating Result in its history, the Company was able to generate a positive free cash flow after dividends in spite of the completed major acquisitions. OMV's strong financial position is also reflected in the proposed record dividend of EUR 1.75 per share, by means of which you, dear shareholders, partake in OMV's successes.

In the following, I would like to inform you about the Supervisory Board's work during the 2018 financial year.

Composition of the Executive Board and Supervisory Board

With the extension of Reinhard Florey's mandate in May 2018, the Executive Board affirmed the composition of the executive team. The period of tenure for Reinhard Florey was extended by two years until June 2021. Following the resignations of Murtadha Al Hashmi and Ahmed Matar Al Mazrouei, the Annual General Meeting on May 22, 2018, elected Alyazia Ali Al Kuwaiti and Mansour Mohamed Al Mulla to the Supervisory Board. Alyazia Ali Al Kuwaiti was named the second Deputy Chairperson of the Supervisory Board. I, Peter Löscher, announced in September 2018 that I will step down at the conclusion of the Annual General Meeting in May 2019.

In March 2018, the employee representatives nominated Angela Schorna, who will serve her first term on the Supervisory Board. Wolfgang Baumann resigned from the Supervisory Board at the same time.

Supervisory Board activities

The Supervisory Board carried out its activities during the financial year with great care and in accordance with the law, the Company's Articles of Association, and the Internal Rules. It oversaw the Executive Board's governance of OMV and advised it in decision-making processes on the basis of detailed written and verbal reports as well as constructive discussions between the Supervisory Board and the Executive Board. The Executive Board provided the Supervisory Board with regular, timely, and comprehensive reports on the Company's operations, on the general economic situation in its key markets, and the overall business environment, as well as on the opportunities and risks to OMV's business development.



» OMV was able to expand and further internationalize its successful integrated business model.

PETER LÖSCHER
Chairman of the Supervisory Board

OMV successfully continued its growth path into the 2018 financial year and made significant progress in implementing its strategic goals. The Supervisory Board's activities were therefore particularly focused on evaluating possibilities for major investments and acquisitions.

The offshore concession agreement signed at the beginning of the year with ADNOC for two oil fields in Abu Dhabi will supplement reserves and increase production, which represents a considerable contribution toward meeting the strategic goals. By signing another concession agreement in December 2018 for offshore gas fields in Abu Dhabi, OMV also strengthened its cooperation with ADNOC along the value chain in the gas business.

The Supervisory Board also intensively dealt with the acquisition of a 15% interest in ADNOC Refining and a yet-to-be-established global trading joint venture. The relevant agreement was signed at the start of 2019. OMV is now in a position to build a competitive, integrated refinery and petrochemical center around ADNOC's already existing refinery facilities.

OMV is intent on establishing Asia-Pacific as one of its new core regions. Important milestones in this process have been reached: OMV took over Shell's Upstream business in New Zealand and created a joint venture with Sapura Energy.

Activities of Supervisory Board committees

In addition to preparing the decision regarding the extension of Reinhard Florey's mandate, the **Presidential and Nomination Committee** placed particular focus on the issue of long-term Executive Board succession planning during the 2018 financial year.

The continuous training program for members of the Supervisory Board developed in the prior year by the Presidential and Nomination Committee was implemented in the 2018 financial year. The program serves, among others, as a platform for lively exchange with external experts on current topics relevant to the oil and gas industry.

The **Remuneration Committee** conducted a comprehensive external evaluation of the Executive Board's remuneration system in 2018. This included a revision of the variable remuneration plans in line with market practice. In addition to regulatory requirements, the latest developments on responsible and sustainable incentive setting were considered. The introduction of a cap on total annual remuneration and a customary malus mechanism are especially noteworthy in this context. Particular attention was paid to simplifying remuneration plans and representing data in the annual remuneration report in an even more transparent manner.

» **This past financial year, OMV distinguished itself not only with an exceptional financial performance, but also with the decisive steps the Company has taken in implementing its long-term Corporate Strategy.**

In 2018, the **Audit Committee** looked at important topics related to accounting processes, the internal audit program, risk management, and the Group's internal control system. The OMV Group's auditor, Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., participated in each of the Audit Committee's meetings, and the Supervisory Board regularly took advantage of the opportunity to discuss matters with the auditor without the presence of the members of the Executive Board.

Meetings of the **Portfolio and Project Committee** are held regularly prior to the meetings of the Supervisory Board. The committee used its meetings in 2018 to prepare decisions regarding key investment and M&A projects on the basis of extensive information and intensive discussions. In addition, it repeatedly dealt with strategic considerations regarding the long-term focus of the Company's portfolio.

Further details regarding the activities of the Supervisory Board and its committees can be found in the (consolidated) Corporate Governance Report.

Annual financial statements and dividends

Following a comprehensive audit and discussions with the auditor during meetings of the Audit Committee and the Supervisory Board, the Supervisory Board has approved the directors' report and the consolidated annual report pursuant to section 96(1) of the Austrian Stock Corporation Act as well as the annual financial statements and the 2018 consolidated annual financial statements pursuant to section 96(4) of the Stock Corporation Act. Both the annual financial statements and the consolidated annual financial statements for 2018 received an unqualified opinion from the auditing company Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. The Supervisory Board also approved the (consolidated) Corporate Governance Report audited by both the Supervisory Board and the Audit Committee as well as the (consolidated) report on payments to government agencies. The Supervisory Board found no issues during the audits. Following the audit, the Supervisory Board accepted the Executive Board's proposal to distribute a dividend of EUR 1.75 per share and to carry the remaining amount forward to new account. The Supervisory Board will audit the separate consolidated non-financial report (sustainability report) individually, and this report will be published separately and after the annual report together with the corresponding Supervisory Board report.

The 2018 financial year was not only successful in financial terms – the major acquisitions secured by OMV will shape the Company's future lastingly. On behalf of the entire Supervisory Board, I would like to thank the Executive Board and all employees for their commitment and successful work in the 2018 financial year. I would like to give special thanks to OMV's shareholders for their continued trust as well as to all of OMV's customers and partners.

Vienna, March 13, 2019

For the Supervisory Board

Peter Löscher m.p.

Consolidated Corporate Governance Report

OMV, as a publicly listed company with its headquarters in Austria, is dedicated to the principles of sound corporate governance and has always sought to comply with best practice in corporate governance to ensure responsible management and control of the OMV Group, a high level of transparency for every stakeholder and, ultimately, the sustainable and long-term creation of value.

Austrian law, the Articles of Association, the Internal Rules for the corporate bodies and the Austrian Code of Corporate Governance (ACCG) provide the core legal framework for OMV's corporate governance. OMV adheres to the ACCG issued by the Austrian Working Group for Corporate Governance. The code is publicly accessible at www.corporate-governance.at. OMV's compliance with the ACCG in 2018 was evaluated externally by independent advisors. The report on the evaluation is available at www.omv.com and confirms that OMV conformed to all of the compulsory "comply or explain" rules (the "C-rules") and also all of the recommended rules (the "R-rules"). As for C-rules 27 and 28, explanations concerning the variable remuneration plans are provided in the remuneration report.

For OMV Petrom SA, a company consolidated in the OMV Group and the shares of which are publicly listed on the Bucharest Stock Exchange as well as on the London Stock Exchange, the relevant Corporate Governance Report can be found at www.omvpetrom.com/en/about-us/corporate-governance-aboutus.

Executive Board

Rainer Seele, *1960

Date of initial appointment: July 1, 2015
 End of the current period of tenure: June 30, 2020
 Chairman of the Executive Board and Chief Executive Officer

Responsible for the overall management and coordination of the Group

Rainer Seele received his PhD in chemistry at the University of Göttingen and subsequently had senior appointments at the BASF Group where in 2000 he first became a member of the executive board and then later chairman of the executive board at WINGas GmbH. From 2009 until 2015, he was chairman of the board of directors of Wintershall Holding GmbH.

Functions in major subsidiaries of the OMV Group

| Company | Function |
|-----------------------------------|---|
| OMV Petrom SA | President of the Supervisory Board |
| Borealis AG | Deputy Chairman of the Supervisory Board |
| OMV Exploration & Production GmbH | Chairman of the Supervisory Board (until September 30, 2018) |
| OMV Refining & Marketing GmbH | Chairman of the Supervisory Board (until September 30, 2018) |
| OMV Gas & Power GmbH | Chairman of the Supervisory Board (until September 30, 2018) |
| OMV Solutions GmbH | Chairman of the Supervisory Board (until January 31, 2018) |

Johann Pleininger, * 1962

Date of initial appointment: September 1, 2015
 End of the current period of tenure: August 31, 2020
 Deputy Chairman of the Executive Board

Responsible for the Business Segment Upstream

Johann Pleininger started his professional career at OMV in 1977 and later studied mechanical and economic engineering. During his time at OMV, he held various senior positions. From 2007 to 2013, he was an Executive Board member of OMV Petrom in Bucharest, responsible for Exploration & Production. Prior to his appointment as Executive Board member of OMV, he was the Senior Vice President responsible for the Upstream countries Romania and Austria as well as for the development of the Black Sea region.

Member of the Supervisory Board of FK Austria Wien AG

Functions in major subsidiaries of the OMV Group

| Company | Function |
|---|--|
| OMV Petrom SA | Member of the Supervisory Board (until April 26, 2018) |
| OMV Petrom Global Solutions SRL | Member of the Supervisory Board (until September 1, 2018) |
| OMV Petrom Gas SRL | Member of the Supervisory Board |
| OMV Exploration & Production GmbH | Managing Director |
| OMV Austria Exploration & Production GmbH | Chairman of the Supervisory Board |
| OMV Gas & Power GmbH | Deputy Chairman of the Supervisory Board (until September 30, 2018) |
| OMV Refining & Marketing GmbH | Deputy Chairman of the Supervisory Board (until September 30, 2018) |
| OMV Solutions GmbH | Member of the Supervisory Board (until January 31, 2018) |

Reinhard Florey, * 1965

Date of initial appointment: July 1, 2016
 End of the current period of tenure: June 30, 2021
 Chief Financial Officer

Responsible for Finance

Reinhard Florey graduated with a degree in mechanical engineering and economics from the Graz University of Technology while also completing his music studies at the University of Fine Arts. He started his career in corporate consulting and strategy consulting. From 2002 to 2012, he worked in different positions worldwide for Thyssen Krupp AG. Until June 2016, he was CFO and Deputy CEO of Outokumpu Oyj.

Member of the Supervisory Boards of Wiener Börse AG and CEESEG Aktiengesellschaft

Functions in major subsidiaries of the OMV Group

| Company | Function |
|-----------------------------------|--|
| OMV Petrom SA | Member of the Supervisory Board |
| OMV Petrom Global Solutions SRL | President of the Supervisory Board |
| Central European Gas Hub AG | Deputy Chairman of the Supervisory Board |
| OMV Solutions GmbH | Managing Director (until January 31, 2018) |
| OMV Exploration & Production GmbH | Deputy Chairman of the Supervisory Board (until September 30, 2018) |
| OMV Gas & Power GmbH | Deputy Chairman of the Supervisory Board (until September 30, 2018) |
| OMV Refining & Marketing GmbH | Deputy Chairman of the Supervisory Board (until September 30, 2018) |

Manfred Leitner, * 1960

Date of initial appointment: April 1, 2011

End of the current period of tenure: December 31, 2019

Responsible for the Business Segment Downstream and the OMV Group's plastic and chemical interests

After receiving a degree in commerce from the Vienna University of Economics and Business Administration, Manfred Leitner joined OMV in 1985. After working for two years in the Finance Department of the Exploration & Production business unit, he became Head of Finance at OMV's branch in Tripoli, Libya. Following his return to Austria, he was in charge of the Controlling Department within Exploration & Production until 1997. He then moved to the Refining & Marketing Business Segment, where he led the Planning and Controlling Department until 2002. He was Senior Vice President for Downstream Optimization & Supply from 2003 until 2011.

Functions in major subsidiaries of the OMV Group

| Company | Function |
|---|---|
| OMV Petrom SA | Member of the Supervisory Board |
| Borealis AG | Member of the Supervisory Board |
| OMV Supply & Trading Limited | Chairman of the Supervisory Board |
| OMV Gas & Power GmbH | Managing Director |
| OMV Refining & Marketing GmbH | Managing Director |
| OMV Exploration & Production GmbH | Deputy Chairman of the Supervisory Board (until September 30, 2018) |
| OMV Solutions GmbH | Deputy Chairman of the Supervisory Board (until January 31, 2018) |
| Central European Gas Hub AG | Chairman of the Supervisory Board |
| GAS CONNECT AUSTRIA GmbH | Chairman of the Supervisory Board |
| OMV Gas Storage GmbH | Chairman of the Supervisory Board |
| OMV Samsun Elektrik Üretim Sanayi ve Ticaret A.S. | Chairman of the Board of Directors (until September 6, 2018) |
| OMV Gaz İletim A.S. | Chairman of the Board of Directors |
| OMV Enerji Ticaret A.S. | Chairman of the Board of Directors |

Working practices of the Executive Board

The approval requirements, responsibilities of individual Executive Board members, decision-making procedures and the approach to conflicts of interest are governed by the Internal Rules of the Executive Board. The Executive Board holds at least bi-weekly meetings to exchange information and take decisions on all matters requiring plenary approval.

Remuneration report

The remuneration report gives an overview of the remuneration packages provided for Executive Board members. It outlines remuneration principles and explains compensation elements. OMV differentiates between fixed and variable compensation elements but also between monetary and non-monetary components.

Executive Board remuneration policy

| Compensation Element | Description | Purpose & Link to Strategy | Shareholder Alignment |
|---------------------------------|--|---|---|
| Base Salary | Salary levels take into account the responsibilities and performance of each member of the Executive Board, the situation of OMV, and common levels of remuneration in European Oil & Gas companies of comparable size as well as comparable Austrian companies. Compensation is set at a competitive level. | Provide a fixed level of earnings reflecting the scale and complexity of the business and the roles and responsibilities of each Executive Board member, ensuring competitiveness with the market. | Competitive compensation to attract, retain and motivate the most qualified Oil & Gas managers to lead the company in the shareholders' best interest. |
| Benefits | Executive Board members receive a company car and are eligible for accident insurance. No additional health coverage aside from the Austrian public health system. | Provide benefits comparable to those for OMV employees to attract and retain Executive Board members. | Part of a competitive compensation package to attract and retain the most qualified Executive Board members. |
| Retirement Benefits | Defined contribution pension schemes are granted using a pension fund. Available capital in the pension fund determines the level of pension. Retirement age is the Austrian statutory retirement age. | Retirement benefits are in line with those offered to OMV employees, ensuring that compensation packages are aligned with common market practice in Austria and in the Oil & Gas industry. | A pension fund is used to limit the risks borne by OMV. Pension benefits depend solely on the available capital in the pension fund. Any annuitization into a life-long pension is made in accordance with the pension fund's approved business plan. |
| Annual Bonus | Performance is measured based on annual criteria. 2/3 of the Annual Bonus is paid in cash and 1/3 is allocated in shares and deferred to be held for three years after vesting. Award is defined as a Target Annual Bonus in euros, stated in the Executive Board service contracts and capped at 180% (150% +/- 20% sustainability multiplier). | Provide variable compensation based on annual financial and non-financial performance criteria that are relevant to OMV's strategy and the Oil & Gas industry. Performance is measured against financial targets and sustainability criteria, including health, safety, security and environment. They are determined by the Supervisory Board and the Remuneration Committee respectively. | Performance criteria are in line with OMV's strategy, ensure pay for performance and foster an equity culture. Details on the performance criteria are reported in the Annual Report. Grants are subject to clawback provisions. |
| Long Term Incentive Plan | A Performance Share Plan is employed. The number of shares that vest depends on the achievement of a financial performance criterion as well as the relative Total Shareholder Return. The number of shares awarded is capped at 200% of the Target Long-Term Incentive in euros, stated in the Executive Board service contracts. The Supervisory Board has the discretion to adjust the overall target achievement through a Health, Safety, Security or Environmental (HSSE)-Malus. | Promote mid-and long-term value creation at OMV. Performance is measured against key criteria linked to OMV's strategy and shareholder return. | Align interests of Executive Board and shareholders, ensure pay for performance and foster an equity culture by granting OMV shares subject to performance criteria focusing on financial performance (weighting: 50%) and increase in value compared to other European Oil & Gas companies (weighting: 50%). Details on the criteria are reported in the Annual Report. Grants are subject to malus and clawback provisions. |

Executive Board remuneration policy

| Compensation Element | Description | Purpose & Link to Strategy | Shareholder Alignment |
|----------------------------------|--|--|---|
| Shareholding requirements | Shares equal to 200% of the Base Salary for the CEO, 175% for the Deputy CEO and 150% for other Executive Board members, which must be accumulated within five years after the respective initial appointment as Executive Board member. | Provide long-term alignment of interests by putting Executive Board members' personal assets at stake. | Alignment of interests by turning the Executive Board into shareholders. Potential impact on Executive Board members' personal assets creates an effect comparable to malus and clawback. |
| Payout cap | In addition to the caps defined for the Annual Bonus and the Long Term Incentive Plan a cap for total annual compensation is applied for each Executive Board member. | Absolute caps to avoid not intended remuneration levels and to limit the risk borne by OMV. | Align interests of Executive Board and shareholders by promoting a sustainable and long-term development of the company and preventing inappropriate risk-taking. |

The Executive Board members of OMV are employed under local Austrian terms and conditions, the salaries are therefore expressed in euros (gross). Their employment contracts are concluded with OMV Aktiengesellschaft and governed by Austrian law.

The remuneration of OMV's Executive Board members is aimed to be at competitive levels and includes a strong performance-related component. Competitive pay levels are ensured through regular external benchmarking against peer groups, such as European Oil & Gas companies and relevant Austrian industrial companies.

Long-term shareholder and stakeholder interests are reflected in performance-related remuneration, which includes both long- and short-term elements. The Executive Board's performance is assessed against financial and non-financial criteria. Specific projects related to the implementation of OMV's strategy are also taken into account.

