Annual Report 2021
ÖBB-Holding AG

Together. Connecting the future.

TODAY. FOR TOMORROW. FOR US.

13/01
Two awards for ÖBB Rail Cargo Group

With partners, RCG developed a data-based, automated and intelligent locomotive rotation planning system. This reduces idle time, empty runs and, above all, CO_2 emissions. The project was awarded the State Prize for Consulting of the Ministry of Economics and the Constantinus Award of the WKO in the category Digitalisation / Internet.

05/02
Climate-friendly e-buses for the southern Weinviertel region

Österreichische Postbus AG was awarded the contract for the operation of scheduled services with electric buses for at least eight years within the framework of the tender procedure "Linienverkehr E-Bus Schweinbarther Kreuz" of the Verkehrsverbund Ost-Region (VOR). The operation of 1.3 million service kilometers starts in summer 2022 with eleven e-buses and 27 Postbus drivers.

21/01
Electricity from solar energy in Upper Austria

ÖBB-Infrastruktur AG has put one of the first photovoltaic systems in Upper Austria into operation at Wels main station. Further plants for the generation of electricity from solar power are planned. ÖBB is thus a clear pioneer in the generation of electricity from solar energy.

10/02
WienMobil: New station opened at Westbahnhof

Wiener Linien is expanding services at the Westbahnhof transport hub. The WienMobil station links sharing offers with the public transport services of Wiener Linien and ÖBB. At the Westbahnhof station, Citybike, ÖBB Rail&Drive, e-scooters and bike storage boxes are now available, among other services.

16/03
Study: Rail travel safe even in times of pandemic

The study by Prof. Hans-Peter Hutter shows that the COVID-19 infection risk on public transport is surprisingly low. This is attributed, among other things, to the high air exchange rates caused by ventilation systems. Of course, compliance with all preventive measures is also crucial.

31/03
Europe ranking: Vienna Main Station top

In its European Railway Station Index 2021, the international consumer protection organisation Consumer Choice Center evaluated the passenger experience at Europe's 50 largest railway stations and ranked Vienna Central Station as the second most passenger-friendly station in Europe.

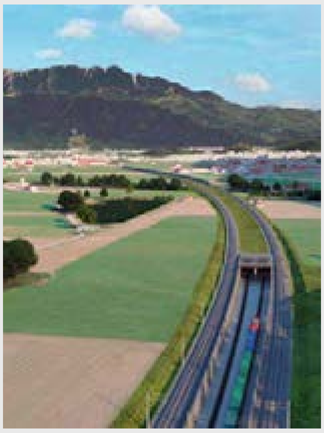
That was 2021

YEAR IN REVIEW. Smart mobility for the last mile, photovoltaic systems, with the Nightjet to Paris ...

12/04

Elaborated route for Brenner North Inlet

Another future-oriented milestone has been reached for the northern approach section of the Brenner Base Tunnel (BBT). After comprehensive consideration of the planning, ÖBB and DB present the course of the route for the new railway line in the Kufstein – Rosenheim area for the access route to the BBT.



14/04

Testing until the vaccination comes

“Test, test, test” was the motto in mid-April 2021 – this was also the case at ÖBB. Every week, around 14,000 COVID tests were performed at ÖBB throughout Austria. ÖBB employees were given the opportunity to be tested regularly in 33 test lanes throughout Austria. For their own safety and for the safety of passengers.

10/05

State-of-the-art new ÖBB training workshop Innsbruck

The modern training workshop at the Innsbruck site marks the start of a new era in apprentice training. A new training facility for apprentices, a talent factory with state-of-the-art equipment and more space for the highest standard of training, was opened on an area of around 4,500 square meters.

07/05

Smart mobility for Waidhofen an der Ybbs

By train to work, by e-scooter through the city or by rental car to the destination – an innovative offer for the first and last mile was presented in the district capital. The climate-friendly sharing services in ÖBB’s environmentally friendly 360-degree radius complement local and regional public transport.

“This means that ÖBB enables its passengers to travel the last mile easily. This makes simple, comfortable and climate-friendly mobility away from fixed timetables a reality.”

ANDREAS MATTHÄ, CEO ÖBB-HOLDING AG

02/06

Cycling for Bees & Flowers

ÖBB and the cycling initiative “Österreich radelt” (Austria gets on its bicycle) put green mobility, paired with biodiversity, in the spotlight: At the big “Bienen- & Blumenradeln” (cycling for bees & flowers) people pedaled for the bees along the railway embankment. Everyone who registered at **radelt.at** collected for nature conservation and biodiversity.

» Continued inside the back cover

Key financial data

Key earnings figures pursuant to IFRS (in EUR million, rounded)

	2021	2020	2019*	2018*	2017
Total income	6,986	6,724	6,945	6,726	6,755
Cost of materials and purchased services	-1,808	-1,694	-1,781	-1,803	-1,926
Personnel expenses	-2,751	-2,743	-2,742	-2,631	-2,543
Other operating expenses	-461	-439	-476	-417	-462
EBITDA	1,966	1,849	1,946	1,875	1,823
Depreciation and amortisation (incl. impairment)	-1,337	-1,224	-1,191	-1,071	-1,033
EBIT	629	625	755	804	790
Financial result	-459	-566	-587	-636	-614
EBT	170	59	169	168	176
ROCE (in %)	2.1	2.2	2.8	3.1	3.2

Balance sheet key data pursuant to IFRS (in EUR million, rounded)

Total assets	35,555	33,103	31,254	29,710	28,351
Non-current assets	33,720	31,656	29,967	28,386	27,083
thereof Property, plant and equipment	*31,840*	*29,847*	*28,246*	*26,809*	*25,576*
Current assets	1,834	1,448	1,287	1,324	1,268
Shareholders' equity	3,244	2,768	2,645	2,529	2,306
Equity ratio (in %)	9.1	8.4	8.5	8.5	8.1
Financial liabilities	28,258	26,666	25,343	24,146	23,549
Net Debt	27,418	26,318	24,963	23,674	23,101
Capital expenditure gross	3,688	3,353	2,700	2,591	2,503
Net Debt/EBITDA (Ratio)	14.0	14.2	12.8	12.6	12.7
Net Gearing (Ratio)	8.5	9.5	9.4	9.4	10.0

* Excluding outgoing business division.

Highlights 2021

94.1 mil. t

of freight was transported by the ÖBB Rail Cargo Group in 2021. To this end, the RCG is present **in Austria and in 17 other countries,** and in twelve of these it is underway with its own traction.

18.2

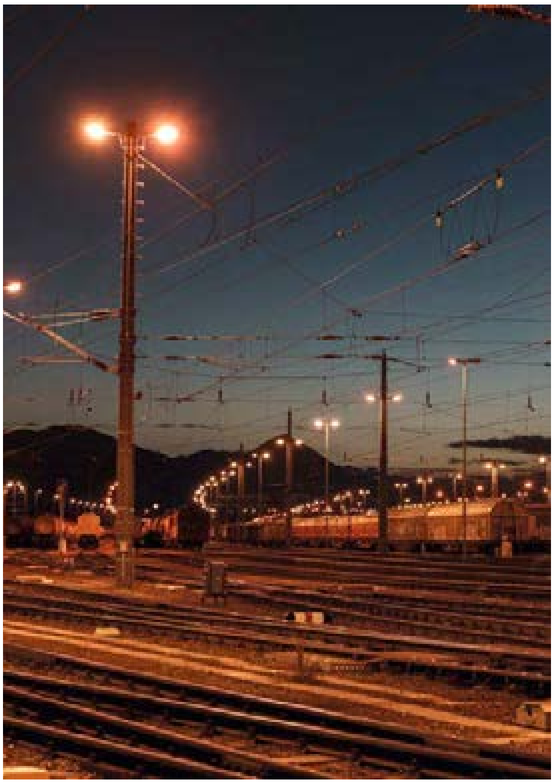
billion euros are being invested in **modern and efficient railway infrastructure** on behalf of the federal government up to 2027.

41,898

staff were employed by ÖBB in 2021 (as of 31.12.2021). In addition, **1,775 apprentices were in training** as well as 222 more through the General Private Foundation for Vocational Training.

