

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.

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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.