Pursuant to C-rules 27 and 28 of the ACCG, measurable performance criteria are defined in advance for the variable remuneration components. Given the industry-inherent volatility of commodity prices and market conditions, political country risks as well as an increased safety exposure, the variable

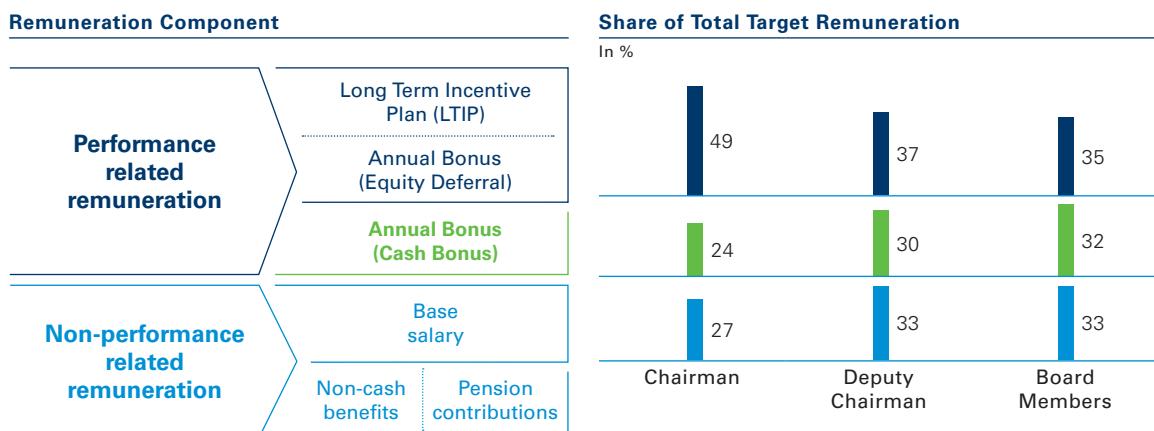
remuneration plans give the Supervisory Board and the Remuneration Committee, respectively, in line with the general practice in the Oil & Gas industry, certain room for adjustments to amend certain components in case of significant changes of major external factors (e.g. oil price) as well as to determine the achievement of certain criteria. Any adjustments are always in line with relevant factors and within disclosed maximum limits.

Structure of Executive Board Remuneration

The Executive Board remuneration consists of fixed and variable compensation elements as well as benefits. Each Executive Board member receives a remuneration package comprising of Base Salary, an Annual Bonus (a portion of which is deferred for three years and paid out in OMV shares), a Long Term Incentive Plan (LTIP), pension contributions and non-cash benefits.

The majority of Executive Board members' target compensation is granted in the form of variable compensation elements. For the financial year 2018, variable elements comprised between 67% and 73% of Executive Board members' target compensation (variance is due to higher target LTIP level for the Chairman). In line with Austrian law and requirements set forth by the ACCG, a majority of variable compensation is based on multiyear performance. For the financial year 2018, between

Overview of the Executive Board's compensation



52% and 67% of the target variable compensation is oriented towards long-term performance, either through the LTIP or the deferred portion of the Annual Bonus (Equity Deferral).

Non-performance-related remuneration

Base salary

The fixed base remuneration of Executive Board members is paid monthly as a salary. The employment contracts stipulate the fixed remuneration to be paid in 14 payments.

Non-cash benefits

Executive Board members receive a company car and are eligible for an accident insurance. Health coverage is provided under the Austrian public social insurance system.

Pension contributions

All members of the Executive Board are entitled to defined contribution pension payments, thus limiting the risks borne by OMV. The Company pays the contributions into a pension fund (APK-Pensionskasse AG). The actual amount of the company pension depends on the amount of available capital in the pension fund. The annuitization is made in accordance with the pension fund's approved business plan. The retirement age for all Executive Board members is the Austrian statutory retirement age.

Performance-related remuneration

Annual bonus

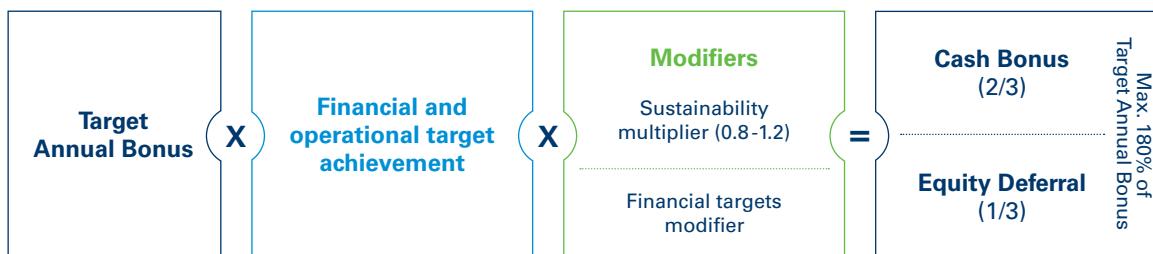
The Annual Bonus rewards financial performance, operational excellence and sustainable corporate development at OMV. For each financial year, the Supervisory Board defines a set of performance criteria. At maximum, the payout can amount to 180% (150% +/-20% sustainability multiplier) of the Target Annual Bonus stated in the Executive Board service contracts.

The actual amount depends on the achievement of financial and operational targets. Additionally, the sustainability multiplier can be applied to the overall performance at the Supervisory Board's discretion based on a predefined set of criteria. In case of major changes in external factors (e.g. oil price) the Supervisory Board can adjust the target levels of the performance criteria. Performance criteria applied in the financial year 2018 are described in detail below.

The payout of the Annual Bonus is split between a **Cash Bonus** (2/3), which is paid in the following financial year, and an **Equity Deferral**¹ (1/3), which is awarded in OMV shares to be held for a period of three years (holding period). The shares are awarded net of taxes in the following financial year and are to be transferred to a trustee deposit managed by OMV, for the duration of the holding period. The Equity Deferral serves – in addition to LTIP – as a long-term compensation instrument for the members of the Executive Board, promoting retention and shareholder alignment at OMV.

¹ Until 2016 "Matching Share Plan" (MSP) and in 2017 "Share Part of the Annual Bonus"

Annual Bonus 2018



Performance criteria are agreed at the outset of the performance year and then assessed after the close of that year. The performance criteria for the financial year 2018 comprise of the areas and adjustments set out in the table below.

Performance criteria – 2018 Annual Bonus (Cash Bonus and Equity Deferral)

| Area | Criteria | Weighting |
|--|---|---|
| Financial | Reported Net Income Clean CCS ROACE 3-year (2016-2018) Ø | 40% 40% |
| Operational | NPV assessment of ongoing large investments including acquisitions based on annual change | |
| Sustainability Multiplier | Value between 0.8 and 1.2 determined at discretion of the OMV Supervisory Board based on a predefined set of criteria applicable to the overall target achievement | +/- 20% multiplier/ discretionary |
| Adjustment of financial targets | In case of major changes in external factors (e.g. oil price) the OMV Supervisory Board has the discretion to adjust the target levels of the performance criteria | discretionary |

The actual Annual Bonus amount depends on the **level of vesting** of each performance criterion, which is determined by comparing achieved results against defined targets and expressed as a percentage. The sum of achievements results in the overall target achievement. The actual achievements are validated by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. Vesting occurs on a straight-line basis between the performance levels.

Level of vesting

| Criteria | Performance | Vesting |
|--------------|-----------------|---------|
| All criteria | Maximum | 150% |
| | Target | 100% |
| | Threshold | 50% |
| | Below threshold | 0% |

The Target Annual Bonus amount for each Executive Board member is defined as follows assuming vesting levels of 100%:

Target variable remuneration – Annual Bonus 2018

| In EUR | Seele | Pleininger | Florey | Leitner |
|-----------------|-----------|------------|---------|---------|
| Cash Bonus | 1,000,000 | 700,000 | 675,000 | 675,000 |
| Equity Deferral | 500,000 | 350,000 | 337,500 | 337,500 |

The actual **achievements in 2018** result in a Total Actual Annual Bonus equal to 124.6% of the Target Annual Bonus. The Cash Bonus component, 2/3 of the total, is to be paid in 2019. Under the Equity Deferral, the remaining 1/3 to be awarded in the form of OMV shares and deferred for a period of three years.

Performance scorecard – 2018 Annual Bonus (Cash Bonus and Equity Deferral)

| Criteria | Threshold | Target | Maximum | Actual | Weighting | Vesting (% of target Value) |
|---|---|---|--|--------|-----------|-----------------------------------|
| Reported Net Income in EUR mn | 1,560 | 1,835 | 2,110 | 2,233 | 40% | 60% |
| Clean CCS ROACE 3-year Ø in EUR mn | 10.2% | 10.7% | 11.2% | 11.7% | 40% | 60% |
| Operational target | Decrease of non-market NPV by EUR (50) mn from baseline | No change of non-market NPV from baseline (EUR 11 mn) | Increase of non-market NPV by EUR +50 mn from the baseline | (124) | 20% | 0% |
| Target achievement before financial targets modifier and sustainability multiplier | | | | | | 120% |
| Target achievement after financial targets modifier | | | | | | 113.2% |
| Sustainability multiplier | 0.8 | 1 | 1.2 | 1.1 | | 1.1 |
| Total vesting percentage | | | | | | 124.6% |

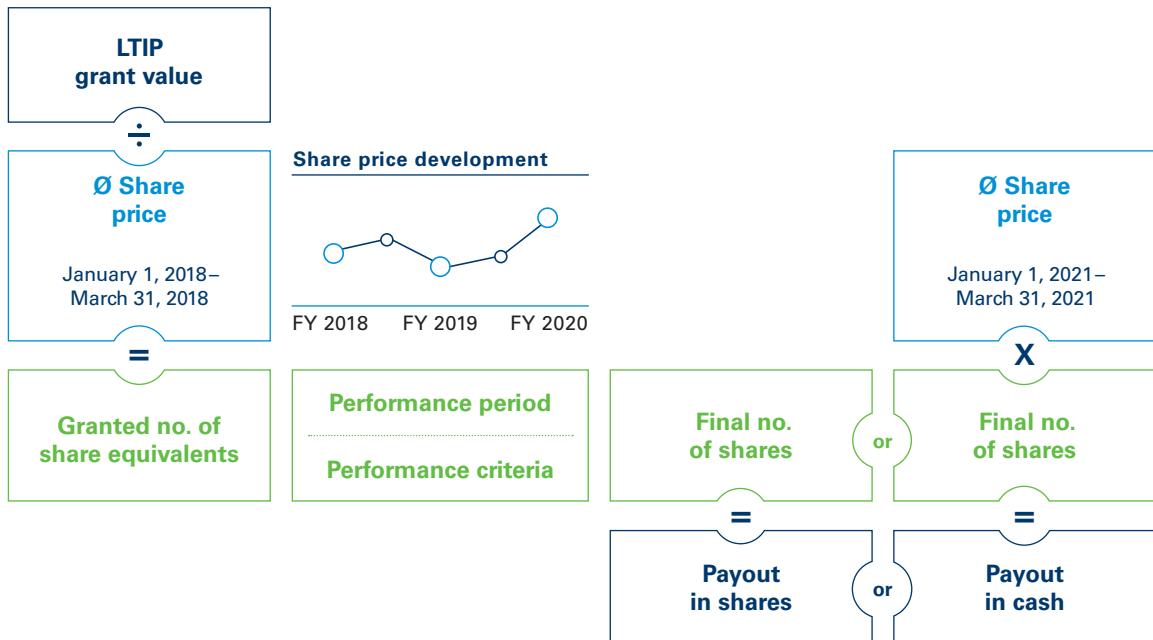
The targets for Reported Net Income and 3-year average Clean CCS ROACE were achieved in the financial year 2018. The operational target, i.e. the NPV assessment of selected large investment projects, was below threshold level. Taking into account substantial improvement in the market environment as compared to the assumptions on which the Annual Bonus was based, the Supervisory Board made use of its discretionary power and raised the target levels related to the financial target modifier, thereby adjusting the target achievement from 120% to 124.6%. A predefined set of criteria was used by the Supervisory Board in making its discretionary decision with respect to the sustainability multiplier. In particular, improvements in environment, safety and sustainability as well as the number of fatalities were taken into consideration in amending the target achievement related to the sustainability multiplier by 1.1.

Long Term Incentive Plan

The Long Term Incentive Plan (LTIP) is a long-term compensation instrument for members of the Executive Board that promotes mid- and long-term value creation at OMV. The plan seeks to align the interests of management and shareholders by granting OMV shares to management, subject to performance against key performance criteria linked to the medium-term strategy and shareholder return. The plan also seeks to prevent inappropriate risk-taking. The grant is defined as a Target Long-Term Incentive, stated in the Executive Board service contracts.

Executive Board members have received an annual grant since the plan's introduction in 2009. The LTIP 2018 was approved by the Annual General Meeting 2018.

Long Term Incentive Plan (LTIP) 2018



Performance criteria are agreed at the beginning of the three-year performance period and assessed after the close of this period. Weightings for the respective criteria are also established at the outset of the performance period. For the LTIP 2018 (performance period: January 1, 2018, until December 31, 2020), the following performance criteria apply:

Performance criteria – LTIP 2018

| Criteria | Weighting |
|---|-----------|
| Relative Total Shareholder Return (TSR) | 50% |
| Free cash flow before dividends and excl. Divestments and Acquisitions 3-year Ø | 50% |

The actual LTIP amount depends on the **level of vesting** of each performance criterion, which is determined by comparing achieved results against defined targets and expressed as a percentage. The sum of achievements results in the overall target achievement. The actual achievements are validated by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. Payments will vest on a straight-line basis between the performance levels/quartiles.

A Health, Safety, Security or Environmental (HSSE) malus may be applied to the overall target achievement. In situations where a severe health, safety and security or environmental breach has occurred, the Supervisory Board can re-examine the level of

the LTIP payout and, depending on the extent of the infraction, reduce it at its reasonable discretion, if necessary to zero.

The LTIP 2018 vests on March 31, 2021. The vesting levels for each of the performance criteria are shown in the table below.

Relative TSR is measured against a well-balanced Upstream/Downstream peer group of twelve Oil & Gas companies (Shell, BP, Total, Eni, Equinor, Lundin Petroleum, Repsol, Galp Energia, MOL, Tupras, Neste Oil and PKN Orlen).

Level of vesting

| Criteria | Performance | Vesting |
|---|---|---------|
| Free cash flow before dividends and excl. Divestments and Acquisitions 3-year Ø | Maximum | 200% |
| | Target | 100% |
| | Threshold | 50% |
| | Below threshold | 0% |
| Relative TSR | Maximum: at or above 3rd quartile ($\geq 75\text{th percentile}$) | 200% |
| | Target: at median ($= 50\text{th percentile}$) | 100% |
| | Threshold: at or below 1st quartile ($\leq 25\text{th percentile}$) | 0% |

The Target LTI amount for each Executive Board member is defined as follows and will be paid out assuming vesting levels of 100%:

Target variable remuneration – LTIP 2018

| In EUR | Seele | Pleininger | Florey | Leitner |
|-----------|-----------|------------|---------|---------|
| LTIP 2018 | 1,500,000 | 500,000 | 387,500 | 387,500 |

The **total vesting percentage for the LTIP 2016** is 92.6% of the maximum grant, and the corresponding transfer of shares or cash payment will be made in 2019. The actual achievements are reviewed by an independent expert.

 Note 32 provides additional information on the Long Term Incentive Plan and the Equity Deferral (MSP).

Performance scorecard – LTIP 2016

| Criteria | Threshold | Target | Stretch | Actual | Weighting | Vesting (% of max. grant value) |
|---|--|---|---|--------------------------------|-----------------|---------------------------------------|
| Relative TSR vs. peers | at or below 1st quartile (≤25th percentile) | at median (=50th percentile) | at or above 3rd quartile (≥75th percentile) | at or above 3rd quartile | 70% | 70% |
| FCF after dividends excl. divestments 3-year Ø | in EUR mn | –300 Ø p.a. | 200 Ø p.a. | 500 Ø p.a. | (218) Ø p.a. | 10% 3.2% |
| Action Item Response Rate 3-year Ø: Incidents & Near Misses | | 89% | 93% | 97% | 96% | 2.5% 2.3% |
| Action Item Response Rate 3-year Ø: Findings & Hazards | | 86% | 90% | 94% | 94% | 2.5% 2.5% |
| Contractor Management 3-year Ø | | ≥ 75% | > 85% | > 95% | 92% | 5% 4.6% |
| Performance of divestments & acquisitions | | Based on pre-defined criteria, in particularly value generation for the company | | | 10% | 10% 10% |
| Total vesting percentage | | | | | 100% | 92.6% |

Shareholding requirements for members of the Executive Board

Executive Board members are required to accumulate an appropriate shareholding in OMV and hold these shares until retirement or departure from the Company. The shareholding requirement is defined as a percentage of the annual gross base salary: 200% for the Chairman of the Executive Board, 175% for the Deputy Chairman of the Executive Board and 150% for other Executive Board members. The shareholding must be accumulated and achieved within five years after the respective initial appointment as an Executive Board member. All Executive Board members have already fulfilled at least a part of their shareholding requirement.

To the extent the shareholding requirement is not fulfilled, payments from the LTIP will be automatically made in the form of shares (net after tax deduction). If the shareholding requirement is already fulfilled, the payout can be made either in cash or shares. The base for the calculation of the respective number of shares is the average closing price on the Vienna Stock Exchange of the OMV share over the three-month period from January 1, 2018, to March 31, 2018 (EUR 50.02).