322.9 million

passengers used ÖBB's mobility services in 2021, of which 163.2 million travelled on local trains, 24.4 million on long-distance services and 135.3 million travelled with ÖBB-Postbus.



More freight on the rail
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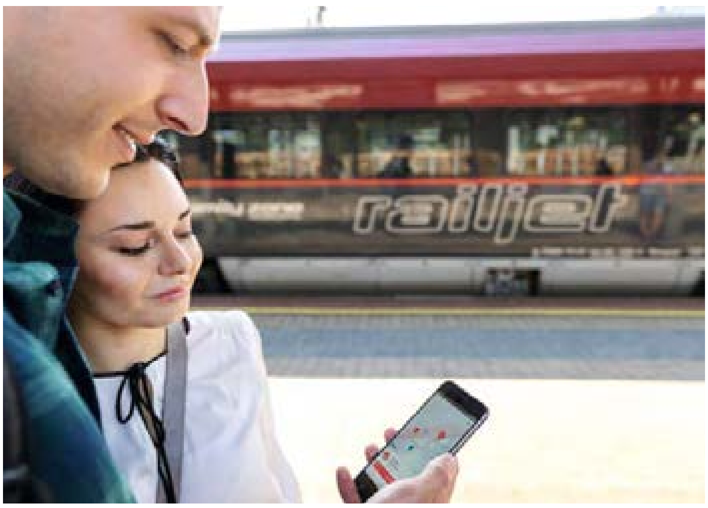
COVER. ÖBB takes on around 2,700 employees each year. Accordingly, this year we have made the change of generations the theme of our cover and divider pages

DIGITAL. The Annual Report 2021 as a PDF and videos on the topic are available at: **konzern.oebb.at/gb2021**



The digital revolution of the railway
12

"From the outset, our plan for 2021 was to return **results at pre-crisis levels.** We succeeded in this despite the difficult starting position."

Ing. Mag. (FH) Andreas Matthä (CEO),
Mag. Arnold Schiefer (CFO)

ANNUAL REPORT 2021: Statement from the Board of Management

Thank you to our employees! 2021 – the second year of the global corona pandemic – once again presented ÖBB with extraordinary challenges: Multiple lockdowns, home office for many Austrians and staff shortages due to high infection rates required repeated adjustments to the company's targets during the year. These course corrections were only possible thanks to the flexibility and commitment of our employees. For this we say "thank you".

The difficult year 2020 was followed by another economically challenging period in the past financial year. Although it was foreseeable that the consequences of the pandemic would continue to affect us in 2021, we had not planned for another full year of crisis with several lockdowns and the associated effects on both passenger and freight traffic, just like many other companies. Unlike the first year of the pandemic however, which we had to contend with without any guidance on how to act, in 2021 we were already able to draw on experience from the previous year. And so it was clear that we would also be able to set our economic targets higher again in 2021. While in 2020 the company's target was still a "black zero" due to the pandemic, our plan for 2021 was therefore from the outset to return to a stable result at pre-crisis levels. And despite the difficult starting position, we succeeded!

ÖBB is stable even in a crisis
Thanks to this clear objective and the associated internal and external measures, we were able to successfully close the financial year 2021 with a Group EBT (IFRS) of 170 million euros. The key factor here is that with this result we have returned to our long-term budget and earnings path, thus securing our credibility on the capital market and the associated ability to invest.
As in the past, all subgroups and their subsidiaries again contributed to the overall result of the ÖBB Group. For example, ÖBB-Infrastruktur AG closed the financial year with an EBT of just under EUR 11 million, while the sales companies in passenger and freight transport generated a pre-tax profit totaling EUR 211 million. Specifically, ÖBB-Personenverkehr AG 2021 generated EBT of EUR 89.3 million and Rail Cargo Austria delivered EBT of EUR 121.6 million.
While the ÖBB-Infrastruktur subgroup was thus able to keep its EBT stable compared to 2020, as expected, the pre-tax profit in ÖBB Passenger Transport and ÖBB Freight Transport increased significantly

"In addition to our central task as the largest mobility provider, ÖBB also sees itself as a driver of investment and innovation and thus as an important stimulus for the domestic economy."

compared to the previous year. The improvement in earnings in the passenger transport sector is based on a reduction in overall expenses and additional orders from the federal government. The substantial increase in the pre-tax profit of ÖBB's freight division, on the other hand, can be attributed to significantly fairer competitive conditions, which were made possible by a – unfortunately temporary – reduction in the rail toll (infrastructure usage charge – IBE) and a significant reduction in the tax on traction current. In addition to these two measures, passenger transport orders also had a positive impact on the sector as a whole.

Providing impetus for the economy and the labour market

In addition to its central task as the largest mobility provider to bring people and goods safely and punctually to their respective destinations and to operate successfully in the process, ÖBB also sees itself as a driver of investment and innovation and thus as an important stimulus for the domestic economy. Accordingly, the three ÖBB subgroups have again invested billions in the further development of Austria as a business location in 2021. Specifically, ÖBB Infrastructure invested over EUR 2.8 billion in the further expansion and modernisation of the domestic rail network and the digitalisation of rail operations, followed by the Personenverkehr subgroup, which spent over EUR 1.4 billion on modern rolling stock and improvements in customer service. Rail Cargo Austria invested almost EUR 111 million, with the funds mainly going into upgrading or digitising the rolling stock.

In addition, with almost 42,000 employees and a total of around 2,000 apprentices, the ÖBB Group remained one of Austria's largest and most important employers and training companies in 2021. Just as in the first year of the pandemic, it was important to avoid redundancies last year due to pandemic-related economic constraints. At the same time, the required generational shift – with around 13,000 new recruits by 2026 – continued as planned in order to guarantee the company's operational capability in the usual quality. Driven by the pandemic, the work organisation was also modernised last year: The expansion of teleworking and greater flexibility in terms of time – the keyword here being flexitime – was intended to increase the quality and productivity of work and thus enhance the company's competitiveness. A look at the results of the latest employee survey shows that the first step in this direction has been successful: Top scores were achieved both in the area of identification with the company and in the area of job satisfaction.

ING. MAG. (FH) ANDREAS MATTHÄ. Chairman of the Board of Management (CEO)

Staying the course despite ongoing crises

We have another challenging few months ahead of us. The corona pandemic is of greater concern to us than expected due to the enormously high infection figures in the first quarter of 2022.

MAG. ARNOLD SCHIEFER. Member of the Board of Management (CFO)

Added to this are economic upheavals due to the war in Ukraine, which – apart from inconceivable human suffering – will have a negative impact not only on the development of railway freight transport, but also on the entire economy, especially the construction industry.
And then there is the climate crisis! A crisis that should definitely concern us more than it does at the moment. Unfortunately, the situation has not improved at all in the past two years, especially in the transport sector. Climate change has only been pushed out of the headlines by the other crises mentioned! As much as this is understandable, it is up to us as the country's largest mobility company to also devote our full attention to this area and use the strength of our company to bring about change in the transport sector. Because one thing is beyond doubt: Without further expansion of the railways, without a significant increase in capacity, we will not be able to achieve our climate protection targets in the transport sector.
Accordingly, we see one of our central tasks in sticking to our expansion plans so that we do not slip deeper into the next crisis after these two crises. As ultimately, it is fundamental for future generations that we, that the rail companies are even stronger afterwards than before the pandemic and before the war in Ukraine.

With this in mind, two things to conclude: First, "thank you" to our customers for their loyalty in the second pandemic year. And once again, a heartfelt "thank you" to all employees for your efforts over the past year. And secondly, a request to all colleagues: Let us face the tasks ahead of us together – with optimism and once again with all our energy! After all, if we continue to act according to our motto "We before I," we can be confident that, together, we will also overcome the challenges ahead of us.

Ing. Mag. (FH) Andreas Matthä
Chairman of the Board of Management
ÖBB-Holding AG

Mag. Arnold Schiefer
Member of the Board of Management
ÖBB-Holding AG

GENERATION CHANGE.
Passing the baton at ÖBB-Personenverkehr AG: Train attendant Gerhild Lexl hands over the duty cell phone for ticket sales and validation to her colleague Stefan Kurzenkirchner

"It is about the common and global goal of **stopping climate change** in time. Rail can make **a significant contribution** to this."

Mag.ª Andrea Reithmayer,
Chairwoman of the Supervisory Board of ÖBB-Holding AG

Statement from the Chairwoman of the Supervisory Board

Dear Readers, ÖBB and its employees kept Austria running in the second corona year. Resilience to crises is also demonstrated by a humanitarian stance in the Ukraine conflict. An achievement that deserves respect and thanks, and which inspires confidence for the future.

MAG.ᴬ ANDREA REITHMAYER.
Chairwoman of the Supervisory Board of ÖBB-Holding AG

A year ago, hopes were high that the COVID-19 pandemic would soon be over. Unfortunately however, the virus, with all its implications for our private, social and economic lives, still has us in its grip. This makes it all the more important for me to thank ÖBB employees for their commitment in the past financial year and to put their performance first. It is thanks to them that ÖBB – perhaps taken too much for granted in the public perception – was able to fully fulfill its mandate as a mobility service provider and that no train or bus was cancelled due to the pandemic.
This is despite the fact that almost 80 percent of ÖBB employees have daily contact with other people and thus also expose themselves to the risk of infection. Not only that. The implementation of official protective measures, in particular compliance with the mask requirement in public transport, was an additional task that was not met with understanding by all passengers. Verbal hostility and even physical assaults represented an extremely challenging situation for the employees concerned.

Pandemic and war events
At the beginning of the third corona year, the world was shaken by Russia’s war of aggression in Ukraine – an unimaginable humanitarian catastrophe. The railways, including ÖBB, support the refugees in order to get safely out of the war zone, take care of them on arrival and look after them together with aid organisations. In addition to maintaining regular traffic, this is not only a logistical feat, but also once again shows the humanitarian face of the ÖBB family.
In addition to all the suffering of the people affected, the consequences of the pandemic and warfare also affect the free movement of goods, availability of resources and world market prices. ÖBB has good foundations for successfully meeting these challenges. This includes not only the ongoing efficiency program, but also a forward-looking energy and procurement policy that minimises dependencies as far as possible. Of course, there is still work to be done. However, ÖBB is on the right track and today presents itself as a modern provider of basic infrastructure for the people and the economy in this country. ÖBB really does keep Austria running and does so in a quality that is exemplary even by international standards. As a proprietor, ÖBB is always aware of its responsibility to the Republic of Austria and handles this responsibility very carefully. Thus, we succeeded in achieving a positive balance sheet throughout the Group in the second corona year as well.

Safely and well on the move in passenger transport
Although the record result of 2019 could not be achieved, the increases in passenger traffic in 2021 give cause for optimism. The plus confirms that ÖBB was able to convince its customers that trains and buses are safe means of transport, despite the highly infectious virus variant omicron.
The development of night train services was and is particularly pleasing. By opting for this segment, ÖBB's management has demonstrated strategic foresight and economic courage. The success of the self-operated Nightjet also confirms that ÖBB is able to hold its own on the free market. This will be all the more important as the Nightjet not only attracts competitors in night train services. Liberalisation in passenger transport will intensify overall competition in the coming years. Against this backdrop, it is essential to position ÖBB accordingly well in its enormously important role for Austrian rail operations.
The highlight in 2021 was the introduction of the KlimaTicket (climate ticket). This is an enormously important measure for further enhancing the attractiveness of public transport services, including the rail. On the other hand, the associated revenue losses pose an economic challenge for ÖBB. In addition to the compensation promised by the politicians, ÖBB must do everything in its power to become even more efficient and even more effective.

Distorted competitive conditions
Volumes transported in freight traffic were also at a pleasing level in the past year. This also despite the fact that Rail Cargo needs to hold its own against a large number of competitors, and not only on the railways. Rail continues to be at a disadvantage compared to the road due to distorted competitive conditions. Here, it is to be hoped that the introduction of a CO_2 price will at least move the tracks a little further in the direction of the desired modal shift. Beyond that, however, there needs to be even more support for rail freight transport as a whole from policymakers – and not just at national level, but also at international level. After all, it is about the common and global goal of stopping climate change in time.
The railways can make a significant contribution to this. It is therefore all the more important that ÖBB does everything in its power to convince even more people and companies to use rail. It can do this above all with service and innovation. Innovative logistics services and digitalisation play a central role in this. I would like to give a special and representative mention here to the Digital Automatic Coupling, which will massively increase the productivity of freight transport by rail, but also to transport logistics, such as the ÖBB-Mobiler, which creates attractive and environmentally friendly offers especially for industrial companies (also national) without industrial sidings, as it enables door-to-door deliveries in cooperation with road freight transport.
ÖBB is already the largest climate protection company in Austria, but has also defined an ambitious decarbonisation path. This envisages a climate-neutral mobility sector for 2030 and the achievement of CO_2 neutrality in the Group for the period 2040 to 2050. The Supervisory Board strongly supports these goals, which can only be achieved through a joint effort.

Positioning as an attractive employer
The generational shift poses an equally great challenge. Thousands of employees will retire from ÖBB in the next few years due to their age. In return, thousands of new employees will join the company. It is therefore, on the one hand, a matter of retaining important knowledge and experience within the company, and on the other,

"It is about the common and global goal of stopping climate change in time. Rail can make a significant contribution to this."

"Rail continues to be at a disadvantage compared to road due to distorted competitive conditions. This is where it needs even more support from policymakers."

of inspiring motivated and qualified people to join ÖBB. This is no easy task at a time when companies across all industries are desperately seeking skilled workers.
The key to success will be how well ÖBB succeeds in positioning itself as an attractive employer. The conditions for this are already in place. ÖBB is a secure and reliable employer with a wide range of interesting and high-quality job profiles. Moreover, jobs at ÖBB are real green jobs that create meaning. Hardly any other company offers the opportunity to be so actively involved in climate protection and a sustainable future.

With this in mind, I would like to thank the Board of Management and all employees for keeping ÖBB on track so well in the past year. I am convinced that we are heading for an exciting and successful future.

Mag.ª Andrea Reithmayer
Chairwoman of the Supervisory Board
of ÖBB-Holding AG

Passing the baton at ÖBB-Infrastruktur AG

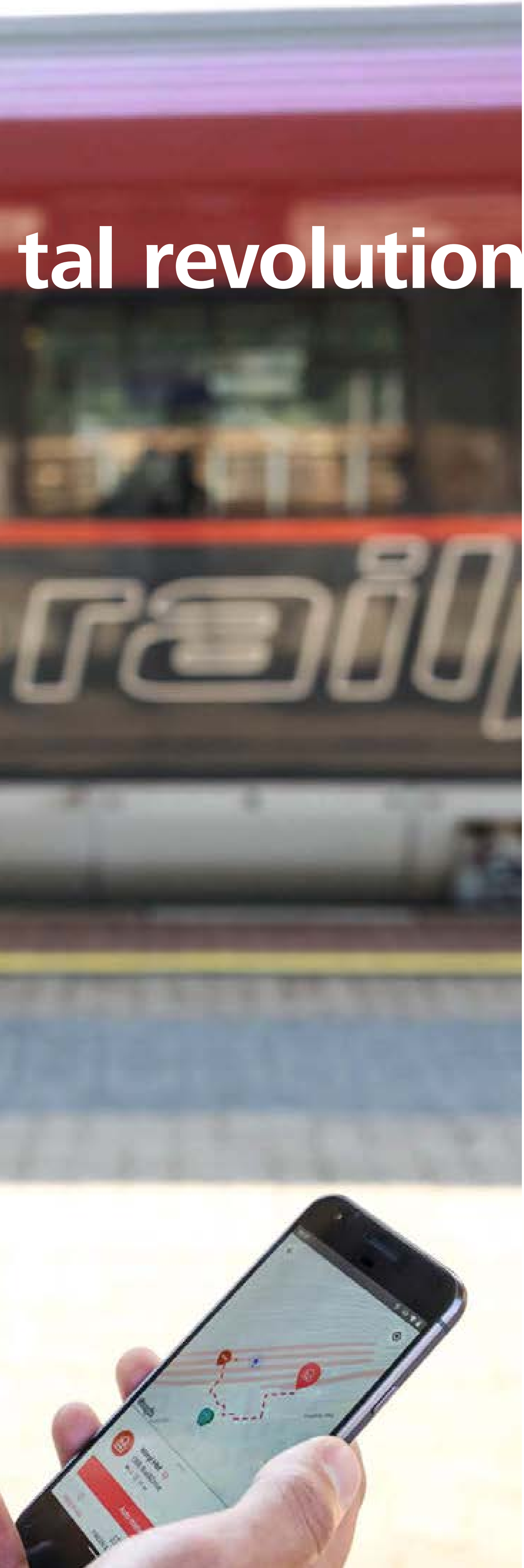
Forklift operator Karl Weiser hands over the remote control of the forklift to his colleague Marco Semler


Together. Connecting the future.
ÖBB

The digi

INVENTIVE SPIRIT SINCE 1804. The power of innovation has always accompanied the railway, making it the most climate-friendly and energy-efficient mode of transport that is at the same time safe, comfortable and service-oriented

tal revolution of the railway



INNOVATION. Successfully shifting traffic to rail also requires new technologies and innovations. In order to cope with the expected growth in passenger and freight traffic, digitalisation plays a central role.