Shareholding requirement and fulfillment

| | Shareholding requirement | | Fulfillment | |
|------------|--------------------------|------------------|------------------------|-----------------|
| | In shares | As% salary | In shares ¹ | As% requirement |
| Seele | 91,974 | 200 | 70,890 | 77.08 |
| Pleininger | 47,032 | 175 ² | 28,511 | 60.62 |
| Florey | 43,897 | 150 | 13,401 | 30.53 |
| Leitner | 43,897 | 150 | 65,245 | 148.63 |

¹ On Company trustee deposits

² The stated shareholding requirement results from the LTIP 2016, when Mr. Pleininger still had an obligation of 150% of his gross annual salary; since his appointment as Deputy CEO, a shareholding requirement of 175% applies.

Clawback

Both the Equity Deferral and the LTIP are subject to **clawback** regulations that, under certain circumstances, allow the adjustment of outstanding compensation and/or the reclaim of compensation already paid out. In case of a clawback event, cash or company shares granted under Equity Deferral or LTIP will be reduced or may be clawed back upon request from the Supervisory Board. The following reasons are considered clawback events: adjustment of approved financial statements due to a mistake, material failure of risk management that leads to significant damages as well as serious misconduct of individual Executive Board members that violates Austrian law. Furthermore, in case any payout in cash or transfer of shares is based on incorrect data, the amounts will be corrected and claimed back accordingly.

Remuneration levels in 2018

Executive Board remuneration¹

In EUR

| Remuneration 2018 | Seele | Pleininger | Florey | Leitner | Total |
|--|------------------|------------------|---------------------|------------------|------------------|
| Fixed (base salary) | 1,100,000 | 750,000 | 700,000 | 700,000 | 3,250,000 |
| Variable (Cash Bonus 2017) | 900,000 | 575,000 | 600,000 | 700,000 | 2,775,000 |
| Benefits in kind (company car, accident insurance and reimbursed expenses) | 13,025 | 12,665 | 51,190 ² | 12,544 | 89,424 |
| Total | 2,013,025 | 1,337,665 | 1,351,190 | 1,412,544 | 6,114,424 |
| Variable (Equity Deferral 2017; in shares) ³ | 16,888 | 10,790 | 11,259 | 13,135 | 52,072 |
| Fixed/variable ratio ⁴ | 26/74 | 33/67 | 40/60 | 19/81 | 27/73 |
| LTIP 2015 (cash) ⁵ | 0 | 0 | 0 | 1,724,101 | 1,724,101 |
| LTIP 2015 (in shares) ⁵ | 33,014 | 9,607 | 0 | 0 | 42,621 |

¹ There are discrepancies between individual items and totals due to rounding differences. The variable components relate to target achievement in 2017, for which variable compensation was paid in 2018

² Including schooling costs, moving costs and related taxes

³ The "Share part of the Annual Bonus" was renamed to Equity Deferral at the grant date

⁴ Split of total compensation. Fixed includes base salary and benefits in kind; variable includes Cash Bonus, Equity Deferral ("Share Part of the Annual Bonus") and LTIP 2015

⁵ LTIP payout in cash or shares depending on fulfillment of shareholding requirement:

Rainer Seele received pro-rated payout in shares for LTIP 2015 as he joined the Executive Board effectively July 1, 2015

Johann Pleininger received pro-rated payout in shares and in addition cash payment amounting to EUR 0.52 mn based on the Senior Manager LTIP 2015

Since the gradual appointment of new members to the Executive Board, OMV has seen remarkable performance. With a share price increase of 52% between July 2015 and December 2018, OMV has substantially outperformed relevant benchmarks such as the FTSEurofirst E300 Oil & Gas (2% increase). Furthermore, the Executive Board rigorously pursues a growth strategy to strengthen OMV's competitiveness and earning power. To reward the Executive Board's performance and incentivize it further, the Remuneration Committee revisited the level of each Executive Board member's remuneration package and benchmarked it

against a relevant European Oil & Gas peer group. The Executive Board members' performance, their roles and responsibilities as well as the overall situation of the Company were taken into account. Based on this analysis and considering retention risk and the re-design of the compensation system to include an overall compensation cap, the salary of selected Executive Board members was increased to competitive market levels. As in the past, salaries are not subject to automatic consumer price inflation increases but instead will be reviewed on an annual basis together with the performance of the Executive Board members.

Pension fund contributions

In EUR

| | |
|--------------|----------------|
| Seele | 275,000 |
| Pleininger | 187,500 |
| Florey | 175,000 |
| Leitner | 175,000 |
| Total | 812,500 |

Based on their former employment contracts as Executive Board members, Gerhard Roiss, David C. Davies, Hans-Peter Floren and Jaap Huijskes received payments in 2018. David C. Davies received bonus and LTIP payments in 2018. Jaap Huijskes, Gerhard Roiss and Hans-Peter Floren received LTIP payments in 2018.

Payments to former Executive Board members

In EUR

| | Davies | Huijskes | Roiss | Floren |
|--|------------------|------------------|------------------|------------------|
| Remuneration entitlements for 2018 (bonus and LTIP) ¹ | 2,735,317 | 1,776,177 | 3,300,387 | 1,477,774 |
| Payments for contractual obligations ² | 0 | 0 | 0 | 0 |
| Total | 2,735,317 | 1,776,177 | 3,300,387 | 1,477,774 |

¹ Cash Bonus and Equity Deferral (MSP) related to target achievement in 2017 and LTIP related to target achievement in 2015–2017

² Base salary and benefits in kind

In accordance with C-rule 27a of the ACCG, the employment contracts with members of the Executive Board provide that settlement payments in the event of premature termination of such contracts without a material breach shall not exceed the amount set forth in the ACCG (maximum of two years annual pay). For contracts concluded after July 2015, settlement payments in the event of termination within the contract period have been reduced to 18 months' pay and have been limited to fixed salary only. No settlement payment is made if the Executive Board member terminates the contract prematurely.

Directors' and Officers' (D&O) insurance

OMV has concluded a Directors' and Officers' liability insurance (D&O insurance) on a Group-wide basis. The expenses are borne by the Company. This insurance covers Executive Board members, Supervisory Board members and other OMV employees (officers). Coverage is provided for the personal legal liability of insured persons for financial losses resulting from wrongful acts committed while acting within the scope of their function. For the actual insurance period, the yearly premium (including taxes) for the entire OMV Group D&O insurance amounts to approximately EUR 600,000.

Indemnity

The Executive Board and officers of direct and indirect subsidiaries of OMV Aktiengesellschaft, to the extent legally possible, are also indemnified against claims by third parties with respect to their actions exercised within the scope of their duties, except in cases of willful intent or gross negligence.

Policy principles for remuneration within the OMV Group

In order to support OMV's strategy best, OMV aims to ensure competitive compensation and benefits packages. OMV continuously monitors market trends and international best practices in order to attract, motivate and retain the best-qualified talent from around the world. OMV strives for long-lasting employment relationships. The base salaries are set in accordance with internationally accepted methods for determining market levels of remuneration and with the relevant legal regulations and collective agreements.

The principles applicable to Executive Board remuneration are applied to all employees in adapted form. Also, the remuneration for the Executive Board of OMV Petrom is subject to OMV remuneration standards. In general, OMV's remuneration is designed to be highly competitive within relevant labor markets in the Oil & Gas business. This is ensured by conducting yearly salary reviews. Furthermore, the packages include a balanced and transparent mix of fixed and variable, monetary and non-monetary components. The base salaries are market oriented, fair and based on the position and know-how of the employee. In addition, OMV uses a variety of compensation elements to strengthen the position as an attractive employer in the Oil & Gas business, for example:

- ▶ Performance bonuses
- ▶ Long Term Incentive Plans
- ▶ Employee stock ownership plan
- ▶ Company cars

Beyond that, the benefits portfolio is customized for each of the countries OMV operates in to meet the needs of the local employees. As an example, depending on local circumstances additional incentives may include the following:

- ▶ Retirement plans
- ▶ Subsidized canteen
- ▶ Health centers
- ▶ Kindergarten
- ▶ Anniversary payments
- ▶ Recognition – thx!

Selected employees at senior management levels of the Group (79 individuals) are eligible for the Long Term Incentive Plan. They are also eligible for bonus programs, as outlined below. In addition, the Executive Board grants a Transformation Bonus to selected employees at senior management levels of the Group, which is dependent on the fulfillment of predefined KPIs. The successful target achievement led to a payout in 2018, potentially another will follow in 2021.

In 2018, approximately 4,200 managers and experts participated in a Management by Objectives (MbO) program. The actual bonuses paid out under this program depend on the respective target achievement. OMV also provides bonus schemes for other employee groups, which vary from country to country. Employee representatives are involved in designing these incentive schemes. In all these systems, actual bonus amounts and their payout are dependent upon the achievement of financial and non-financial corporate targets, as well as individual targets agreed with each employee.

Supervisory Board

OMV's Supervisory Board consists of ten members elected by the General Meeting (shareholders' representatives) and five members delegated by the Group works council. Four of the current shareholders' representatives were elected at the 2014 Annual General Meeting (AGM), one was elected at the 2015 AGM, three were elected at the 2016 AGM and two were elected at the 2018 AGM. The members of OMV's Supervisory Board in 2018 and their appointments to supervisory boards of other domestic or foreign listed companies as well as any management functions held are shown below.

Peter Löscher, * 1957

Chairman
Seats: Sulzer AG (Chairman), Telefonica, S. A.

Gertrude Tumpel-Gugerell, * 1952

Deputy Chairwoman
Seats: Commerzbank AG, Vienna Insurance Group AG

Murtadha Al Hashmi, * 1966

(until May 22, 2018)
Deputy Chairman
(Senior Advisor, Mubadala Investment Company (from January 2, 2018))
Seats: no seats in domestic or foreign listed companies

Alyazia Ali Al Kuwaiti, * 1979

(from May 22, 2018)
Deputy Chairwoman
(Executive Director Upstream & Integrated, Mubadala Investment Company PJSC)
Seats: no seats in domestic or foreign listed companies

Ahmed Matar Al Mazrouei, * 1972

(until May 22, 2018)
(Senior Advisor, Mubadala Investment Company PJSC)
Seats: no seats in domestic or foreign listed companies

Wolfgang C. Berndt, * 1942

Seats: no seats in domestic or foreign listed companies

Helmut Draxler, * 1950

Seats: no seats in domestic or foreign listed companies

Marc H. Hall, *1958

(Managing Director, R&EM – Restructuring &

Energy Management e.U.)

Seats: no seats in domestic or foreign listed companies

Mansour Mohamed Al Mulla, *1979

(from May 22, 2018)

(CFO Petroleum & Petrochemicals, Mubadala Investment Company PJSC)

Seats: Aldar Properties PJSC, Waha Capital PJSC

Karl Rose, *1961

(Strategy Advisor, Abu Dhabi National Oil Company)

Seats: no seats in domestic or foreign listed companies

Herbert Werner, *1948

(Managing Director, HCW Verkehrsbetriebe GmbH; Managing Director, HCW Vermögensverwaltungs GmbH)

Seats: Ottakringer Getränke AG (Deputy Chairman)

Elif Bilgi Zapparoli, *1967

(Global Co-Head Capital Markets, Bank of America Merrill Lynch)

Seats: no seats in domestic or foreign listed companies

Delegated by the Group works council (employee representatives)**Christine Asperger, *1964****Herbert Lindner, *1961****Alfred Redlich, *1966****Gerhard Singer, *1960****Wolfgang Baumann, *1958 (until March 23, 2018)****Angela Schorna, *1980 (from March 23, 2018)**

More detailed information about all members of OMV's Supervisory Board, including their professional careers, can be downloaded from OMV's website at www.omv.com > About us > Supervisory Board.

Diversity

The main considerations in selecting the members of the Supervisory Board are relevant knowledge, personal integrity and experience in executive positions. Furthermore, aspects of diversity of the Supervisory Board with respect to the internationality of the members, the representation of both

genders and the age structure are taken into account. The Supervisory Board includes five women and three non-Austrian nationals. The members of the Supervisory Board are aged between 38 and 76.

Independence

The Supervisory Board has defined the criteria that constitute independence (resolutions dated March 21, 2006, and March 25, 2009). In addition to the guidelines set out in Annex 1 of the ACCG, the Supervisory Board has established the following criteria with regard to its members elected by the General Meeting:

- ▶ A Supervisory Board member shall not serve on the Executive Board of an OMV Group company.
- ▶ A Supervisory Board member shall not hold stock options issued by the Company or any affiliated company, or receive any other performance-related remuneration from an OMV Group company.
- ▶ A Supervisory Board member shall not be a shareholder with a controlling interest in the meaning of EU Directive 83/349/EEC (i.e. a shareholder's interest of 50% or a dominant influence, e.g. through the right to appoint Board members) or represent such a shareholder.

All members elected by the General Meeting except Helmut Draxler and Herbert Werner, regarding the duration of their terms, have declared their independence from the Company and its Executive Board during the 2018 financial year and up to the time of making such declarations (C-rule 53 of the ACCG). Under C-rule 54 of the ACCG, Peter Löscher, Wolfgang C. Berndt, Elif Bilgi Zapparoli, Helmut Draxler, Karl Rose, Marc H. Hall, Gertrude Tumpel-Gugerell and Herbert Werner have made declarations to the effect that they were not shareholders with a stake of more than 10% or represented such shareholders' interests during the financial year 2018 and up to the time of making such declarations. Peter Löscher, Gertrude Tumpel-Gugerell, Marc H. Hall and Karl Rose were nominated for the election as Supervisory Board members by the nomination committee of the Österreichische Bundes- und Industriebeteiligungen GmbH ("ÖBIB")¹ and, subsequently (after being so proposed by the Presidential and Nomination Committee and the Supervisory Board), they were elected as Supervisory Board members.

¹ With effect as of February 20, 2019 Österreichische Bundes- und Industriebeteiligungen GmbH was transformed into a joint-stock company and renamed as Österreichische Beteiligungen AG.

Position and committee memberships

| Name | Supervisory Board and Committees 2018 ¹ | | | | | Remuneration 2017 ² | | Term of office |
|--------------------------|--|----------------|----------------|----|----|--------------------------------|----------------|---|
| | SB | PNC | PPC | AC | RC | in EUR | in EUR | |
| Peter Löscher | C | C | DC | M | C | 80,000 | 80,000 | May 18, 2016, to 2020 AGM |
| Gertrude Tumpel-Gugerell | DC | DC | M | C | M | 61,000 | 67,110 | May 19, 2015, to 2020 AGM |
| Murtadha Al Hashmi | DC | DC | DC | DC | DC | 73,000 | 28,400 | May 10, 2012, to May 22, 2018 |
| Alyazia Ali Al Kuwaiti | DC | DC | DC | DC | DC | – | 44,600 | May 14, 2008, to May 18, 2016 and May 22, 2018, to 2019 AGM |
| Wolfgang C. Berndt | M | – | – | DC | DC | 44,000 | 44,000 | May 26, 2010, to 2019 AGM |
| Helmut Draxler | M | – | – | M | M | 40,000 | 40,000 | Oct. 16, 1990, to 2019 AGM |
| Marc H. Hall | M | – | M | – | – | 30,000 | 30,000 | May 18, 2016, to 2019 AGM |
| Ahmed Matar Al Mazrouei | M | M | M | – | – | 40,000 | 15,562 | May 18, 2016, to May 22, 2018 |
| Mansour Mohamed Al Mulla | M | M | M | – | – | – | 24,438 | May 22, 2018, to 2019 AGM |
| Karl Rose | M | – | C | – | – | 34,000 | 34,000 | May 18, 2016, to 2019 AGM |
| Herbert Werner | M | – | – | M | – | 30,000 | 30,000 | June 4, 1996, to 2019 AGM |
| Elif Bilgi Zapparoli | M | – | – | – | – | 20,000 | 20,000 | May 13, 2009, to 2019 AGM |
| Christine Asperger | M | M ⁶ | M ⁷ | – | – | – ⁴ | – ⁴ | Since Jan. 1, 2013 ⁵ |
| Wolfgang Baumann | M | M | – | M | – | – ⁴ | – ⁴ | Dec. 16, 1998, to Apr. 1, 1999, and Nov. 11, 2004, to March 23, 2018 ⁵ |
| Herbert Lindner | M | – | M | M | – | – ⁴ | – ⁴ | Since June 1, 2013 ⁵ |
| Alfred Redlich | M | M | M ⁶ | – | – | – ⁴ | – ⁴ | Since June 1, 2013 ⁵ |
| Gerhard Singer | M | – | M | M | – | – ⁴ | – ⁴ | Since Sept. 26, 2016 ⁵ |
| Angela Schorna | M | M ⁷ | – | M | – | – ⁴ | – ⁴ | Since March 23, 2018 ⁵ |

¹ Abbreviations: SB = Supervisory Board, PNC = Presidential and Nomination Committee, PPC = Portfolio and Project Committee, AC = Audit Committee, RC = Remuneration Committee. C = Chairman/Chairwoman; DC = Deputy Chairman/Chairwoman; M = Member; AGM = Annual General Meeting; Members of the Supervisory Board whose term ended in the business year 2017 are not listed herein

² Meeting fees in the amount of EUR 400/meeting, as well as any applicable reimbursement of withholding tax, are not included therein

³ Based on remuneration as adopted by the AGM 2018; subject to approval by the 2019 AGM

⁴ Members delegated to the Supervisory Board by the Group works council do not receive remuneration but just attendance expenses

⁵ Delegation by the Group works council is for an indefinite period of time; however, the employee representatives may be recalled at any time by the delegating body

⁶ since June 27, 2018

⁷ until June 27, 2018

Working practices of the Supervisory Board

The Supervisory Board fulfills its duties – in particular supervising the Executive Board and advising it on strategy – by discussing the Company's situation and objectives during board meetings. Decisions are also taken at these meetings, except in cases of urgency where decisions can be taken by circular vote. The set-up of four committees ensures that best possible use is made of the Supervisory Board members' expertise. Brief descriptions

of these committees are given below (see also the Report of the Supervisory Board for an overview of the individual committees' main activities in 2018). In 2018, six meetings of the Supervisory Board and 16 Committee meetings were held. In several of these meetings, the Executive Board and the Supervisory Board discussed strategic matters of OMV. No member of the Supervisory Board attended fewer than half of the meetings.