In 1804, British engineer Richard Trevithick was the first to design a steam engine with a wheeled undercarriage that ran on rails and was used in an ironworks in Wales. The first railway that also transported people was George Stephenson's "Locomotion", which connected the English towns of Stockton and Darlington from 1825.

Still feared at the time as "the devil's work," the railway nevertheless succeeded in gaining acceptance. Today, almost 200 years later, the rail system is more modern than ever and provides perhaps the most important solution in the global fight against climate change and its consequences.

The basis for this is the innovative power that has always accompanied the railway and made it the most climate-friendly and energy-efficient mode of transport – especially in Austria, which not only has a world-leading innovative rail industry. Hardly any other country has implemented the electrification of the railways – the second "revolution" in its history of innovation – in such a sustainable way. Currently, more than 73 percent of ÖBB's rail lines are electrified, on which over 90 percent of transport services are handled in a climate-friendly manner. Further electrification expansion projects of the network in conjunction with electricity from 100 percent renewable energy form the basis for climate-neutral ÖBB mobility.

Building on electric rail operations, we are currently in the third technological revolution: Digitisation of the railways is the basis for optimising operating processes and internal workflows, meeting new customer needs and significantly changing the job profiles of tomorrow's jobs.

>

THE DIGITAL AUTOMATIC COUPLING meets the three main challenges of the railway: Increasing capacity, productivity and quality

Demand-driven innovation – addressing concrete challenges

Within the ÖBB Group, a fundamental distinction is made between the areas of asset / technology and digital innovations as well as product and service innovations.

Based on ÖBB's technology strategy, research and development projects are designed to expand capacity, quality and productivity in particular. ÖBB's understanding of its role in this process is clearly defined: The railways define the specific needs and the associated research and development requirements and are partners in the piloting of prototypes. The actual research and development work is conducted by universities, industry and research institutions with close support from ÖBB. ÖBB's Technology Strategy 2030 defines priorities in the areas of automated operations management, digital twin, condition-based maintenance, innovations in rail freight transport, and regional rail topics and alternative drives.

Needs-oriented

The further development of the rail system with a **focus on customer benefits and technical/operational efficiency** is of central importance to ÖBB. In order to address the associated challenges and needs, ÖBB has defined an **innovation strategy** that encompasses three areas: **Asset / technology innovation, digital innovation and product / service innovation.**

In addition to the stakeholder-oriented objectives (B2C, B2B and B2E) and associated initiatives, ÖBB's digital business strategy also defines specific fields of action. This includes innovative approaches to the development as well as connectivity of smart assets in the area as a basis for digital twins. This is being expanded to include a consistent focus on the use of artificial intelligence for optimisation and automation both in rail operations and in the Group's supporting processes. In addition, the use of new technologies such as extended reality, drones, blockchain as well as 3D printing is being tested.

Product and service innovations help ÖBB to continuously improve and expand its offering in the sense of an integrated mobility and logistics service provider. New solutions focus on the needs of customers and actively involve them in the development process. Business model innovations are also used to adapt ÖBB's services to changing market requirements. In order to promote the exchange with other innovators, "Community creates Mobility" was launched, which networks business, science, politics and civil society as a mobility ecosystem to work together on the mobility of the future.

Innovative, digital and automated technologies are the key to mastering the required modal shift to rail and **achieving the climate targets.**

National and international cooperation

To achieve the goals set, ÖBB participated in numerous national and international R&E programs and projects. Since

MEASUREMENTS at the research measuring station for railway acoustics

2020, for example, ÖBB has been actively involved in the “European DAC Delivery Programme” (EDDP), a program with more than 50 partners in the European rail sector. Within ÖBB, the program is implemented in close cooperation between several Group companies. The aim is to prepare and promote the standardised development and introduction of a Digital Automatic Coupling (DAC) in Europe. DAC aims to solve three key challenges in European rail freight transport at once – increasing capacity, productivity and quality – which are crucial for a more efficient and modern rail transport system. The DAC is being developed specifically for freight transport in Europe and is primarily oriented to the needs for optimising operations around freight trains.

At an international level, ÖBB joined forces with the European Union and 25 European partners from the railway, industry and research sectors in December 2021 to establish “Europe’s Rail Joint Undertaking”, a research and development program worth over EUR 1 billion. The largest R&E program currently underway for the rail system aims to make Europe’s railways even more efficient and competitive by 2030. Important projects of ÖBB’s commitment include the development of the DAC, innovations in the area of regional railways, the strengthening of cross-border freight transport, and further automation steps in operations management.

A current example of demand-oriented research and development work at national level is the research project “TARO – Towards Automated Railway Operation”, which is funded by the Federal Ministry for Climate Protection, Environment, Energy, Mobility, Innovation and Technology (BMK) with a total of EUR 3.5 million. This is an interdisciplinary consortium of railway undertakings, infrastructure operators, industry and science. Under the leadership of ÖBB, a total of 17 partners are investigating aspects of digitalisation and partial automation of the overall rail system in the areas of Digital Twin, Processes and Automated Train Operation.

A showcase example of the smart use of digitalisation is ÖBB’s internal “Automated Resource Planning” project. Here, planning processes for the deployment of vehicles and operational personnel in passenger and freight transport are to be fundamentally improved. Through close cooperation with scientific institutions, for example, optimisation algorithms for planning processes are researched and implemented in daily resource planning processes in interaction with artificial intelligence.

The Postbus, however, also makes an important contribution to more sustainable mobility: Successful tests with alternative drives – namely hydrogen and battery buses – have laid the foundations for a successive roll-out in series operation.

It is clear that innovative, digital and automated technologies are the key to mastering the required modal shift to rail and achieving the targeted climate goals for the rail system and the mobility of the future. <

For more capacity, productivity and quality

Global efforts to protect the climate will require a significant additional modal shift in the area of mobility over the next decade, and thus a significant increase in rail and public transport.

Many activities and operating processes in the rail sector are often still performed manually, costing productivity and extending throughput times. In addition, there is a need to increase and safeguard the operational and product quality as well as the safety and reliability of the rail system.

The key challenge is to further increase the capacity of the rail system. In addition to extensive conventional expansion, “smart capacity” is needed through the use of new technologies, innovations and digitalisation of operations.

Understand and live sustainability holistically

SUSTAINABILITY. A sustainable corporate orientation combines successful business management, ecological compatibility and social responsibility and brings the individual components into a balanced relationship.

Whether it is climate protection, social responsibility toward employees, or affordable mobility that is accessible to everyone: In 2021, ÖBB continued to focus on sustainability in many areas and expanded its activities in this regard. CO_2 emissions in the transport sector are a key challenge for climate protection, and rail is an important part of the solution. Passenger and freight transport by rail produces 30 times less CO_2 than road transport by car and truck. In this way, more than four million tonnes of greenhouse gas emissions can be saved annually, making ÖBB the largest climate protector in Austria in the area of mobility. A further increase in rail transport performance will make it possible to achieve the ambitious climate targets. At the same time, as Austria's largest mobility and logistics provider, the ÖBB Group is also one of the largest clients for the domestic economy and an active pioneer for the realisation of national and global sustainability goals. According to the motto "Those who understand sustainability holistically can lead their company to success in the long term" link successful business with ecological compatibility and social responsibility and bring these into a balanced relationship.

CO_2 emissions in the transport sector are a key challenge for climate protection and **rail is a central component of the solution.**

Ambitions and goals

In line with this principle, the key aspects, dimensions and issues of sustainability were specifically identified for the ÖBB Group in 2020, building on the 2018 materiality analysis and the Sustainable Development Goals of the United Nations (SDGs) – these are presented holistically in the 17 building blocks of the ÖBB sustainability strategy. They now define the main ambitions, goals and thrusts in the ÖBB Group with regard to sustainability and address issues in all three pillars of sustainability. In the autumn of 2021, building on the findings of 2018, the ÖBB materiality matrix was updated through two survey formats. Internal and external stakeholders (private customers, business customers, employees, investors, suppliers, interest groups and experts, politicians, the general public and the media) were asked to participate in an online survey. In addition, an expert round table was also conducted in a digital format. The results from both surveys were incorporated into the Materiality Matrix 2021, on which an update of the impact dimensions of the 17 building blocks of ÖBB's sustainability strategy was based in the autumn of 2021.

New sustainability reporting

As in the previous year, the independent Sustainability Report 2021 of the ÖBB Group is based on the 17 building blocks and thus reports on the main topics related to the Group's activities. Changes are possible for future sustainability reporting from 2022. In the future (probably from the 2023 reporting year), the requirements of the EU's Corporate Sustainability Reporting Directive (CSRD) will have to be taken into account, which will define future sustainability reporting and significantly expand the reporting requirements for large companies, as well as aiming to increase transparency, comparability and digitalisation.

In addition, the requirements from the EU Taxonomy Regulation of the new EU classification system for sustainable activities take effect. The taxonomy defines which economic activities are to be classified as ecologically sustainable

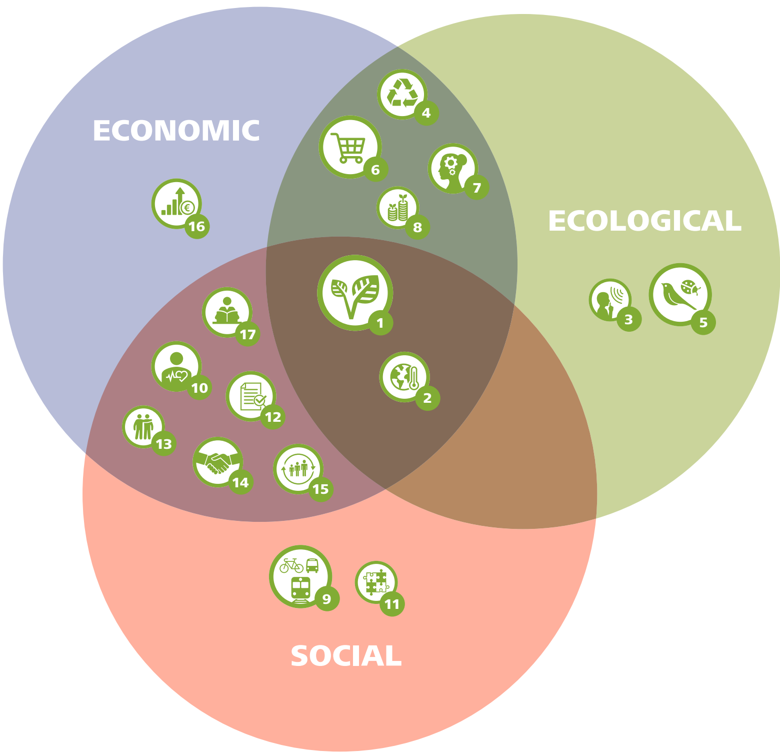
Synchronous reporting

For the current reporting year 2021, the **Annual Report and the Sustainability Report will already be synchronised in terms of timing** and (as in 2019) **audited by an auditor.**

POSITIVE PERSPECTIVES. Shifting passenger and freight traffic to rail makes ÖBB the country's biggest climate protector in the area of mobility. The topic of "sustainability" is seen however as even more comprehensive and far-reaching

ÖBB Sustainability Strategy

17 building blocks with their dimensions of impact in three pillars of sustainability



Dimensions of impact

- medium
- moderate
- marked
- considerable

1. Climate protection
2. Adaptation to climate change
3. Emissions incl. noise (excl. CO_2)
4. Resource management, waste, land / soil
5. Biodiversity & species diversity
6. Sustainable procurement
7. Innovation & technology
8. Sustainable finance
9. Affordable and accessible mobility services (PV)
10. Health / safety / security
11. Diversity & equal opportunities
12. Compliance / transparent reports and data protection
13. Social responsibility & collaborations
14. Reliable & attractive employer
15. Generational change
16. Economic driver, value-adding investments & sustainable financing
17. Training and development

and creates transparency for investors and companies.

Based on these new regulations, it is expected that integrated reporting will be mandatory from the 2023 reporting year. It is therefore intended to integrate ÖBB's sustainability reporting into the annual report in the coming years. The Annual Report and the Sustainability Report will therefore be synchronised in terms of timing as early as the 2021 reporting year and (as in 2019) be audited by an auditor. The Sustainability Report 2021 provides information on the management approaches, goals and thrusts of the 17 building blocks, and it describes the key events of 2021 in the area of sustainability, action steps taken and key figures, and provides an outlook for the future.

The current Sustainability Report (reporting year 2021) is already the second to have been audited by an auditor on a voluntary basis.

Today, economic success is closely linked to the **sustainable orientation** of the company.

Highlights 2021

With a high level of commitment from ÖBB employees, many impressive measures across all sustainability topics were implemented and advanced in 2021. In its responsibility for effective climate protection, ÖBB has defined the decarbonisation of the company and its products as a focus area. The ambition is: Climate neutrality of ÖBB's entire mobility sector from 2030. For concrete implementation, the development of a decarbonisation path for the mobility sector started at the beginning of 2021 to describe the path to 2030 with concrete measures. By the end of 2021, nine focal points with a savings potential of more than 55,000 tonnes CO_2 per year had been defined in the first stage of the decarbonisation path "Mobility".

At the end of summer 2021, the ESG performance rating (ESG = Environment, Social, Governance), which was conducted for the first time by a recognised rating agency, was "very good" five times for ÖBB-Personenverkehr AG, Rail Cargo Austria AG, Österreichische Postbus AG, ÖBB-Technische Services GmbH and ÖBB-Produktion GmbH. In addition to ÖBB-Infrastruktur AG, five other ÖBB companies have now been awarded the ESG rating seal of approval for the first time. ÖBB-Infrastruktur AG has been subject to regular ESG ratings in the transport infrastructure sector by an international rating agency since 2012, and in 2020 was rated as a top investment for ethical, ecological and socially responsible investment for the fourth time.

In November 2021, the Community of European Railway and Infrastructure Companies (CER) and the European Transport Workers' Federation (ETF) signed the agreement "Women in the railway sector". It aims to attract more women to work in the rail sector and to extend equal opportunities in the workplace. As a good conclusion to a

A GREEN RAIL. From 2030, ÖBB's mobility division is to be climate-neutrally on the move

successful year, in December 2021 ÖBB was able to take an important step towards the further development of the rail system. In December 2021, ÖBB, together with the European Union and 24 European partners from the railway, industry and research sectors, founded the multi-year research and development program "Europe's Rail Joint Undertaking", endowed with over one billion euros, which will pursue targeted technology development for a significant shift of traffic to rail by 2030. The large number of measures from 2021 are described in more detail in the separate ÖBB Sustainability Report 2021.

in 2021, a sustainability board was also implemented in the ÖBB Group, which meets three times a year and offers the opportunity to discuss the most important topics in sustainability and to strategically align the Group in the area of sustainability at board and managing director level.

In a further step, the sustainability platform was also created. This is staffed with the sustainability contact persons of ÖBB-Holding, those of the subgroup companies and the nominated persons responsible for specific sustainability topics. These meet four times a year to coordinate and drive forward the most important group-wide sustainability issues as well as the consolidation and structuring of the ongoing and planned implementation measures for the sustainability strategy for the respective building block.