Attendance of Supervisory Board and Committee meetings in 2018 was as follows:

Attendance of Supervisory Board and Committee Meetings in 2018¹

| Name | SB | PNC | PPC | AC | RC |
|-------------------------------------|-----|------------------|------------------|-----|------------------|
| Peter Löscher | 6/6 | 3/3 | 4/4 | 6/6 | 3/3 |
| Gertrude Tumpel-Gugerell | 6/6 | 2/3 | 2/4 | 5/6 | 1/1 ³ |
| Murtadha Al Hashmi ² | 1/2 | 2/2 | 0/1 | 3/3 | 2/2 |
| Alyazia Ali Al Kuwaiti ³ | 2/4 | 1/1 | 2/3 | 2/3 | 1/1 |
| Wolfgang C. Berndt | 6/6 | | | 6/6 | 3/3 |
| Helmut Draxler | 6/6 | | | 5/6 | 3/3 |
| Marc H. Hall | 6/6 | | 4/4 | | |
| Ahmed Matar | | | | | |
| Al Mazrouei ² | 2/2 | 2/2 | 1/1 | | |
| Mansour Mohamed | | | | | |
| Al Mulla ³ | 4/4 | 1/1 | 2/3 | | |
| Karl Rose | 5/6 | | 3/4 | | |
| Herbert Werner | 6/6 | | 6/6 | | |
| Elif Bilgi Zapparoli | 4/6 | | | | |
| Christine Asperger | 6/6 | 1/1 ⁶ | 1/1 ⁷ | | |
| Wolfgang Baumann ⁴ | 1/1 | 1/1 | | 2/2 | |
| Herbert Lindner | 6/6 | | 4/4 | 6/6 | |
| Alfred Redlich | 6/6 | 3/3 | 3/3 ⁶ | | |
| Angela Schorna ⁵ | 5/5 | 1/1 ⁷ | | 3/4 | |
| Gerhard Singer | 6/6 | | 4/4 | 5/6 | |

¹ Abbreviations: SB = Supervisory Board, PNC = Presidential and Nomination Committee, PPC = Portfolio and Project Committee, AC = Audit Committee, RC = Remuneration Committee.

² until May 22, 2018

³ since May 22, 2018

⁴ until March 23, 2018

⁵ since March 23, 2018

⁶ since June 27, 2018

⁷ until June 27, 2018

The Supervisory Board performed a self-evaluation and discussed the efficiency of its activities, in particular its organization and work procedures.

Presidential and Nomination Committee

This committee is empowered to take decisions on matters of urgency. The Supervisory Board may transfer other duties and powers of approval to the Presidential and Nomination Committee on an ad hoc or permanent basis. In its capacity as the Nomination Committee, this body makes proposals to the Supervisory Board for the appointment or replacement of Executive Board members and deals with succession planning. It also makes recommendations to the General Meeting for appointments to the Supervisory Board. There were three meetings of the Presidential and Nomination Committee in 2018, in which discussions focused on Executive and Supervisory Board matters.

Audit Committee

This committee performs the duties established by section 92 (4a) Stock Corporation Act. The committee held six meetings during the year. It predominantly dealt with preparations for the audit of the annual financial statements, assessment of the auditors' activities, internal audit, internal control and risk management systems, as well as the presentation of the annual financial statements. Gertrude Tumpel-Gugerell is the financial expert within the Audit Committee in the meaning of section 92 (4a)(1) Stock Corporation Act.

Auditors

The Supervisory Board monitors auditors' independence and reviews a breakdown of the audit fees and fees for additional services besides auditing activities. In 2018, the auditors Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. (including their network in the meaning of section 271b Code of Commerce) received EUR 2.94 mn for the annual audit, EUR 0.64 mn for other assurance services, EUR 0.05 mn for tax advisory services and EUR 0.24 mn for other engagements.

Portfolio and Project Committee

This committee supports the Executive Board in preparing complex decisions on key issues where necessary and reports on these decisions and any recommendations to the Supervisory Board. In 2018, four meetings of the Portfolio and Project Committee were held.

Remuneration Committee

This committee deals with all aspects of the remuneration of Executive Board members and with their employment contracts. The committee's membership does not include employee representatives. The committee is empowered to conclude, amend and terminate Executive Board members' employment contracts and to take decisions on the awarding of bonuses (variable remuneration components) and other such benefits to them. The Remuneration Committee met three times during 2018. Executive Board members were invited to attend parts of some of the meetings of the Remuneration Committee.

HKP Group provided remuneration advice to the Committee, which included advice on the appropriate structure and level of Executive Board compensation in line with regulatory requirements and market practice.

They were appointed by the Remuneration Committee and did not advise the OMV Executive Board, ensuring independence with respect to the Austrian Code of Corporate Governance.

Conflicts of interest and dealings by members of the Supervisory Board requiring approval

There were no transactions requiring approval in accordance with section 95 (5) (12) Stock Corporation Act. The Internal Rules of the Supervisory Board contain detailed procedures for the treatment of conflicts of interest on the part of Supervisory Board members.

Remuneration

In accordance with the Articles of Association, the AGM resolves the remuneration of the Supervisory Board members elected by the General Meeting for the previous financial year. The 2018 AGM adopted the remuneration scale for the 2017 financial year as shown in the table below.

Remuneration for Supervisory Board members

In EUR¹

| | |
|--------------------------------------|--------|
| Chairman/Chairwoman | 30,000 |
| Deputy Chairman/Chairwoman | 25,000 |
| Ordinary member | 20,000 |
| Committee Chairman/Chairwoman | 14,000 |
| Committee Deputy Chairman/Chairwoman | 12,000 |
| Ordinary Committee member | 10,000 |

¹ Meeting fees in the amount of EUR 400/meeting, as well as any applicable reimbursement of withholding tax, are not included therein

The amounts for the 2017 financial year were disbursed to the Supervisory Board members concerned in 2018; these were exclusive of expenses (travel and attendance expenses). In 2018, the Supervisory Board members' remuneration (for the 2017 financial year and including reimbursement for withholding tax as applicable) accounted for EUR 0.51 mn, attendance expenses for EUR 0.07 mn and travel expenses for EUR 0.25 mn.

Employee participation

The Group works council holds regular meetings with the Executive Board in order to exchange information on developments affecting employees. Furthermore, the Group works council has made use of its right to delegate members to the Supervisory Board (one employee representative for every two members elected by the General Meeting). Therefore, out of the 15 Supervisory Board members, five members are employee representatives.

Rights of minority shareholders

- ▶ General Meeting: An Extraordinary General Meeting must be convened at the request of shareholders holding not less than 5% of the shares.
- ▶ Agenda items must be included at the request of shareholders holding not less than 5% of the shares.
- ▶ Shareholders holding not less than 1% of the shares may submit resolution proposals on all agenda items. Such resolution proposals must be posted on the website upon request of the respective shareholders.
- ▶ Shareholders holding not less than 10% of the shares may require an extraordinary audit in the event of grounds for suspicion of irregularities, or gross violations of the law or the Articles of Association.
- ▶ All shareholders having duly provided evidence of their shareholding are entitled to attend General Meetings, ask questions and vote.
- ▶ Election of the Supervisory Board: If elections for two or more positions to the Supervisory Board are held at the same General Meeting, separate votes must be held for each position. If elections for three or more seats on the Supervisory Board are held at the same General Meeting, and if prior to the vote on the last position to be assigned it is found that at least one-third of all the votes have been cast in favor of the same person but he or she has not been elected, then this person must be declared as Supervisory Board member.

Women's Advancement and Diversity Concept

Diversity is an enormous strength that OMV actively builds on now, and in the future. Consequently OMV strives to continuously develop new initiatives and measures that promote diversity and equal opportunities. OMV is committed to its Group diversity strategy with focus on gender and internationality. Being active in an industry with a strong technical focus, it is particularly challenging for OMV to achieve a satisfactory gender balance in all fields of business activity. OMV is committed to supporting women's advancement to managerial positions. The strategic objective is to achieve the best diversity mix at the senior management level. The aim is to increase the female representation in Senior Leadership roles, from 18% to 25% by 2025 through a number of initiatives such as mentoring, succession planning, specific trainings as well as initiatives to increase work/life flexibility.

The proportion of women in the Group as a whole is approximately 25%. Within OMV's leadership development programs, in 2018 the proportion of women was 28% (22% in 2017). In the First Time Leaders program for new leaders, OMV reached a remarkable rate of 38% of female participants. Within OMV's Upstream integrated graduate development program for technical skill pools, the proportion of women was 25% in 2018 (22% in 2017). The topic of diversity has been incorporated in all Leadership Development programs and embedded in the OMV People Strategy.

OMV promotes talents from different backgrounds, thus ensuring the best mix in diverse teams. OMV especially supports the recruitment and development of women in technical positions.

Through using gender-neutral language in OMV's job advertisements and through publishing all job advertisements internally, together with the constant monitoring of gender, age, employee background, seniority as well as salary equality, OMV is ensuring fair treatment and contributing to equal opportunities among men and women at all career stages.

Female employees initiated a Diversity Network to raise awareness for diversity topics and to boost female careers in the technical area through a collaboration site and joint activities.

OMV Head Office in Vienna has two company kindergartens attended by children of OMV employees. In order to spark girls' interest in technical careers early on in their lives OMV again participated in Vienna's Girls' Day.

The Executive Board and Supervisory Board consider the described measures and programs to foster the variety of the workforce as a key element to strengthen the diversity of the internal pool of Executive Board succession candidates. The Presidential and Nomination Committee concerns itself at least once a year with the identification and development of internal potentials. In addition to internal succession planning, the Supervisory Board also makes use of external recruitments in order to best fill open Executive Board positions. In the selection of Executive Board members – be it internally or externally – special attention is given to balance gender, age, and international experience in addition to professional skills.

Currently, no woman is part of the Executive Board of OMV. The Executive Board members of OMV are between 53 and 58 years old, comprise two different nationalities, and have acquired comprehensive international management experience.

Until 2018, the Supervisory Board members elected by the Annual General Meeting upon proposal by ÖBIB were nominated by the Nomination Committee of the Austrian Federal Government. The selection of candidates is based on various criteria, particularly the candidates' professional skills, personal integrity, independence, and impartiality. In addition, diversity aspects such as the representation of both genders, a balanced age distribution, and internationality of members is taken into consideration.

At present, the Supervisory Board of OMV includes five women, corresponding to a share of 30%. Particular focus will be given to a further strengthening of industry-specific competencies and the internationality of Supervisory Board members in line with the company's strategic orientation. With members aged between 38 and 76 years, the Supervisory Board shows a balanced age structure.

External evaluation of Corporate Governance

An external evaluation of OMV's compliance with the provisions of the ACCG is performed each year. Regarding the evaluation for 2018, OMV engaged Mathias Ettel of the law firm Berger Ettel Rechtsanwälte. The official questionnaire of the Austrian Working Group for Corporate Governance was used for the evaluation, and the result was that OMV is in full compliance with the Austrian Corporate Governance Code including all non-compulsory recommendations. The report of the evaluation is available for download on OMV's website (www.omv.com).

Vienna, March 13, 2019

The Executive Board

Rainer Seele m.p.

Johann Pleininger m.p.

Reinhard Florey m.p.

Manfred Leitner m.p.

Directors' report – operational review

Business developments in 2018

Sales for the financial year 2018 were EUR 213.50 mn (2017: EUR 129.00 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 latter increased compared to the previous year mainly due to a transfer of the OMV Global Solutions GmbH business operations to OMV Aktiengesellschaft.

The **Operating Result** was EUR (70.84) mn (2017: EUR (43.07) mn). The lower Operating Result in 2018 was mainly driven by higher personnel expenses, including an increase of pension provisions due to new mortality tables.

The **Financial Result** in 2018 was EUR 502.86 mn (2017: EUR 838.00 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 of losses taken over from affiliated companies and impairments of participations. Net income from investments amounted to EUR 608.97 mn (2017: EUR 990.16 mn). The dividend of OMV Petrom amounting to EUR 124.18 mn was higher than last year (2017: EUR 95.77).

The contribution of the companies in the **Upstream** segment excluding OMV Petrom amounted to EUR (3.86) mn, below the level of 2017 (EUR nil).

The contribution of the companies in the **Downstream** segment excluding OMV Petrom was substantially lower than the previous year, at EUR 469.85 mn (2017: EUR 884.43 mn). Investment income from the Downstream Oil segment excluding OMV Petrom decreased to EUR 607.35 mn (2017: EUR 797.66 mn). The lower result derives from lower refining margins. The investment income contribution from the Downstream Gas segment excluding OMV Petrom for profit pooling decreased significantly to EUR (137.51) mn (2017: EUR 86.77 mn) compared to the previous year.

There were no dividends distributed from the Downstream Gas segment, as in the previous year. The higher Downstream Gas result in 2017 reflected the improved gas market environment.

A key **investment item** in 2018 was a capital injection to OMV Exploration & Production GmbH in connection with its investments into its subsidiary OMV Abu Dhabi Production GmbH.

The **cash flow** from operating activities for 2018 amounted to EUR 1,966.89 mn (2017: EUR 53.47 mn), the cash flow from investing activities to EUR (2,081.59) mn (2017: EUR 1,033.80 mn) and the cash flow from financing activities to EUR (290.26) mn (2017: EUR 223.51 mn).

Net income for the year amounted to EUR 411.38 mn (2017: EUR 782.20 mn).

Total assets increased to EUR 18,383.31 mn (2017: EUR 18,071.12 mn).

At balance sheet date, **stockholders' equity** stood at EUR 5,220.76 mn (2017: EUR 5,298.24 mn). The equity ratio as of December 31, 2018, was 28.40% (2017: 29.32%).

The ratio of **fixed assets** to total assets was 77.53% at balance sheet date (2017: 71.46%).

Return On Equity was 7.82% (2017: 15.85%).

In 2017, the average **number of employees** at the holding company was 623 (2017: 379). The increase is related to the transfer of the OMV Global Solutions GmbH business operations.

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 542,151 own shares, or 0.17% 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, 230,079 shares, equivalent to 0.07% of the capital stock, with a value of EUR 9,861 thousand were used for share-based compensations. The difference of EUR 7,336 thousand 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.
3. ÖBAG holds 31.5% and MPPH holds 24.9% of the capital stock.
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 (1) of the Arbeitsverfassungsgesetz (Austrian Labor Constitution Act). Resolutions concerning the dismissal of members of the Supervisory Board pursuant to section 87 (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. a) As the authorized capital granted by the Annual General Meeting on May 13, 2009 expired on May 13, 2014, the Annual General Meeting decided upon a new authorized capital on May 14, 2014. Specifically, it authorized the Executive Board until May 14, 2019 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 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 options or long term incentive plans (including matching share plans 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 May 18, 2016, the Annual General Meeting authorized the Executive Board for a period of five years from the adoption of the resolution, therefore, until (and including) May 17, 2021, upon approval of the Supervisory Board, to dispose of or utilize stock repurchased or already held by the Company to grant treasury shares to employees, senior employees and/or members of the Executive Board/management boards of the Company or one of its affiliates, including for purposes of share transfer programs – in particular, long-term incentive plans including matching share plans or other stock ownership plans – under exclusion of the general purchasing possibility 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. a) The EUR 750 mn hybrid bond, which was issued in 2011, was called and redeemed at its nominal value plus interest on April 26, 2018, the first possible call date.
8. b) OMV has issued perpetual hybrid notes the amount of EUR 1,987 mn which are subordinated to all other creditors. According to IFRS, the 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 size of EUR 1,500 mn, in two tranches of EUR 750 mn each with the following interest payable:

- (i) The hybrid notes of tranche 1 bear a fixed interest rate of 5.250% until, but excluding, December 9, 2021, which is the first call date of tranche 1. From December 9, 2021, until, but excluding, December 9, 2025, hybrid notes of tranche 1 will bear interest according to a reset interest rate to be determined according to the relevant five-year swap rate and an additional margin of 4.942% and, from December 9, 2025, with an additional step-up of 1% per annum.
- (ii) The hybrid notes of tranche 2 bear a fixed interest rate of 6.250% until, but excluding, December 9, 2025, which is the first call date of tranche 2. From December 9, 2025, tranche 2 will bear interest according to a reset interest rate to be determined according to the relevant five-year swap rate and an additional margin of 5.409%, with an additional step-up of 1% per annum.

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 General Meeting of OMV resolves upon a dividend payment on OMV shares.

On June 19, 2018 OMV issued a hybrid bond with a size of EUR 500 mn. The hybrid bears a fixed interest rate of 2.875% until, but excluding, June 19, 2024. From June 19, 2024 until, but excluding, June 19, 2028 the hybrid notes will bear interest at a rate according to the relevant five-year swap rate and an additional margin of 2.335% per annum and, from June 19, 2028, with an additional step-up of 1% per annum. 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 General Meeting of OMV resolves upon a dividend payment on OMV shares.

The hybrid notes outstanding as of December 31, 2018 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 bond is redeemed. In the case of a change of control, 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.

Risk Management

Like the entire oil and gas industry, 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 risk identification, assessment and evaluation of such risks and their impact on the Group's financial stability and profitability in order to actively manage them in the context of the Group's risk appetite and defined risk tolerance levels.

It is OMV's view that the Group's overall risk is significantly reduced due to its integrated nature and the related, partially offsetting effects of different risks. The balancing effects of offsetting industry risks, however, can often lag or weaken. Therefore, OMV's risk management activities focus on the Group-wide net risk exposure of the existing and future portfolio. The interdependencies and correlations between different risks are also reflected in the Company's consolidated risk profile. The areas of risk management and insurance are centrally coordinated at the corporate level within the Treasury and Risk Management department, which ensures that well-defined and consistent risk management processes, tools, and techniques are applied across the entire organization. Risk ownership is assigned to those managers who are best suited to oversee and manage the related 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

Non-financial and financial risks are regularly identified, assessed, and reported through the Group-wide Enterprise Wide Risk Management (EWRM) process.