Research and development

In December 2021, ÖBB, together with the European Union and 24 European partners from the railway, industry and research sectors, founded the multi-year **research and development program "Europe's Rail Joint Undertaking", which is endowed with more than one billion euros.**

Sustainable for economic success

The approach of intensively involving the entire management, but also all experts, in the strategic orientation of the ÖBB Group on all sustainability topics forms the basis for managing any risks in a timely and effective manner and, in particular, for optimally exploiting all opportunities for the company.

In the course of the so-called "dual materiality analysis", ÖBB asks itself, among other things, how the activities of its own company affect the issues of "environmental protection" and "nature conservation", but also what consequences arise from developments in the field of sustainability, such as climate change, with regard to the Group. This demonstrates once again that economic success today is closely linked to the sustainable orientation of the company. <

Assume responsibility, seize growth opportunity

CLIMATE PROTECTION. Rail and bus as part of the solution. ÖBB is already making a very large contribution to climate protection – this must now be increased even further.

CLIMATE JET. Mobility services by train and bus are ÖBB's

Despite a short-term pandemic-related decline in mobility services in Austria, but also globally – especially in passenger transport – one can see quite clearly that the corona crisis cannot replace climate policy: Rail and public transport are an important part of the solution for more climate protection and for achieving Austria's climate targets.

More modal shift from road and air traffic to climate-friendly rail and public transport is needed to advance the decarbonisation of transport and keep potential penalties or compensation payments low if Austria fails to meet its 2030 climate targets. There is no alternative to further expansion of rail and public transport. For this reason, the ÖBB framework plan 2022 to 2027 adopted by the federal government in December 2021 also provides for more than EUR 18 billion for the expansion of the rail network over the next six years. This is a trend-setting step for climate-friendly mobility in Austria. ÖBB's transport services (rail and bus) already save the domestic environment around 4 million tonnes of greenhouse gas emissions in a "normal" operating year. ÖBB intends to double the performance of the rail system by 2040 to enable the necessary shift of traffic to rail.

The planned **expansion of the rail network** is a trend-setting step for **climate-friendly mobility** in Austria.

Thinking beyond traffic

The EU has clearly positioned itself with its Green Deal, whose goal is defined by a climate-friendly economy by 2050. Just like Austria, which wants to achieve this as early as 2040. ÖBB sees great potential for the future through these alignments.

Even so, the Group wants to achieve more than that. Despite ÖBB's already existing advantages in direct CO_2 comparisons compared to road and air transport, ÖBB intends to further comprehensively improve its own CO_2 footprint not only in the mobility sector, but also in other areas. The Group has therefore set itself ambitious targets with a climate protection strategy:

- **CO_2-neutral ÖBB mobility sector as of 2030** (Scope 1 and 2 – excl. buildings)
- **CO_2 neutrality in the Group 2040-2050** (Scope 1 and 2 incl. buildings and Scope 3 at different levels of application)
- **Further modal shifts** by making the system more attractive and by expanding capacity – both by conventional means and with the help of new technologies.

Appropriate framework conditions are essential in order for this to be implemented.

The three areas of the climate protection strategy

ÖBB's climate protection strategy focuses on three areas:

Mobility Mobility services by rail and bus are ÖBB's core business and the first focus of the climate protection strategy. The aim is to reduce greenhouse gas emissions from the energy sources used for rail and bus transport in particular to such an extent that climate neutrality is possible in this segment by 2030. Further electrification of routes, alternative drive systems for rail and bus, the promotion of renewable energy sources, and increased energy efficiency, including an increase in capacity utilisation in transport, are the focus of attention.

Buildings. In addition to mobility as ÖBB's core business, buildings are another major area for defining and specifically implementing concrete measures to

core business and the central offer for the implementation of climate protection targets – in the sense of a sustainable modal shift

reduce greenhouse gas emissions. The energy supply of buildings (electricity, heating, cooling…) and its optimisation (for example, by switching to alternative energy sources or building renovation) are a major issue here. The clear goal is climate neutrality by 2040 to 2050.

Scope-3-Emissions. This includes greenhouse gas emissions of ÖBB that are caused in the so-called upstream chain (e.g. through the provision of fuels and electricity) or along the value chain of ÖBB. In other words, those that arise during the manufacture of procured products and services or, for example, during business trips or through waste disposal. The reduction of Scope 3 emissions requires a coordinated approach, because some of the Scope 3 subcategories can be influenced directly by ÖBB with targeted measures – for example business trips. In other areas, ÖBB is dependent on the European and national market and / or technological developments. This applies in particular to the procurement of assets for infrastructure and for new trains and buses. Therefore, different application depths or target claims are defined for the ÖBB climate neutrality target 2040 to 2050 in this respect, depending on the expected framework conditions.

Central pillar. The use of 100 percent renewable energies for both traction and three-phase current forms the central pillar of the railway's climate friendliness. This means that both electricity for electrically powered traction units and electricity for buildings, workshops and the like are obtained from renewable energy sources. Around one-third of ÖBB's traction power is generated in-house in its own power plants, primarily hydroelectric plants; the rest is purchased. But even renewable energy sources are not currently available in abundance. In order to be able to act more independently on the market in the future, ÖBB's own production will be increased to 40 percent by 2030. A major focus is on renewable forms of energy such as photovoltaics and wind power.

More capacity for the climate

In order to enable the shift of traffic to rail that is necessary to achieve the climate targets, **ÖBB intends to double the performance of the railways by 2040.** To this end, they are investing more than EUR 18 billion over the next six years.

Targeted partnerships. ÖBB also cooperates specifically with competent partners on the topic of "climate protection". Exchange of information, alignment of expertise, and joint initiatives and goal setting are the focus. Multi-year partnerships exist, for example, with Greenpeace and WWF, with ÖBB being an active member of the WWF Climate Group. ÖBB's entry into the "Klimaaktiv Pakt" (Climate Active Pact) in 2021 underscores the wide reaching and comprehensive ÖBB commitment to climate protection. <

Work safely for safe mobility

SAFETY. Developments such as the warning app and initiatives to reduce injuries in the workplace keep ÖBB's safety high on everyone's agenda.

LIVING FOR SAFETY In addition to the expansion of

Living for safety – this corporate value shapes all activities in the ÖBB Group. Safe travel for customers is just as much a focus as the protection of employees at their workplace and the restriction of criminal activities as well as the secure handling of entrusted goods and information. Safety forms the foundation for all activities within the ÖBB Group. It is a daily promise to all customers, to all employees and their families as well as to our service providers and other third parties.

In 2021, after a pandemic-related decline in 2020, more people again used ÖBB's mobility services. At the same time, safety performance in the ÖBB Group was maintained at a high level. This is reflected, for example, in the operational safety index, which was significantly better than the target set in the reporting year. The safety strategy of the ÖBB Group was sharpened and integrated into the Group strategy in order to set the course for achieving the ambitious safety goals of the coming years.

The measures required for this are implemented along the lines of technology, organisation and people via the safety programs and safety action plans of the respective Group companies.

The "warning app" has now been rolled out. It supports locomotive drivers **when starting against a signal indicating stop.**

Digital safety net

Safety is always an investment in the future. Digitalisation and the use of new technologies create new opportunities to positively influence safety performance. For example, investments were made in the development of the "warning app", which has now been rolled out across the board. It is a support system designed to assist drivers in cognitively challenging situations when starting up against signal indicating stop.

As a digital safety net, the warning app has already achieved initial positive effects; its further development was launched at the end of 2021. In the future, train drivers will also be warned while approaching a signal that indicates a stop. This digitally supported safety net can prevent signal overruns and thus train collisions. While the multi-year average for train collisions is three incidents, only one incident was recorded in 2021. In addition, more intensive work is to be done to reduce incidents in the shunting area and, more generally, in the precursor events that could lead to accidents.

In 2021, in the area of occupational safety, the fields of action already identified were supplemented by the specific injury areas / patterns and made transparent in the Group-wide safety committees. This now serves to align the strategic safety program as well as the targeted implementation of measures to reduce occupational accidents in the ÖBB Group.