The main purpose of the OMV Group's EWRM is to deliver value through risk-based management and decision-making. Assessment of financial, operational, and strategic risks supports the exploitation of business opportunities in a systematic manner in order to ensure sustainable growth in OMV's value. Since 2003, the EWRM system has helped enhance risk awareness and risk management skills across the entire organization, including subsidiaries in more than 20 countries. The OMV Group is constantly enhancing the EWRM based on internal and external requirements.

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 effectively captures and manages the 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 surveillance 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 senior management view from a top-down approach to capture the risks implied in the strategy. This process also includes those companies that are not fully consolidated. Twice a year, the results from this process are consolidated and presented to the Executive Board and the Audit Committee. In compliance with the Austrian Code of Corporate Governance, the effectiveness of the EWRM system is evaluated by the external auditor on an annual basis. The key nonfinancial and financial risks identified with respect to OMV's medium-term plan are:

- ▶ 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 changes in technology, risks to reputation or political uncertainties, including sanctions
- ▶ Financial risks including market price risks and foreign exchange risks

OMV operates and has financial investments in countries that are subject to political uncertainties, in particular Libya, Kazakhstan, Yemen, Pakistan, Russia, Tunisia, and Turkey. Possible political changes may lead to disruptions and limitations in production as well as an increased tax burden, restrictions on foreign ownership, or even nationalization of property. However, OMV has extensive experience in the political environment in Central, Eastern, and Southeastern Europe, and political developments in all markets where OMV operates are kept under constant observation. Country-specific risks are assessed before entering new countries. An analysis to assess the potential impact of a hard Brexit scenario on OMV Group companies was undertaken, which showed that there is no significant impact expected. OMV also evaluates the risk of potential US or EU sanctions and their impact on planned or existing operations with the aim to stay in full compliance with all applicable sanctions. In particular risks due to US sanctions on the Nord Stream 2 project and on OMV's activities in Russia are regularly assessed and monitored. Risks related to the EU Emissions Trading System are separately recorded and aggregated for the Group as a whole. Furthermore, OMV is monitoring emerging regulations related to climate change and decarbonization in all operating countries. Through systematic staff succession and development planning, Corporate Human Resources plans for suitable managerial staff to meet future growth requirements in order to mitigate personnel risks. The OMV Group is exposed to a wide range of health, safety, security, and environmental risks that could result in significant losses.

Control and mitigation of assessed risks takes place at all organizational levels using clearly defined risk policies and responsibilities. The key Group risks are governed centrally to ensure the ability to meet the planning objectives through the essence of corporate directives, including those relating to health, safety, security, environment, legal matters, compliance, human resources, and corporate social responsibility, with special emphasis on human rights and market price risks.

Financial Risk Management

Market price and financial risks arise from volatility in the prices of commodities, 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 and gas company, OMV has a significant exposure to oil and gas prices. Substantial

FX exposures include the USD, RON, NOK, NZD, and RUB. The Group has a net USD long position, mainly resulting from sales of oil production. The comparably less significant short positions in RON, NOK, and RUB originate from expenses in local currencies in the respective countries.

Management of market price risk and FX risk

Analysis and management of financial risks arising from foreign currencies, interest rates, commodity prices, counterparties, liquidity, and insurable risks are undertaken in a consolidated way at the corporate level. Market price risk is monitored and analyzed centrally in respect of the potential cash flow impact using a specific risk analysis model that considers portfolio effects. The impact of financial risks (e.g., market 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 comprised of senior management of the Business Segments and corporate functions. The Risk Committee is also responsible for reviewing the risk governance framework of the OMV Group and proposing changes to the OMV Executive Board.

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

In the Downstream business, OMV is especially exposed to volatile refining margins and inventory risks. In order to mitigate those risks, corresponding hedging activities are undertaken. Those include margin hedges as well as stock hedges. 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 expense from floating rate deposits and borrowings. Currently the effects of changes in interest rates are not considered to be a material risk.

Management of credit risk

The main 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 the OMV Group and OMV Petrom level.

Sustainability & HSSE (Health, Safety, Security, and Environment)

In the era of energy transition, the goal of OMV's business is to provide "oil & gas at its best". The growing demand for energy and accelerating climate change pose immense challenges for the energy sector. The key lies in finding the balance between climate protection efforts, affordable energy, and reliable supply. This means producing and using oil and gas as sensibly and responsibly as possible to safeguard the energy supply. We pledge to conduct our business responsibly by protecting the environment, aiming to be an employer of choice, and creating long-term value for our customers, shareholders, and society.

In line with the sustainable approach to the business, OMV has developed the Sustainability Strategy 2025 as an integral part of OMV's Corporate Strategy 2025. The Strategy includes 15 measurable targets set in the five focus areas: Health, Safety, Security, and Environment (HSSE), Carbon Efficiency, Innovation, Employees, as well as Business Principles and Social Responsibility. For a lower-carbon future OMV will invest up to EUR 500 mn by 2025 in innovative energy solutions such as ReOil® and Co-Processing and will implement carbon efficiency measures.

To achieve this vision, the OMV Group's HSSE Strategy 2020/2025 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 competent people, as well as subject matter goals in the areas of: Health, Safety, Security and Environment.

In 2018, the combined Lost-Time Injury Rate (LTIR) for OMV employees and contractors was 0.30 (2017: 0.34), and our combined Total Recordable Injury Rate (TRIR) was 0.78 (2017: 0.79).

OMV is strongly committed to acting on climate change mitigation and responsible resource management and has accordingly set targets to manage and reduce the carbon footprint of its operations and products. The principal targets are to reduce OMV's overall operations carbon intensity by 19% by 2025 and to reduce the product carbon intensity by 4% by 2025, both compared with 2010. This will be achieved by improving energy efficiency across all operations and implementing projects that reduce direct GHG emissions and by increasing the share of natural gas in our product portfolio.

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

Market environment

For the year 2019, OMV expects the average Brent oil price to be at USD 65/bbl (2018: USD 71/bbl). In 2019, average European gas spot prices are anticipated to be lower compared to 2018.

Group

In 2019, organic capital expenditure (including Capitalized exploration and appraisal expenditure and excluding acquisitions) is projected to come in at EUR 2.3 bn (2018: EUR 1.9 bn).

Upstream

OMV expects total production to be around 500 kboe/d in 2019 (2018: 427 kboe/d). The production at El Sharara in Libya is currently suspended. The field is expected to resume production as of March 2019, after which we assume a total contribution from Libya of 35 kboe/d (2018: 30 kboe/d) until year-end, depending on the security situation. The organic capital expenditure for Upstream (including capitalized exploration and appraisal expenditure and excluding acquisitions) is anticipated to come in at EUR 1.5 bn in 2019. In 2019, exploration and appraisal expenditure is expected to be at EUR 350 mn (2018: EUR 300 mn).

Downstream

In 2019, the refining indicator margin will be at the level of around USD 5/bbl (2018: USD 5.2/bbl). Petrochemical margins will be slightly lower than in 2018 (2018: EUR 448/t). The total refined product sales in 2019 are forecasted to be on similar level compared to 2018 (2018: 20.3 mn t). In OMV's markets, retail and commercial margins are predicted to be similar compared to those in 2018. There is no planned turnaround of the refineries in 2019. Therefore, the utilization rate of the refineries is expected to be higher than in 2018 (2018: 92%).

The natural gas sales volumes in 2019 are projected to be above to those in 2018 (2018: 114 TWh). Natural gas sales margins are forecasted to be lower in 2019 compared to 2018. Due to the divestment of the Samsun power plant in Turkey in Q3/18, the net electrical output in 2019 will be lower than in 2018 (2018: 5.1 TWh). The net electrical output of the Brazi power plant in Romania is expected to be above the level of 2018. OMV will continue to finance the Nord Stream 2 pipeline.

Vienna, March 13, 2019

The Executive Board

Rainer Seele m.p.
Chairman

Johann Pleininger m.p.
Deputy Chairman

Reinhard Florey m.p.

Manfred Leitner m.p.

Auditor's Report¹

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, 2018, 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, 2018 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 is sufficient and appropriate to provide a basis for our opinion.

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.

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 directors' report are identical with the German audited version; this audit opinion is only applicable to the German and complete financial statements with the directors' report; section 281 paragraph 2 UGB (Austrian Company Code) applies to alternated versions.

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 EUR 8,187 mn at December 31, 2018 after an impairment charge of EUR 704 mn in 2018. The carrying value of loans to affiliated companies amounted to EUR 6,008 mn.

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 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;
- ▶ Involvement of our valuation specialists to evaluate discount rates.

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.

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.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the directors'

report and the auditor's report thereon. The annual 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, as soon as it is available, and, in doing so, to consider whether – based on our knowledge obtained in the audit – the other information is materially inconsistent with the financial statements or otherwise appears to be materially misstated.

Additional information in accordance with Article 10 EU regulation

We were elected as auditor by the ordinary general meeting at May 22, 2018. We were appointed by the Supervisory Board on June 7, 2018. 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. Gerhard Schwartz, Certified Public Accountant.

Vienna, March 13, 2019

Ernst & Young

Wirtschaftsprüfungsgesellschaft m. b. H.

Gerhard Schwartz m.p.
Wirtschaftsprüfer/Certified Public Accountant

Alexander Wlasto m.p.
Wirtschaftsprüfer/Certified Public Accountant

Financial Statements

Balance sheet as of December 31, 2018

Assets

| | Note | in EUR | in EUR 1,000 |
|---|------|-----------------------|-------------------|
| | | 2018 | 2017 |
| A. Fixed assets | 1 | | |
| I. Intangible assets | | | |
| 1. Concessions, industrial property rights and similar rights and benefits and licenses derived therefrom | | 13,942,513 | — |
| II. Tangible assets | | | |
| 1. Land and buildings on third party land | | 2,405,589 | 722 |
| 2. Other fixtures and fittings, tools and equipment | | 8,113,914 | 498 |
| | | 10,519,503 | 1,220 |
| III. Financial assets | | | |
| 1. Shares in affiliated companies | | 8,187,092,386 | 8,390,756 |
| 2. Loans to affiliated companies | | 6,007,883,481 | 4,488,444 |
| 3. Participating interests | | 26,624,460 | 26,624 |
| 4. Securities (loan stock rights) held as fixed assets | | 4,506,435 | 4,506 |
| 5. Other loans | | 1,735,241 | 1,746 |
| | | 14,227,842,003 | 12,912,077 |
| | | 14,252,304,019 | 12,913,298 |
| B. Current assets | | | |
| I. Receivables and other assets | 2 | | |
| 1. Trade receivables | | 30,755 | 12 |
| thereof with a remaining maturity of more than one year | | — | — |
| 2. Receivables from affiliated companies | | 1,684,425,105 | 2,265,580 |
| thereof with a remaining maturity of more than one year | | — | — |
| 3. Receivables from companies in which the Company has a participating interest | | 4,719 | 11 |
| thereof with a remaining maturity of more than one year | | — | — |
| 4. Other receivables and assets | | 49,103,169 | 48,700 |
| thereof with a remaining maturity of more than one year | | — | 20,000 |
| | | 1,733,563,748 | 2,314,304 |
| II. Securities and interests | | | |
| 1. Other securities | | 183,264,914 | 227,615 |
| III. Cash on hand, checks, cash at banks | | | |
| | | 2,186,851,273 | 2,591,812 |
| | | 4,103,679,934 | 5,133,730 |
| C. Prepaid expenses and deferred charges | | | |
| D. Deferred tax assets | 3 | | |
| | | — | — |
| | | 18,383,313,719 | 18,071,117 |

Liabilities

| | Note | in EUR | in EUR 1,000 |
|--|------|-----------------------|-------------------|
| | | 2018 | 2017 |
| 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 | | (542,151) | (772) |
| | | 326,730,576 | 326,500 |
| II. Capital reserves | | | |
| 1. Appropriated reserve | | 1,739,256,045 | 1,731,920 |
| 2. Unappropriated reserve | | 333,728 | 334 |
| | | 1,739,589,773 | 1,732,253 |
| III. Capital reserve for share based payments | | 13,712,120 | 20,961 |
| IV. Revenues reserves | | | |
| 1. Unappropriated reserve | | 2,419,732,717 | 2,418,585 |
| 2. Reserve for treasury shares | | 542,151 | 772 |
| | | 2,420,274,868 | 2,419,357 |
| V. Unappropriated income | | 720,449,301 | 799,166 |
| thereof income brought forward | | 309,070,124 | 16,969 |
| | | 5,220,756,638 | 5,298,238 |
| B. Provisions | 5 | | |
| 1. Provisions for severance payments | | 13,974,549 | 7,641 |
| 2. Provisions for pensions | | 53,047,219 | 17,059 |
| 3. Provisions for taxes | | 318,719,488 | 385,345 |
| 4. Other provisions | | 49,925,482 | 50,265 |
| | | 435,666,738 | 460,310 |
| C. Liabilities | 6 | | |
| 1. Bonds | | 7,000,000,000 | 7,000,000 |
| thereof with a remaining maturity of less than one year | | 500,000,000 | 750,000 |
| thereof with a remaining maturity of more than one year | | 6,500,000,000 | 6,250,000 |
| 2. Amounts due to banks | | 480,973,103 | 461,160 |
| thereof with a remaining maturity of less than one year | | 98,606,633 | 56,026 |
| thereof with a remaining maturity of more than one year | | 382,366,470 | 405,133 |
| 3. Trade payables | | 26,767,988 | 9,886 |
| thereof with a remaining maturity of less than one year | | 26,654,189 | 9,886 |
| thereof with a remaining maturity of more than one year | | 113,799 | — |
| 4. Payables to affiliated companies | | 4,940,200,263 | 4,595,920 |
| thereof with a remaining maturity of less than one year | | 4,940,200,263 | 4,595,920 |
| thereof with a remaining maturity of more than one year | | — | — |
| 5. Payables to companies in which the Company has a participating interest | | 9,022 | — |
| thereof with a remaining maturity of less than one year | | 9,022 | — |
| thereof with a remaining maturity of more than one year | | — | — |
| 6. Other liabilities | | 278,939,968 | 245,602 |
| thereof with a remaining maturity of less than one year | | 236,459,272 | 239,163 |
| thereof with a remaining maturity of more than one year | | 42,480,696 | 6,439 |
| thereof taxes | | 173,964,403 | 155,501 |
| thereof with a remaining maturity of less than one year | | 173,964,403 | 155,501 |
| thereof with a remaining maturity of more than one year | | — | — |
| thereof social security payables | | 1,244,625 | 733 |
| thereof with a remaining maturity of less than one year | | 1,244,625 | 733 |
| thereof with a remaining maturity of more than one year | | — | — |
| thereof with a remaining maturity of less than one year | | 5,801,929,379 | 5,650,995 |
| thereof with a remaining maturity of more than one year | | 6,924,960,965 | 6,661,573 |
| | | 12,726,890,343 | 12,312,568 |
| | | 18,383,313,719 | 18,071,117 |

Income statement

Income statement

| | Note | in EUR | in EUR 1,000 |
|---|------|----------------------|--------------------|
| | | 2018 | 2017 |
| 1. Sales | 7 | 213,495,146 | 129,005 |
| 2. Other operating income | 8 | — | 29 |
| a) Income from the disposal of fixed assets | | 3,338,312 | 19,068 |
| b) Income from the reversal of provisions | | 893,092 | 1,224 |
| c) Other | | 4,231,405 | 20,321 |
| 3. Expenses for materials and purchased services | 9 | (485,847) | (167) |
| a) Expenses for materials | | (42,335,868) | (6,120) |
| b) Expenses for purchased services | | (42,821,715) | (6,287) |
| 4. Personnel expenses | 10 | (85,871,879) | (90,069) |
| a) Salaries | | (68,090,912) | (20,453) |
| b) Social benefits | | (47,569,735) | (8,345) |
| thereof expenses for pensions | | (3,259,654) | (1,930) |
| aa) thereof expenses for severance payments and contributions to staff provision funds | | (16,630,692) | (9,778) |
| bb) thereof expenses for statutory social security, payroll-related taxes and mandatory contributions | | (153,962,791) | (110,522) |
| 5. Depreciation and amortization | | (8,252,590) | (118) |
| a) of fixed intangible and tangible assets | | (768,009) | (1,386) |
| 6. Other operating expenses | 11 | (82,762,820) | (74,084) |
| a) thereof taxes not included in Taxes on income | | (83,530,828) | (75,470) |
| 7. Subtotal of items 1 to 6 (Operating Result) | | (70,841,372) | (43,072) |
| 8. Income from investments | | 1,450,340,016 | 1,990,160 |
| thereof affiliated companies | | 1,411,370,510 | 1,961,171 |
| 9. Income from loans held as financial assets | | 130,596,787 | 75,773 |
| thereof affiliated companies | | 130,591,987 | 75,765 |
| 10. Other interest and similar income | | 266,731,380 | 115,560 |
| thereof affiliated companies | | 38,349,139 | 88,781 |
| 11. Income from the disposal and write-up of financial assets | | 5,964,583 | 21,110 |
| thereof write-up | | 5,964,583 | — |
| 12. Expenses arising from financial assets | | (842,956,341) | (1,008,990) |
| thereof impairments | | (705,448,635) | (1,008,990) |
| thereof affiliated companies | | (842,956,341) | (1,008,990) |
| 13. Interest and similar expenses | | (507,815,901) | (355,610) |
| thereof concerning affiliated companies | | (71,573,551) | (20,856) |
| 14. Subtotal of items 8 to 13 (Financial result) | 12 | 502,860,524 | 838,002 |
| 15. Profit before taxation (subtotal of lines 7 and 14) | | 432,019,152 | 794,930 |
| 16. Taxes on income | 13 | (20,639,975) | (12,733) |
| thereof deferred taxes | | (5,562,655) | 164 |
| 17. Profit after taxation | | 411,379,176 | 782,197 |
| 18. Release of capital reserves | | 184,789 | — |
| 19. Appropriation to revenue reserves | | (184,789) | — |
| 20. Income brought forward from previous years | | 309,070,124 | 16,969 |
| 21. Unappropriated retained income | | 720,449,301 | 799,166 |

Notes

The accounts of **OMV Aktiengesellschaft**, Vienna, as of December 31, 2018 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.

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.

Due to the fact, that OMV Aktiengesellschaft has taken over the operating business activities from OMV Solutions GmbH as of 1.1.2018 some of items stated in the balance sheet and income statement are only partially comparable to the previous year.

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 400 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. 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 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. OMV Aktiengesellschaft retains the profits and losses of most of its domestic subsidiaries on the basis of profit and loss pooling agreements. With 20 companies, OMV Aktiengesellschaft has a tax pooling agreement based on the liability method. 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).

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 have been granted to the Executive Board and selected senior executives in the Group yearly. At vesting date, bonus shares will be granted to the participants. The number of bonus shares is determined depending on the achievement of defined performance targets. Disbursement is made in cash or in shares. From 2011 till 2015, participation to the plan also was granted to selected employees with outstanding development potential (potentials). Executive Board members and senior executives as 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. The shareholding requirement is defined as a percentage of the annual gross base salary, for Executive Board members the requirement needs to be fulfilled 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. A discount rate of 3.5% was used for the provision calculations.

Main conditions

| | 2018 plan | 2017 plan | 2016 plan | 2015 plan |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| Start of plan | 1/1/2018 | 1/1/2017 | 1/1/2016 | 1/1/2015 |
| End of performance period | 12/31/2020 | 12/31/2019 | 12/31/2018 | 12/31/2017 |
| Vesting date | 3/31/2021 | 3/31/2020 | 3/31/2019 | 3/31/2018 |
| Shareholding requirement | | | | |
| Executive Board Chairman | 200% of gross base salary | 200% of gross base salary | 200% of gross base salary | 200% of gross base salary |
| Executive Board Deputy Chairman | 175% of gross base salary | 175% of gross base salary | 175% of gross base salary | 175% of gross base salary |
| Executive Board members | 150% of gross base salary | 150% of gross base salary | 150% of gross base salary | 150% of gross base salary |
| Senior executives | 75% of gross base salary | 75% of gross base salary | 75% of gross base salary | 75% of gross base salary |
| Expected bonus shares as of December 31, 2018 (OMV Group) | 180,687 shares | 392,978 shares | 733,322 shares | — |
| Maximum bonus shares as of December 31, 2018 (OMV Group) | 273,302 shares | 420,518 shares | 869,228 shares | — |
| Fair value of plan (in EUR 1,000) as of December 31, 2018 | 7,188 | 15,876 | 30,198 | — |
| Provision (in EUR 1,000) as of December 31, 2018 | 1,030 | 3,911 | 9,671 | — |
| Estimated tax payments related to equity settled transactions (in EUR 1,000) ¹ | 133 | 912 | 2,815 | — |

¹ This position includes estimated tax obligations of participants of the plan associated with equity settled transactions of the whole plan. This amount is paid by OMV in cash to the tax authority on behalf of participants after vesting date.

The following table refers to OMV Group:

Personal investment held in shares

| | 12/31/2018 | 12/31/2017 | 12/31/2016 | 12/31/2015 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Active executive Board members | | | | |
| Seele | 70,890 shares | 48,435 shares | 38,038 shares | 32,200 shares |
| Florey | 13,401 shares | 8,335 shares | — | — |
| Pleininger ¹ | 28,511 shares | 19,333 shares | 12,979 shares | 8,462 shares |
| Leitner | 65,245 shares | 59,335 shares | 51,249 shares | 37,163 shares |
| Former executive Board members² | | | | |
| Davies | — | — | — | 54,626 shares |
| Floren | — | — | — | 31,929 shares |
| Huijskes | — | — | — | 38,419 shares |
| Roiss | — | — | 81,831 shares | 80,600 shares |
| Total – Executive Board | 178,047 shares | 135,438 shares | 184,097 shares | 283,399 shares |
| Other senior executives ² | 299,997 shares | 256,202 shares | 317,840 shares | 287,397 shares |
| Total personal investment | 478,044 shares | 391,640 shares | 501,937 shares | 570,796 shares |

¹ Johann Pleininger also takes part in the 2013 to 2015 plans in his position as senior executive.

² Personal investment of former executive Board members and other senior executives are only included if shares are held in the OMV trustee deposit.

Equity Deferral

The Equity Deferral (equity part of the Annual Bonus, previously OMV Share Part of the Annual Bonus) serves as a long-term compensation vehicle 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 plan also seeks to prevent inadequate risk-taking.

The Annual Bonus is capped at 180% of the target Annual Bonus (until 2017: 200% of the annual gross salary). One third of the Annual Bonus (until 2017: 50% of the granted 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). In case of major changes in external factors the Supervisory Board can adjust the target levels of the performance criteria of the Annual Bonus. The granted shares after deduction of taxes are transferred to a trustee deposit, managed by the Company, to be held for three years.

Total expense

In 2018 expenses related to share based payment transactions were as follows.

Expenses related to share base payment transactions

In EUR 1,000

Total expenses arising from share based payment transactions

thereof cash settled

thereof equity settled

| | 2018 | 2017 |
|--------------|---------------|------|
| 6,740 | 35,917 | |
| 3,874 | 26,280 | |
| 2,866 | 9,637 | |

Notes to the balance sheet

1 Fixed assets

Movements in fixed assets in 2018 are shown in the statement of fixed assets. The Land and buildings item includes land valued at EUR 722 thousand (2017: EUR 722 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

| | 2018 | 2017 |
|---------------------------------|-------|-------|
| Maturing in one year | 2,830 | 446 |
| Maturing in the next five years | 9,882 | 1,012 |

Loans with maturities of up to one year amounted to EUR 192.069 thousand (2017: EUR 32.563 thousand).

Loans

In EUR 1,000

| | 2018 | 2017 |
|--|------------------|------------------|
| Domestic | | |
| OMV Exploration & Production GmbH | 4,120,000 | 3,250,000 |
| OMV Finance Services GmbH | 389,863 | 90,264 |
| OMV Austria Exploration & Production GmbH | 332,000 | 399,000 |
| OMV Gas & Power GmbH | 300,000 | 450,000 |
| OMV Refining & Marketing GmbH | 300,000 | — |
| GAS CONNECT AUSTRIA GmbH | 153,000 | 153,000 |
| OMV (Tunesien) Production GmbH | 115,855 | 130,208 |
| OMV Hungária Ásványolaj Korlátolt Felelősségi Társaság | 31,155 | 15,972 |
| BSP Bratislava-Schwechat Pipeline GmbH | 1,646 | 1,646 |
| EGW Heimstätte GmbH | 89 | 99 |
| Foreign | | |
| OMV New Zealand Ltd | 263,837 | — |
| OMV Gas Marketing & Trading Hungaria Kft | 2,174 | — |
| Total | 6,009,619 | 4,490,190 |

During the reporting period, OMV Aktiengesellschaft granted loans to following companies: To OMV Exploration & Production GmbH an additional loan of EUR 870,000 thousand and to OMV Hungária Ásványolaj Korlátolt Felelősségi Társaság additional HUF 5,000,000 thousand. OMV (Tunesien) Production GmbH received a further loan of USD 20,000 thousand and repaid USD 41,556 thousand. OMV Finance Services GmbH received EUR 299,599 thousand, OMV Refining & Marketing GmbH EUR 300.000 thousand,

OMV Gas Marketing & Trading Hungaria Kft. HUF 700.000 thousand and OMV New Zealand Limited NZD 450.000. thousand. OMV Austria Exploration & Production paid off EUR 67,000 thousand and OMV Gas & Power GmbH EUR 150,000 thousand.

In 2018, an equity injection was granted to OMV Exploration & Production GmbH in the amount of EUR 500,000 thousand and to OMV Switzerland Holding AG (via OMV Gas & Power GmbH) in the amount of EUR 200 thousand.

2 Accounts receivable and other assets

Accounts receivable and other assets

In EUR 1,000

| | 2018 | | 2017 | |
|---------------------------------------|------------------|----------|------------------|---------------|
| | ≤1 year | >1 year | ≤1 year | >1 year |
| Trade Receivables | 31 | — | 12 | — |
| Receivables from affiliated companies | 1,684,425 | — | 2,265,580 | — |
| thereof trade | 22,354 | — | 24,863 | — |
| thereof financing | 62,758 | — | 24,238 | — |
| thereof profit pooling | 1,267,895 | — | 1,852,999 | — |
| thereof other | 331,418 | — | 363,480 | — |
| Receivables from associated companies | 5 | — | 11 | — |
| thereof trade | 5 | — | 11 | — |
| Other receivables and assets | 49,103 | — | 28,700 | 20,000 |
| Total | 1,733,564 | — | 2,294,304 | 20,000 |

Other receivables include EUR 47,057 thousand from previous year's sale of OMV Petrol Ofisi Holding Anonim Şirketi, which contains a deferred purchase price component of EUR 20,000 thousand, as well as EUR 1,661 thousand (2017: EUR 1,348 thousand) in corporate tax prepayments.

The Other receivables and assets item includes material income due after balance sheet date. The most important amounts comprise revenues from sales of investments in 2017 of EUR 47,057 thousand (2017: EUR 47,057 thousand).

3 Deferred tax assets

Deferred taxes essentially result from different valuation rules, distribution standards and depreciation methods. Due to insufficient taxable profits in future, no deferred tax income was recognized in the reporting period. The fiscal option to recognize deferred tax

assets relating to loss carryforwards is exercised, however, due to insufficient taxable profits in future, no deferred tax asset relating to loss carryforwards was recognized in the reporting period.

4 Stockholders' equity

The **capital stock** of OMV Aktiengesellschaft consists of 327,272,727 (2017: 327,272,727) fully paid no par value shares with a total nominal value of EUR 327,272,727 (2017: 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 2018, with the exception of treasury shares held by OMV Aktiengesellschaft.

As the authorized capital granted by the Annual General Meeting on May 13, 2009 expired on May 13, 2014, the Annual General Meeting decided upon a new authorized capital on May 14, 2014. Specifically, it authorized the Executive Board until May 14, 2019 to increase the share capital 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 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 options or long term incentive plans (including matching share plans 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) 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 May 18, 2016, the Annual General Meeting authorized the Executive Board for a period of five years from the adoption of the resolution, therefore, until (including) May 17, 2021, upon approval of the Supervisory Board, to dispose of or utilize stock repurchased or already held by the Company to grant treasury shares to employees, senior employees

and/or members of the Executive Board/management boards of the Company or one of its affiliates including for purposes of share transfer programs, in particular long term incentive plans including matching share plans or other stock ownership plans, under exclusion of the general purchasing possibility 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 1a ACC. 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, 2017 | 824,369 | 9,056 |
| Disposals | (52,139) | (572) |
| December 31, 2017 | 772,230 | 8,485 |
| Disposals | (230,079) | (2,525) |
| December 31, 2018 | 542,151 | 5,960 |

The **number of shares in issue** developed as follows:

Number of shares in issue

| | Number of shares | Treasury shares | Shares in issue |
|------------------------------------|--------------------|-----------------|--------------------|
| January 1, 2017 | 327,272,727 | 824,369 | 326,448,358 |
| Used for share-based compensations | — | (52,139) | 52,139 |
| December 31, 2017 | 327,272,727 | 772,230 | 326,500,497 |
| Used for share-based compensations | — | (230,079) | 230,079 |
| December 31, 2018 | 327,272,727 | 542,151 | 326,730,576 |

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

| | 2018 | | | 2017 | | |
|---|---------------|--------------------|------------------|---------------|--------------------|------------------|
| | Pensions | Severance payments | Jubilee payments | Pensions | Severance payments | Jubilee payments |
| Present value of funded obligations | 102,788 | — | — | 47,081 | — | — |
| Market value of plan assets | (49,741) | — | — | (30,022) | — | — |
| Provision for funded obligations | 53,047 | — | — | 17,059 | — | — |
| Present value of unfunded obligations | — | 13,975 | 4,312 | — | 7,641 | 2,026 |
| Provision for unfunded obligations | — | 13,975 | 4,312 | — | 7,641 | 2,026 |
| Provision as of January 1 | 17,059 | 7,641 | 2,066 | 12,949 | 7,879 | 2,026 |
| Expense for the year | 23,010 | 1,845 | 654 | 4,138 | 900 | 251 |
| Payments to funds | — | — | — | (28) | — | — |
| Benefits paid | — | (1,301) | (264) | — | (526) | (93) |
| Group transfer | 12,978 | 5,790 | 1,856 | — | (611) | (118) |
| Provision as of December 31 | 53,047 | 13,975 | 4,312 | 17,059 | 7,641 | 2,066 |
| Interest cost | 2,380 | 315 | 105 | 1,397 | 206 | 58 |
| Current service cost | — | 548 | 247 | — | 342 | 141 |
| Expected return on plan assets | (1,923) | — | — | (891) | — | — |
| Recognized actuarial (gains)/losses | 22,553 | 982 | 302 | 3,632 | 352 | 52 |
| Expenses of defined benefit plans for the year | 23,010 | 1,845 | 654 | 4,138 | 900 | 251 |

Underlying assumptions for calculating pension expenses and expected defined benefit entitlements as of December 31:

Assumptions for calculation

| | 2018 | | | 2017 | | |
|---|----------|-----------|----------|----------|-----------|----------|
| | Pensions | Severance | Jubilees | Pensions | Severance | Jubilees |
| Capital market interest rate | 2.10% | 1.70% | 2.00% | 2.80% | 2.30% | 2.60% |
| Future increases in salaries | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Future increases in pensions | 2.00% | — | — | 1.80% | — | — |
| Long-term rate of return on plan assets | 3.50% | — | — | 3.50% | — | — |

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. The effects of this year's change in the biometric actuarial basis (conversion from AVÖ 2008 to AVÖ 2018) were recorded in full in the 2018 period expense and are included in the table above in the recognized actuarial gains/losses. Essentially, this led to an increase in pension provisions of EUR 5,532 thousand.

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

| Asset category | 2018 | | 2017 | |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|
| | VRG IV Austria | VRG VI Austria | VRG IV Austria | VRG VI Austria |
| Equity securities | 22.14% | 21.81% | 23.75% | 24.10% |
| Debt securities | 62.21% | 62.48% | 61.03% | 60.42% |
| Cash and money market investments | 6.76% | 6.70% | 7.55% | 7.68% |
| Other | 8.89% | 9.01% | 7.67% | 7.80% |
| 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 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. A smaller 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.

The actual returns of the individual VRGs can deviate from the target returns on the plan assets, due to differences in the allocation, the developments of the capital markets and costs. The performance of the VRG IV in 2018 was -5.1% and the performance of the VRG VI was -4.6%.

In 2019, defined benefit related contributions for 2018 to APK-Pensionskasse AG of EUR 49,500 thousand (2017: TEUR 5,750 thousand) are planned.

Other provisions largely consist of the following:

Other provisions

In EUR 1,000

Personnel provisions
Sundry provisions
Total

| | 2018 | 2017 |
|----------------------|---------------|---------------|
| Personnel provisions | 38,608 | 49,650 |
| Sundry provisions | 11,317 | 615 |
| Total | 49,925 | 50,265 |

Personnel provisions include a provision for the Long Term Incentive Plan amounting to EUR 14,612 thousand (2017: EUR 33,151 thousand). Provisions with a residual term of more than one year were discounted at an interest rate of 3.5%.

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 28,274 thousand (2017: EUR 28,274 thousand) as well as a provision for future tax contribution liabilities arising from the transfer of losses incurred by domestic tax group members in the amount of EUR 290,445 thousand (2017: 357,071 thousand).

6 Liabilities

Liabilities

In EUR 1,000

| | 2018 | | 2017 | |
|-------------------------------------|------------------|------------------|------------------|------------------|
| | ≤1 year | >1 year | ≤1 year | >1 year |
| Bonds | 500,000 | 6,500,000 | 750,000 | 6,250,000 |
| Amounts due to banks | 98,607 | 382,366 | 56,026 | 405,133 |
| Accounts payable from trade | 26,654 | 114 | 9,886 | — |
| Accounts payable to affiliates | 4,940,200 | — | 4,595,920 | — |
| thereof trade | 5,636 | — | 1,847 | — |
| thereof financing | 3,410,338 | — | 3,462,526 | — |
| thereof clearing | 1,143,795 | — | 904,747 | — |
| thereof profit pooling | 137,508 | — | — | — |
| thereof other | 242,923 | — | 226,799 | — |
| Liabilities to associated companies | 9 | — | — | — |
| Other liabilities | 236,459 | 42,481 | 239,163 | 6,439 |
| thereof taxes | 173,964 | — | 155,501 | — |
| thereof social security expenses | 1,245 | — | 733 | — |
| Total | 5,801,929 | 6,924,961 | 5,650,995 | 6,661,573 |

In 2018, OMV Aktiengesellschaft issued an additional Eurobond with an aggregate size of EUR 1,000,000 thousand, in two tranches of EUR 500,000 thousand each.

On June 19, 2018, OMV issued another 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.

The EUR 750,000 thousand hybrid bond, which was issued in 2011, was called and redeemed at its nominal value plus interest on April 26, 2018, the first possible call date. In November 2018, a bond with the nominal value of EUR 750,000 thousand, issued in 2014, was redeemed.

On December 7, 2015, OMV issued additional hybrid notes with an aggregate size of EUR 1.5 bn, in two tranches of EUR 750,000 thousand each. Tranche 1 bears a fixed interest coupon of 5.250% until, but excluding, December 9, 2021 and tranche 2 bears a fixed interest coupon of 6.250% until, but excluding, December 9, 2025.