A group-wide safety campaign drew even more attention to the fact that personal protective equipment (PPE) is ideally suited to the respective requirements and is also worn in compliance with the rules. Every year, ÖBB invests around EUR 6 million in the PPE of its employees – for example, for safety helmets, safety shoes and protective gloves.

Survey among employees

The way safety is organised and lived in the workplace is also reflected in the area of safety culture. This reflects subjective attitudes, beliefs, perceptions and values of managers and employees and shows that the lived safety culture is the backbone of safety performance.

technology, the safety awareness of employees in the ÖBB Group is particularly important

In order to better assess this, a survey was developed and conducted together with the European Railway Agency, in which almost 5,000 employees in the Group took part. In this way, the ÖBB Group would like to identify the strengths and potential around the safety culture and the self-image on the topic of "safety" in order to be able to derive targeted measures. In the past year, the ÖBB Security Council also proved its worth, in which the strategic cornerstones (for example, the Group security strategy and security targets) and other central security aspects are discussed. In the "Security" platform, performance is regularly evaluated at Group level, and recommendations are derived for the ÖBB Security Council. Managers from various Group companies work together to help design and implement measures.

The COVID 19 situation again had an intensive impact on safety in the ÖBB Group in 2021. At the beginning of 2021, there was a legal obligation to draw up a COVID 19 prevention concept, which experts developed. In the process, the safe procedure as well as the protective measures of the ÖBB Group were scientifically examined by an independent body and confirmed as effective and appropriate. For the employees, group-wide regulations for hygiene, keeping their distance, wearing masks, but also testing and finally vaccination strategies were defined in the COVID 19 prevention concept. All measures and tasks were set according to the STOP (substitution of risk, technical, organisational and personal protective measures) principle.

Challenges

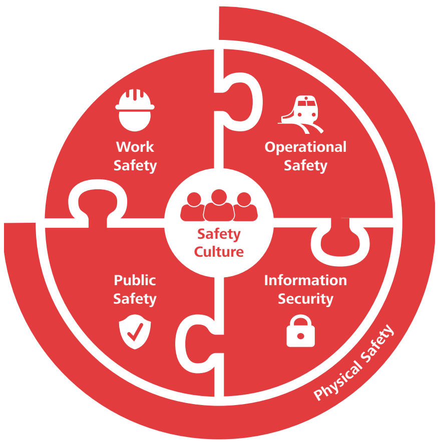
The train attendants and security personnel on the train and at the station monitor compliance with COVID 19 measures in the customer area. In particular, in connection with compliance with the mask requirement, there was a significant increase in assaults on employees in 2021. The increased potential for aggression was countered, among other things, with the use of body cams, improved de-escalation training and specific case processing. <

Safety culture

A survey was conducted together with the European Railway Agency in order to better assess how safety is lived and perceived in the workplace. In addition, the ÖBB Safety Council has proven its worth as a means of evaluating and discussing aspects relating to the topic.

Four areas, one overarching safety

Safety in the ÖBB Group is made up of four defined "safety areas" in the sense of focused safety management.



Safe jobs with purpose

ÖBB AS AN EMPLOYER. ÖBB stands out with an enormous range of career opportunities and secure jobs. And they support their team with numerous offers relating to work-life balance and further development.

Interested young professionals are offered 128 different job profiles by ÖBB. From apprentice to manager, more than 41,600 people find a profession with a future here. In addition to rail-specific jobs such as train driver and dispatcher, the company also needs specialists in areas such as controlling, strategic purchasing and real estate, civil and electrical engineering, and mechatronics. IT expertise is also in high demand – from programming to virtual reality. And of course, green jobs play a central role in the number one sustainability company, for example in the company's own hydroelectric and solar power plants

In any case, ÖBB is one of the top employers in the country with its wide range of offers and a large number of meaningful jobs. To keep it that way, the company is constantly developing its "all-round offer" for the entire team. Many offers for training and further development, work-life balance or health promotion are available. Diversity, targeted promotion of women, long-term career prospects and excellent social benefits also make ÖBB attractive for job seekers.

ÖBB employs people from more than 80 countries – and the trend is rising.

Thousands of "newcomers" per year

Positioning itself successfully as an employer is particularly crucial for ÖBB. This is because the generational change in the company continues. Age-related departures and the arrival of thousands of younger employees are changing large parts of the Group. Around 3,400 positions were filled in 2021 alone. In total, as many as 40,000 interested people applied to Austria's number 1 mobility service provider in 2021. At the same time, the company must make itself fit for the leap into a digitalised professional world and a fully liberalised market. Strategic HR management has an essential role to play in this respect: It responds to the competition for the best talent with modern and flexible working conditions.

Making new work possible

Digital and flexible – these are the key words here. Today, flexible, hybrid working is just as much a matter of course as optimal conditions for balancing family and job or continuing development. As an employer, ÖBB responds to all of this professionally and strategically. This is intended to improve the quality and productivity of work and thereby increase competitiveness. For example, a new company agreement was concluded that regulates the framework conditions for teleworking. Older colleagues are supported in passing on their know-how to the next generation in an orderly manner. Acquiring new knowledge is made possible by the ÖBB Academy, which offers comprehensive learning and development opportunities for team members from all areas – from management level to newcomers. Whether it is to deepen specialist knowledge or to learn leadership >

Opportunities and challenges

Age-related departures and the arrival of **thousands of younger employees** are changing large parts of the Group.

FUTURE. Sci-fi game-inspired campaign docks with young lifestyles

NEXT-LEVEL TEACHING. ÖBB is a “magnet” for young people with its enormous range of benefits for employees. Around 600 new apprentices start a next-level apprenticeship every year. On the newly designed website **www.nasicher.at**, young people can obtain comprehensive information and apply online skills: The offering links directly to the development offerings of the individual Group companies. In 2021, a total of 13 courses for managers, team coordinators, working group leaders and experts were completed. This corresponds to a total of 1,420.5 participation days.

The webinar series on "Virtual / Hybrid Leadership" alone supported around 1,240 participants. In September 2021, the newly revised "TRAINees4mobility" program started with 16 university graduates. In addition, the ÖBB training catalogue offers an extensive and flexibly bookable range of around 130 courses, tailored to the needs of the individual professions and with a strong practical focus. The ÖBB training team was able to support 7,650 participants in 2021.

E-learning is booming

Many courses and trainings were converted to blended or e-learning formats for the first time in 2021. A new e-campus also promotes location and time-independent learning. 106 new e-learnings, trainings and learning apps were made available – for example "Leading in a crisis". Technical training in the area of train control systems was also implemented in electronic formats for the first time. Also newly launched in 2021 was the program "New Work at ÖBB – experiencing and shaping new work", which offers methods and techniques for agile working.

ÖBB currently trains around **2,000 young people** to become highly qualified specialists in 27 commercial and technical apprenticeships.

Living for diversity

This is because diversity strengthens a company, diversity management is an important strategic lever in the company. Equal treatment – regardless of gender, age, religion or origin – is part of our corporate culture. In 2021, increased attention was paid to raising diversity awareness among our managers through various measures, such as the organisation of relevant events or the publication of our own diversity guidelines.

ÖBB employs people from more than 80 countries – and the trend is rising. Improvements to our intercultural fitness are being addressed at various different levels. These include, for example, cooperation with Volkshilfe, but also internal discussion events such as "Come to stay" or the ÖBB language learning exchange. The pilot project "Safe & Respectful – Together on the Road" is also new. As part of this, ÖBB enters into exchange with various communities and wants to promote dialogue. The proportion of colleagues with disabilities should also rise. A charter of inclusion and an action plan provide direction.

The Financial Times and independent market research firm Statista identify companies that are significant leaders in diversity and inclusion. The special report "Europe's Diversity Leaders" features top companies that particularly distinguish themselves and their employer brand in the area of diversity and inclusion. ÖBB is one of the diversity leaders.

DIVERSITY BRINGS STRENGTH. ÖBB employs people

Prevention and Health Promotion all year round

Occupational health management is also firmly anchored in the corporate philosophy. The main aim here is to improve working conditions and reduce stress. This is achieved, for example, with regional health circles, health-specific workplace evaluations or focus programs on nutrition, exercise and mental health. Programs to strengthen the immune system, non-smoking seminars, webinars on health topics specific to women and men, or podcasts to increase resilience are other offerings.