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 | Repayment |
|------------------------------|--------------------------|--------------|------------|
| International corporate bond | EUR 500,000,000 | 1.75% fixed | 11/25/2019 |
| | EUR 500,000,000 | 4.375% fixed | 02/10/2020 |
| | EUR 500,000,000 | 4.25% fixed | 10/12/2021 |
| | EUR 750,000,000 | 2.625% fixed | 09/27/2022 |
| | EUR 500,000,000 | 0.75% fixed | 12/04/2023 |
| | EUR 1,000,000,000 | 1.0% fixed | 12/14/2026 |
| | EUR 750,000,000 | 3.5% fixed | 09/27/2027 |
| | EUR 500,000,000 | 1.875% fixed | 12/04/2028 |
| Hybrid bond | EUR 750,000,000 | | |
| | EUR 750,000,000 | | |
| | EUR 500,000,000 | | |
| Total | EUR 7,000,000,000 | | |

Other liabilities include interest expenses for bonds of EUR 51,817 thousand (2017: EUR 78,296 thousand) and personnel reduction expenses of EUR 48,862 thousand (2017: EUR 8,354 thousand). EUR 27,345 thousand of the latter come from the takeover of operational business activities from OMV Solutions GmbH. These items become 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 4,250,000 thousand (2017: EUR 4,000,000 thousand) and liabilities for personnel reduction plans amounting to EUR 18,734 thousand (2017: EUR 1,712 thousand).

Notes to the income statement

7 Sales

Sales

In EUR 1,000

| | |
|--------------|--|
| Domestic | |
| Foreign | |
| Total | |

| | 2018 | 2017 |
|----------------|----------------|------|
| 181,357 | 114,964 | |
| 32,138 | 14,041 | |
| 213,495 | 129,005 | |

The sales consist both of corporate service charges paid by Group companies and of revenues generated by operational activities performed for Group companies. The increase in sales revenues is related to the operational business activities taken over

from OMV Solutions GmbH as of 1.1.2018. Since then, OMV Aktiengesellschaft has been providing services to other Group companies in the areas of IT, Finance, Human Resources, Facility Management and Occupational Health.

8 Other operating income

Other operating income

In EUR 1,000

| | |
|--|--|
| Income from the disposal of fixed assets other than financial assets | |
| Income from the reversal of provisions | |
| Other | |
| Total | |

| | 2018 | 2017 |
|--------------|---------------|------|
| — | 29 | |
| 3,338 | 19,068 | |
| 893 | 1,224 | |
| 4,231 | 20,321 | |

Other operating income mainly include income from the reversal of the provision for personnel in the amount of EUR 3,338 thousand (2017: EUR nil)

In 2017 the position contained the theoretical withdrawal premium for a reinsurance relation in the amount of EUR 19,068 thousand.

9 Expenses for materials and purchased services

Expenses for materials and purchased services

In EUR 1,000

| | |
|----------------------------|--|
| Cost of materials | |
| Cost of purchased services | |
| Total | |

| | 2018 | 2017 |
|---------------|--------------|------|
| 486 | 167 | |
| 42,336 | 6,120 | |
| 42,822 | 6,287 | |

The expenses for purchased services mainly include services provided by third parties for ongoing activities amounting to EUR 16,170 thousand (2017: 3,574 thousand) and other services provided by OMV

Petrom Global Solutions SRL amounting to EUR 15,320 thousand (2017: EUR nil). External software services in the amount of EUR 8,241 (2017: EUR 829 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 base 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 594 thousand (2017: EUR 193 thousand).

Expenses for severance payments, payments to occupational pension funds and expenses for pensions

In EUR 1,000

| | 2018 | 2017 |
|--|---------------|---------------|
| Expenses for severance payments | 2,225 | 1,253 |
| Payments to employee benefit funds | 1,034 | 677 |
| Defined contribution personnel expense | 4,153 | 2,659 |
| Defined benefit personnel expense | 43,417 | 5,686 |
| Total | 50,829 | 10,275 |

Expenses for personnel reduction programs are included in the position Expenses for severance payments amounting to EUR 695 thousand (2017: EUR 559) as well as in the position Defined benefit personnel expense amounting to EUR 20,683 thousand (2017: EUR 1,865 thousand).

The breakdown of expenses for severance payments and pensions is as follows:

Expenses for severance payments and pensions

In EUR 1,000

| | 2018 | | 2017 | |
|---|-----------|----------|-----------|----------|
| | Severance | Pensions | Severance | Pensions |
| Current and former members of Executive Board | 188 | 813 | 112 | 694 |
| Senior executives | 281 | 1,108 | 344 | 622 |
| Other employees | 1,808 | 23,096 | 1,122 | 3,397 |
| Actuarial (gains) and losses | 982 | 22,553 | 352 | 3,632 |

11 Other operating expenses

Other operating expenses

In EUR 1,000

| | 2018 | 2017 |
|---|---------------|---------------|
| Taxes not shown under item 17 (Taxes on income) | 768 | 1,386 |
| Other | 82,763 | 74,084 |
| Total | 83,531 | 75,470 |

The tax item largely concerns fees paid to Austrian Financial Market Authority. Other expenses include: EUR 16,586 thousand in services delivered by OMV Group companies (2017: EUR 18,057 thousand), EUR 12,131 thousand in advertising expenditure (2017: EUR 6,704 thousand), EUR 31,183 thousand in legal and consultancy fees (2017: EUR 35,185

thousand), EUR 3,160 thousand in various third-party services (2017: EUR 3,386 thousand), EUR 2,154 thousand insurance expense (2017: EUR 2,239 thousand), EUR 5,142 thousand in communication expenses (EUR nil) and EUR 2,818 thousand in maintenance (2017: EUR 366 thousand).

12 Financial income and expenses

Income from investments amounting to EUR 1,450,340 thousand (2017: EUR 1,990,160 thousand) includes EUR 1,267,895 thousand (2017: EUR 1,852,999 thousand) from profit-pooling arrangements, EUR 143,476 thousand in dividends from affiliated companies (2017: EUR 108,172 thousand) and EUR 38,970 thousand (2017: EUR 28,988 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 Refining & Marketing GmbH, OMV Insurance Broker GmbH and OMV Gas & Power GmbH.

Income from financial assets includes a write-up to financial assets amounting to EUR 5,965 thousand (2017: EUR nil). In 2018, there were no gains from the disposal of affiliated companies (2017: EUR 52 thousand). A gain amounting to EUR 21,057 thousand resulting from the assumption of shares in Dynamic Insurance Ltd. at their fair value was included in this item in 2017 as well.

The expenses arising from financial assets include EUR 137,508 thousand (2017: EUR nil) in expenses arising from profit pooling agreements, a EUR 700,000 thousand distribution-related impairment of the participation value of OMV Solutions GmbH (2017: EUR 1,000,000) and an impairment loss related to OMV AUSTRALIA PTY LTD in the amount of EUR 3,864 thousand (2017: EUR nil).

13 Taxes on income

Taxes on income

In EUR 1,000

Current taxes

Deferred taxes

Total

| | 2018 | 2017 |
|----------------|---------------|---------------|
| Current taxes | 15,077 | 12,897 |
| Deferred taxes | 5,563 | (164) |
| Total | 20,640 | 12,733 |

Current taxes comprise EUR 3,859 thousand tax income from previous years (2017: EUR 11,641 thousand) and EUR 18,937 thousand corporate tax expense (2017: EUR 24,538 thousand) attributable to the top-tier corporation in consequence of the formation of a tax group under section 9 Corporate Tax Act, after the tax contributions charged. Tax income from prior years' income includes corporate tax income of EUR nil (2017: corporate tax income of EUR 10,506 thousand) due to the change in the corporate tax provision for the retroactive taxation of tax

losses declared by foreign tax group members. Tax expense from current year includes a release of provision of EUR 66,626 thousand (2017: EUR 4,511 thousand) recognized for future tax contribution liabilities arising from the transfer of losses incurred by domestic tax group members.

The reported deferred tax expense amounting to EUR 5,563 thousand (2017: deferred tax income EUR 164 thousand) resulted from the valuation allowance of neutral adjustments.

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 transferred them to Group companies. As of December 31, 2018, the main exposures were related to the EUR-USD, EUR-GBP as well as the EUR-HUF exchange rates. Foreign currency transactions are used to hedge the period until December 2020.

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

| Currency forwards | 2018 | | | | 2017 | | | |
|----------------------|-------------------|------------|----------|-------------------|-------------------|----------|-------------------|---|
| | Notional value | Fair value | | Carrying value | Fair value | | Carrying value | |
| | | positive | negative | | Notional value | positive | negative | |
| Currency forwards | 1,359,876 | 16,785 | (16,726) | — | 622,916 | 3,351 | (3,325) | — |

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 "impairment realization principle" in the amount of EUR 16,726 thousand (2017: EUR 3,325 thousand).

For a M&A Transaction the EURUSD exchange risk was hedged via an option. OMV Aktiengesellschaft bought an EUR Put / USD Call Option for a group company with a strike of EURUSD 1.135, value date January 30, 2019, to protect the hedged amount of USD 270 mn against a stronger USD. The option premium of EUR 2,440 thousand has been charged to the group company.

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

| | 2018 | | | 2017 | | |
|-----------------|----------------|------------|----------------|----------------|------------|----------------|
| | Notional value | Fair value | Carrying value | Notional value | Fair value | Carrying value |
| FX Swap EUR-NZD | 263,973 | 1,052 | — | — | — | — |
| FX Swap EUR-NOK | 656,272 | (5,343) | (5,343) | — | — | — |
| FX Swap EUR-RUB | 109,501 | (5,463) | (5,463) | — | — | — |
| FX Swap EUR-USD | 65,407 | 95 | — | 167,572 | (808) | — |

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 finan-

cial 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

| | 2018 | 2017 |
|--------------------|------------|------------|
| Salaried employees | 623 | 379 |
| Total | 623 | 379 |

The number of employees increased due to the takeover of operational business activities from OMV Solutions GmbH.

The **remuneration received** by the Executive Board was made up as follows:

Remuneration received by the Executive Board

In EUR 1,000

| | 2018 | | | | | | | | |
|--|---|------------------|-----------------|--------------|---------------------|---------------------------------------|-----------------------|--------------------|---------------|
| | active members of the Executive Board as of December 31, 2018 | | | | | former members of the Executive Board | | | |
| | Seele | Pleininger | Florey | Leitner | Davies ⁶ | Floren ⁷ | Huijskes ⁸ | Roiss ⁹ | Total |
| Short term benefits | 2,013 | 1,338 | 1,351 | 1,413 | 150 | — | — | — | 6,264 |
| Fixed (base salary) | 1,100 | 750 | 700 | 700 | — | — | — | — | 3,250 |
| Variable (cash bonus) ¹ | 900 | 575 | 600 | 700 | 150 | — | — | — | 2,925 |
| Benefits in kind | 13 | 13 | 51 ⁵ | 13 | — | — | — | — | 89 |
| Post employment benefits | 275 | 188 | 175 | 175 | — | — | — | — | 813 |
| Pension fund contributions | 275 | 188 | 175 | 175 | — | — | — | — | 813 |
| Share based benefits ¹ | 2,348 | 960 | 531 | 2,343 | 2,586 | 1,478 | 1,776 | 3,300 | 15,322 |
| Variable (Equity Deferral 2017) ² | 796 | 509 | 531 | 619 | 132 | — | — | — | 2,587 |
| Variable (LTIP) ³ | 1,552 ³ | 452 ⁴ | — | 1,724 | 2,453 | 1,478 | 1,776 | 3,300 | 12,735 |
| Total | 4,636 | 2,485 | 2,057 | 3,931 | 2,735 | 1,478 | 1,776 | 3,300 | 22,399 |

¹ The variable components relate to target achievement in 2017, for which bonuses were paid in 2018.

² The Equity Deferral from the Annual Bonus was renamed from "Share part of the Annual Bonus" at the grant date.

³ Rainer Seele received pro-rated payout in shares before taxes for LTIP 2015 as he joined the Executive Board effectively July 1, 2015.

⁴ Johann Pleininger received pro-rated payout in shares before taxes and in addition cash payment amounting to EUR 516 thousand based on the senior manager LTIP 2015.

⁵ Including schooling costs, moving costs and related taxes.

⁶ David C. Davies resigned from the Executive Board effectively July 31, 2016.

⁷ Hans-Peter Floren resigned from the Executive Board effectively December 31, 2014.

⁸ Jaap Huijskes resigned from the Executive Board effectively August 31, 2015.

⁹ Gerhard Roiss resigned from the Executive Board effectively June 30, 2015.

Remuneration received by the Executive Board

In EUR 1,000

| | 2017 | | | | | | | | |
|--------------------------------------|--|-----------------|----------------|--------------|--|---------------------|-----------------------|--------------------|---------------|
| | active members of the Executive Board as of December 31, 2017 | | | | former members of the Executive Board | | | | |
| | Seele | Florey | Pleininger | Leitner | Davies ^{3,4} | Floren ⁵ | Huijskes ⁶ | Roiss ⁷ | Total |
| Short term benefits | 1,651 | 902 | 1,038 | 1,287 | 821 | — | 149 | — | 5,848 |
| Fixed (base salary) | 900 | 600 | 575 | 700 | 221 | — | — | — | 2,996 |
| Variable (cash bonus) | 738 | 246 | 451 | 574 | 598 | — | 149 | — | 2,756 |
| Benefits in kind | 13 | 56 ¹ | 12 | 13 | 1 | — | — | — | 96 |
| Post employment benefits | 225 | 150 | 144 | 175 | 54 | — | — | — | 748 |
| Pension fund contributions | 225 | 150 | 144 | 175 | 54 | — | — | — | 748 |
| Share based payments | 852 | 284 | 521 | 732 | 807 | 83 | 270 | 177 | 3,726 |
| Variable (Matching Share Plan) | 852 | 284 | 521 | 663 | 691 | — | 172 | — | 3,182 |
| Variable (LTIP) | — | — | — ² | 69 | 116 | 83 | 98 | 177 | 543 |
| Total | 2,728 | 1,336 | 1,703 | 2,194 | 1,682 | 83 | 419 | 177 | 10,322 |

¹ Including schooling costs and related taxes² Johann Pleininger was entitled to EUR 42 thousand based on the senior manager LTIP 2014 (paid out in cash).³ David C. Davies resigned from the Executive Board effectively July 31, 2016.⁴ David C. Davies received payments under his employment contract in force until March 31, 2017 as well as bonus and LTIP payments in April 2017.⁵ Hans-Peter Floren resigned from the Executive Board effectively December 31, 2014.⁶ Jaap Huijskes resigned from the Executive Board effectively August 31, 2015.⁷ Gerhard Roiss resigned from the Executive Board effectively June 30, 2015.

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 2018 remuneration expenses for the Supervisory Board amounted to EUR 593 thousand (2017: EUR 705 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 and management services. Due to the transfer of operational business activities from OMV Solutions GmbH the company also provides operational services for the group.

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

Guarantees

thereof in favor of affiliated companies

| | 2018 | 2017 |
|--|-----------|-----------|
| | 2,198,986 | 2,117,551 |
| | 2,198,846 | 2,117,436 |

The change in contingent liabilities mainly resulted from the increase of guarantees issued for: OMV Gas Marketing & Trading GmbH by EUR 106,747 thousand, OMV Supply & Trading Limited by USD 98,191 thousand, OMV New Zealand Limited by XDR 38,360 thousand, OMV Gas Marketing Trading & Finance B.V. by EUR 22,015 thousand as well as OMV Refining & Marketing GmbH by EUR 39,360 thousand. Guarantees for OMV Deutschland GmbH were reduced by EUR 61,500 thousand, guarantees for OMV Samsun Elektrik Üretim Sanayi ve Ticaret A.Ş. in the amount of EUR 176,667 thousand were cancelled.

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.

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 for the financial year 2018 amounted to EUR 720,449 thousand (2017: EUR 799,166 thousand).

For 2018, the Executive Board of OMV Aktiengesellschaft proposes a dividend of EUR 1.75 (2017: EUR

1.50) per eligible share, which is subject to confirmation by the Annual General Meeting in 2019. The dividend for 2017 was paid in June 2018 and amounted to EUR 490,096 thousand (2017: EUR 391,800 thousand).

18 Report on payments to governments

The consolidated report on payments to governments is integrated in the Group's annual report and is available on OMV's website: www.omv.com > Investors > Publications.

19 Subsequent events

On January 27, 2019 OMV signed agreements for the purchase of a 15% share in ADNOC Refining. The estimated purchase price for OMV amounts to approximately USD 2.5 bn based on 2018 year-end net debt. The final purchase price is dependent on the net debt as of closing and certain working capital adjustments.

On January 31, 2019, OMV has bought a 50% stake of the issued share capital in Sapura OMV Upstream Sdn. Bhd. for an amount of USD 540 mn. In

addition, the parties agreed to an additional consideration of up to USD 85 mn based on certain conditions, mainly linked to the resource volume in Block 30, Mexico, at the time the final investment decision is taken. Both parties have also agreed to refinance the existing intercompany debt of USD 350 mn.

Direct Investments by OMV Aktiengesellschaft (interest of at least 20%)

Direct Investments

| | Currency | Equity as of 31 Dec. 2018 | Net income/ loss in 2018 | Equity interest in % |
|--|--------------|------------------------------|-----------------------------|-------------------------|
| Domestic | | | | |
| OMV Exploration & Production GmbH, Vienna ¹ | in EUR 1,000 | 2,256,647 | (254,304) | 100 |
| OMV Gas & Power GmbH, Vienna ¹ | in EUR 1,000 | 544,002 | (137,508) | 100 |
| OMV Insurance Broker GmbH, Vienna ¹ | in EUR 1,000 | 45 | 31 | 100 |
| OMV Refining & Marketing GmbH, Vienna ¹ | in EUR 1,000 | 1,303,646 | 554,720 | 100 |
| OMV Solutions GmbH, Vienna ¹ | in EUR 1,000 | 1,916,709 | 13,144 | 100 |
| Foreign | | | | |
| Diramic Insurance Limited, Gibraltar | in EUR 1,000 | 98,089 | 1,053 | 100 |
| OMV AUSTRALIA PTY LTD, Perth ¹ | in AUD 1,000 | (157,457) | (1,359) | 100 |
| OMV International Oil & Gas GmbH, Zug ² | in CHF 1,000 | 918 | 458 | 100 |
| OMV PETROM SA, Bucharest | in RON 1,000 | 30,313,550 | 3,891,810 | 51.01 |

¹ Tax group member under section 9 Corporate Tax Act

² Amounts as of 2017

Supervisory Board

Peter Löscher

Chairman

Gertrude Tumpel-Gugerell

Deputy

Alyazia Ali Al Kuwaiti

Deputy

Wolfgang C. Berndt

Helmut Draxler

Marc H. Hall

Mansour Mohamed Al Mulla

Karl Rose

Herbert Werner

Elif Bilgi Zapparoli

Delegated by the Works Council:

Angela Schorna

Christine Asperger

Herbert Lindner

Alfred Redlich

Gerhard Singer

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:

Löscher (Chairman), Tumpel-Gugerell (Deputy), Al Kuwaiti (Deputy), Al Mulla, Asperger, Redlich

Audit Committee:

Tumpel-Gugerell (Chairwoman), Berndt (Deputy), Al Kuwaiti (Deputy), Draxler, Löscher, Werner, Schorna, Lindner, Singer

Project Committee:

Rose (Chairman), Löscher (Deputy) Al Kuwaiti (Deputy), Al Mulla, Hall, Tumpel-Gugerell, Redlich, Lindner, Singer

Remuneration Committee:

Löscher (Chairman), Berndt (Deputy), Al Kuwaiti (Deputy), Draxler, Tumpel-Gugerell

Executive Board

Rainer Seele

Chairman of the Executive Board
Chief Executive Officer

Reinhard Florey

Chief Financial Officer

Johann Pleininger

Deputy Chairman of the Executive Board
Executive Board member Upstream

Manfred Leitner

Executive Board member Downstream

Vienna, March 13, 2019

The Executive Board

Rainer Seele m.p.
Chairman

Reinhard Florey m.p.

Johann Pleininger m.p.
Deputy Chairman

Manfred Leitner m.p.

Statement of fixed assets in accordance with section 226 (1) ACC

Development of acquisition costs

In EUR 1,000

| | As of Jan. 1, 2018 | Additions |
|--|---------------------------|---------------------|
| Intangible assets | | |
| Concessions, industrial property rights and similar rights and benefits and licenses derived therefrom | — | 17,130 ¹ |
| Tangible assets | | |
| Land and buildings on third party land | 722 | 2,020 |
| Other fixtures and fittings, tools and equipment | 920 | 12,556 ¹ |
| | 1,642 | 14,576 |
| Financial assets | | |
| Shares in affiliated companies | 10,465,365 | 500,200 |
| Loans to affiliated companies | 4,497,434 | 1,768,669 |
| Participating interests | 26,624 | — |
| Securities (loan stock rights) held as fixed assets | 4,506 | — |
| Other loans | 1,746 | — |
| | 14,995,676 | 2,268,870 |
| | 14,997,318 | 2,300,576 |

¹ Including assets taken over from OMV Solutions GmbH: EUR 7,630 thousand intangible assets and EUR 9,546 thousand tangible assets

| Disposals | As of Dec. 31, 2018 | Depreciation and amortization as of Dec 31.2018 (cumulative) | Carrying value as of Dec. 31, 2018 | Carrying value as of Dec. 31, 2017 |
|----------------|------------------------|---|---------------------------------------|---------------------------------------|
| | | | | |
| 85 | 17,044 | 3,102 | 13,943 | — |
| — | 2,742 | 337 | 2,406 | 722 |
| 370 | 13,106 | 4,992 | 8,114 | 498 |
| 370 | 15,848 | 5,329 | 10,520 | 1,220 |
| — | 10,965,565 | 2,778,473 | 8,187,092 | 8,390,756 |
| 253,610 | 6,012,494 | 4,610 | 6,007,883 | 4,488,444 |
| — | 26,624 | — | 26,624 | 26,624 |
| — | 4,506 | — | 4,506 | 4,506 |
| 11 | 1,735 | — | 1,735 | 1,746 |
| 253,621 | 17,010,924 | 2,783,083 | 14,227,842 | 12,912,077 |
| 254,076 | 17,043,817 | 2,791,514 | 14,252,304 | 12,913,298 |

Development of depreciation

In EUR 1,000

| | As of Jan. 1, 2018 | Depre- ciation | Impair- ments | Write-up | Disposals | As of Dec. 31, 2018 |
|---|--------------------------|-------------------|------------------|--------------|------------|---------------------------|
| Intangible assets | | | | | | |
| Concessions, industrial property rights and similar rights and benefits and licenses derived therefrom | — | 3,105 | — | — | 3 | 3,102 |
| Tangible assets | | | | | | |
| Land and buildings on third party land | — | 337 | — | — | — | 337 |
| Other fixtures and fittings, tools and equipment | 421 | 4,811 | — | — | 240 | 4,992 |
| | 421 | 5,148 | — | — | 240 | 5,329 |
| Financial assets | | | | | | |
| Shares in affiliated companies | 2,074,609 | — | 703,864 | — | — | 2,778,473 |
| Loans to affiliated companies | 8,990 | — | 1,585 | 5,965 | — | 4,610 |
| Participating interests | — | — | — | — | — | — |
| Securities (loan stock rights) held as fixed assets | — | — | — | — | — | — |
| Other loans | — | — | — | — | — | — |
| | 2,083,599 | — | 705,449 | 5,965 | — | 2,783,083 |
| | 2,084,020 | 8,253 | 705,449 | 5,965 | 243 | 2,791,514 |

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

CAPEX
Capital Expenditure

capital employed
Equity including non-controlling interests plus net debt

cbm
Standard cubic meters (32°F/0°C)

cf

Standard cubic feet (60°F/16°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 Downstream Oil level

CEE

Central and Eastern Europe

CEGH

Central European Gas Hub

CGU

Cash generating unit

Clean CCS Operating Result

Operating Result adjusted for special items and CCS effects. Group clean CCS Operating Result is calculated by adding the clean CCS Operating Result of Downstream Oil, the clean Operating Result of the other segments and the reported consolidation effect adjusted for changes in valuation allowances, in case the net realizable value of the inventory is lower than its cost

Clean CCS EPS

Clean CCS Earnings Per Share is calculated as clean CCS net income attributable to stockholders divided by weighted number of shares

Clean CCS net income attributable to stockholders

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

Clean CCS ROACE

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 (%)

Co&O

Corporate and Other

E

EFET

European Federation of Energy Traders

EPS

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

| | | | |
|--|--|--|---|
| EPSA | K | | N |
| Exploration and Production Sharing Agreement | kbbi Thousand barrels | | n.a. Not available |
| equity ratio Equity divided by balance sheet total, expressed as a percentage | kbbi/d Thousand barrels per day | | n.m. Not meaningful |
| EU European Union | kboe Thousand barrels of oil equivalent | | NCG Net Connect Germany |
| EUR Euro | kboe/d Thousand barrels of oil equivalent per day | | net assets Intangible assets, property, plant and equipment, equity-accounted investments, investments in other companies, loans granted to equity-accounted investments, total net working capital, less provisions for decommissioning and restoration obligations |
| F | km² Square kilometer | | net debt Interest-bearing debts including bonds and finance lease liabilities less liquid funds (cash and cash equivalents) |
| FX Foreign exchange | KPI Key Performance Indicator | | net income Net operating profit or loss after interest and tax |
| G | KStG Austrian Corporate Income Tax Act | | NGL Natural Gas Liquids; natural gas that is extracted in liquid form during the production of hydrocarbons |
| GDP Gross Domestic Product | L | | NOK Norwegian krone |
| gearing ratio Net debt divided by equity, expressed as a percentage | LNG Liquefied Natural Gas | | 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. |
| H | LTIR Lost-Time Injury Rate per million hours worked | | NZD New Zealand dollar |
| H1, H2 First, second half of the year | M | | |
| HSSE Health, Safety, Security, and Environment | min Minute | | |
| I | mn Million | | |
| IASs International Accounting Standards | MPPH Mubadala Petroleum and Petrochemicals Holding Company L.L.C | | |
| IFRSs International Financial Reporting Standards | MW Megawatt | | |
| | MWh Megawatt hour | | |

O**OECD**

Organisation for Economic Cooperation and Development

OPEX

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

ÖBAG

Österreichische Beteiligungs AG

P**payout ratio**

Dividend per share divided by earnings per share, expressed as a percentage

Pearl

Pearl Petroleum Company Limited

PJ

Petajoule, 1 petajoule corresponds to approx. 278 mn kilowatt hours

Q**Q1, Q2, Q3, Q4**

First, second, third, fourth quarter of the year

R**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

ROFA

Return On Fixed Assets, EBIT divided by average intangible and tangible assets expressed as a percentage

RONA

Return On Net Assets; NOPAT divided by average net assets, expressed as a percentage

RON

New Romanian leu

RRR

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

RUB

Russian ruble

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 OMV Group's reported financial performance

T**t**

Metric ton

toe

Metric ton of oil equivalent

TRIR

Total Recordable Injury Rate

TRY

Turkish lira

TSR

Total Shareholder Return

TWh

Terawatt hour

U**UAE**

United Arab Emirates

USD

US dollar

Contact at Investor Relations:

OMV Aktiengesellschaft

Investor Relations

Trabrennstrasse 6–8

1020 Vienna, Austria

Tel. +43 1 40440-21600

Fax +43 1 40440-621600

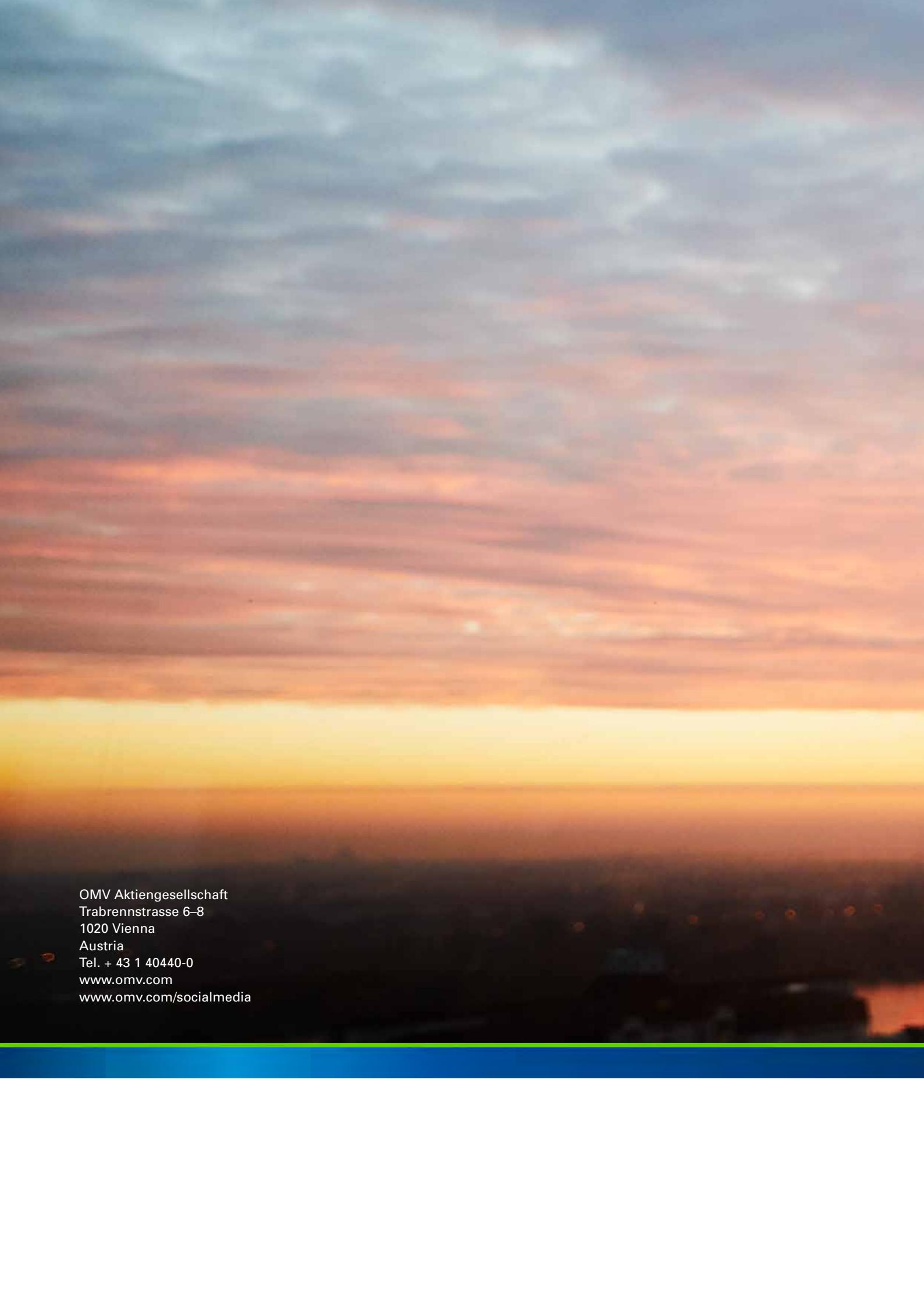
investor.relations@omv.com

www.omv.com

www.twitter.com/omv

www.omv.com/socialmedia

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.



OMV Aktiengesellschaft

Trabrennstrasse 6-8

1020 Vienna

Austria

Tel. + 43 1 40440-0

www.omv.com

www.omv.com/socialmedia

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 13, 2019

Rainer Seele e.h.

Chairman of
the Executive Board and
Chief Executive Officer

Johann Pleininger e.h.

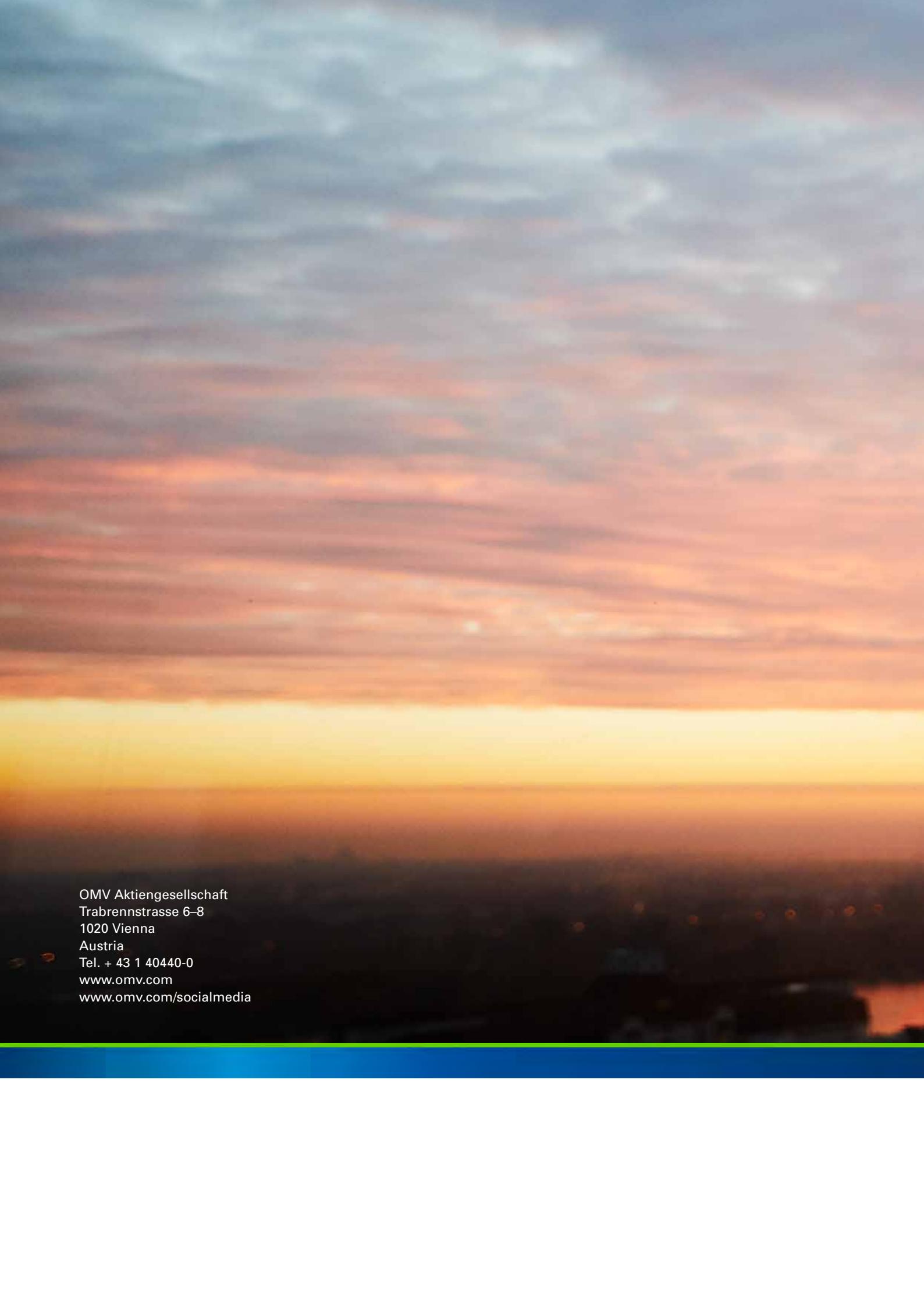
Deputy chairman of
the Executive Board,
Upstream

Reinhard Florey e.h.

Member of
the Executive Board and
Chief Financial Officer

Manfred Leitner e.h.

Member of
the Executive Board,
Downstream



OMV Aktiengesellschaft

Trabrennstrasse 6-8

1020 Vienna

Austria

Tel. + 43 1 40440-0

www.omv.com

www.omv.com/socialmedia