A top employer

The fact that ÖBB is regarded as one of the country's top employers is also shown by the results of the latest IFES employer survey. **ÖBB landed among the five best employers in the country.** They were particularly successful in the criteria of safe employer and sustainability.

And because leadership behaviour also has an impact on everyone's ability to work and willingness to perform, attention is paid to an appreciative and thus health-promoting leadership culture. If something does however happen to someone, employees who are ill or who have had an accident are given

from more than 80 countries – and the trend is rising

targeted support as part of the company's reintegration program to help them regain their ability to work. And with targeted prevention, secondary diseases are to be avoided in the long term.

Joining forces to get through another pandemic year

Thousands of system-relevant ÖBB employees worked day in, day out during the pandemic to ensure that train services ran smoothly – we can proudly claim that we continued to keep Austria going in the second year of crisis. To accomplish this, the COVID-19 task force was also in place in 2021, supported by the “Group COVID 19 Coordinator”.

Comprehensive COVID 19 protection measures such as hygiene and distance rules as well as home office continue to be upheld in the company. Comprehensive corona testing and vaccination services were made available and the 3G rule was introduced. Information on the subject of “corona” was provided on an ongoing basis on the intranet and at information events. All of these measures helped to ensure that the number of those with COVID 19 at ÖBB always remained below the level of the overall population, thereby maintaining critical rail infrastructure.

Further benefits

Many other benefits distinguish ÖBB as an employer. This includes events and sports festivals as well as attractive locations, friendly workplaces and modern technical equipment. <

Promoting women

Promoting and utilising the potential of the female workforce – that's a big item on ÖBB's agenda. Because one thing is clear: Gender and diversity competence play a major role for a modern and attractive employer. The proportion of women in the total workforce is to continue to rise sharply – from 14.2 percent at present to 17 percent by 2026, as stated in the Diversity Charter 2026. At least one-fifth of new admissions should be women. The proportion of women in management positions (15.4 percent of whom are women as of the end of 2021) is also set to rise. It is already evident that the trend is heading in the right direction: In apprenticeships, one-fifth were already female in 2021. And more than 42 percent of Supervisory Board mandates at domestic stock corporations were most recently held by women. In the further development programs of ÖBB academy, the proportion of women in 2021 is 24.7 percent, an increase of 1.8 percent over the previous year.

Reconciling job and private life

To attract even more women and girls to ÖBB, the company offers, among other things, family-friendly working time models and attractive childcare options, including company kindergartens and special nanny care services. The “RailMap*Reconciliation Work & Private” also provides women with access to an information portal on maternity leave, care and ÖBB's reconciliation offers. However, women at ÖBB also benefit from specific training and coaching opportunities and can become part of a women's network. The cross-industry cross-mentoring program, which received SHEconomy's Minerva Award in 2021, is another component of the offensive. In addition, there are plans to implement the Women's Career Index (FKi) throughout the Group, which enables the advancement of women in the Group to be clearly measured, made transparent and developed in a targeted manner. All of this serves a Group-wide goal that is pursued at many levels and set out in the Diversity Charter 2026

Ensuring equal opportunities

ÖBB is also positioning itself outside the company: Among other things, they are cooperation partners of the “FIT” (Women in Technology) program and participate in the “Daughter Days”. They handle cooperation and training programs with AMS and NPOs, among others. In addition, ÖBB is part of the new European agreement “Women in Rail”, with which 80 railway and infrastructure companies and the European trade unions commit themselves to clear steps for more equality in the rail sector.

WITH THE NIGHTJET THROUGH EUROPE.
In 2021, four new lines were added – for example, overnight to Amsterdam or Paris. In the meantime, 20 Nightjet lines can already be utilised – and the trend continues to rise

A fresh start into the future

PASSENGER TRANSPORT. Even if corona and its consequences are still clearly felt: ÖBB is in comeback mode and is taking sustainable mobility in Austria forward in leaps and bounds

There have been many difficult months since the outbreak of the corona pandemic: at times, serious drops in passenger numbers due to lockdowns, major challenges in protecting employees and passengers from infection, to name just a few aspects.

But now ÖBB has made a comeback: Important milestones have already been set again in 2021 to help sustainable mobility in Austria achieve a further breakthrough.

For example, with the ÖBB Nightjet: 50 times more climate-friendly than travelling by plane – that's something that inspires more and more people. ÖBB is already Europe's largest night train operator. This pioneering role is to be further expanded with new connections and modern rolling stock. Before the corona crisis, over 1.5 million passengers rode the Nightjet annually. After a pandemic-related night train break in spring 2021, ÖBB's night trains quickly filled up again and were at capacity as in pre-corona times.

50 times more climate-friendly than travelling by plane – that's what more and more people are getting excited about.

197th Cityjet completed

A quality offensive in local and regional transport was also driven forward in 2021. The 197th Cityjet Desiro ML from Siemens left the ÖBB-Technische Services GmbH plant in Jedlersdorf, where final assembly of the commuter trains takes place. As a result, 197 Cityjet Desiro ML sets were completed and put into passenger service within just six years. The Desiro ML fleet at ÖBB has covered around 114 million kilometers to date since delivery. Barrier-free entrances, automatic air conditioning, WiFi, ergonomic comfort seats, reading lamps and power sockets at the seats or large tables for vis-à-vis seating groups are just as much part of the equipment as eight stroller spaces, 24 bicycle spaces and two wheelchair spaces.

A framework agreement has been concluded for Vorarlberg and Tyrol for a total of 46 Desiro ML series electric multiple units in 2021. The fleet modernisation of the double-deck trains to Cityjet level is also going according to plan. 13 trains with a total of 51 wagons have already been upgraded to modern standards.

In total, ÖBB is investing over EUR 4.1 billion in modern trains by 2027 and thus in the future of rail travel. Of this amount, EUR 2.47 billion will go to local transport and EUR 880 million to long-distance transport. EUR 780 million will be invested in vehicle installations and conversions.

4.1 bn.

In total, ÖBB will invest around EUR 4.1 billion in its fleet by 2027. EUR 2.47 billion of this will go to local transport, while EUR 880 million will go to long-distance transport.

The range of domestic routes is also being expanded extensively – for example, with increased frequency on the Graz-Linz route, including attractive transfer and onward travel options to Germany. In the east, intervals on frequently used routes were further improved, especially in early morning services.

Breakthrough for the KlimaTicket

Another milestone got even more people to switch from cars to trains in 2021: The KlimaTicket (climate ticket) achieved a breakthrough after years of negotiations between the federal government, the states and the carriers. ÖBB is a key supporter of this initiative.

Just one ticket at the regular price of EUR 1,095 allows you to use all participating public transport services in Austria – city services as well as public transport associations. This will make public transport even more affordable and bring Austria a big step closer to its climate targets.

>

INTEGRATED MOBILITY. The "ÖBB 360" program offers a range of mobility services for the last mile

New services

ÖBB also scores with its customers with many new services. For example, the ticket store is being redesigned step by step to improve user-friendliness. Extensive beta testing took place, and feedback was incorporated directly into the redesign. The first step was to redesign the interface of the home page on the web. The new tool "ÖBB Live" shows the facilities and occupancy on ÖBB trains in Austria, making it even easier to find the desired seat in the future. And there have also been improvements to the pricing system: Those who book earlier and online or via the app get the better price.

The VCÖ railway test and the ÖBB customer satisfaction analysis **again show top ratings in the most important areas.**

ÖBB 360

ÖBB sees integrated mobility as a decisive factor for the future. The "ÖBB 360" program therefore offers a range of mobility services for the last mile – from home to the station or from the station to work. Together with partners, ÖBB develops and operates integrated mobility products and services. The wegfinder app can be used to find, book and pay for all available offers – from rail to car sharing, e-bike and e-scooter rentals. Several pilot projects have already run successfully. ÖBB's Open Innovation team has been working intensively on the important topic of the "Last Mile" since 2018.

This also gave rise to the idea of a micro-public transport system – now successfully underway as the Postbus Shuttle. The Postbus shuttle provides easy and convenient access to mobility in the region, without any timetable or fixed departure times. It is already in use in several regions of Austria, such as the Donau Gusen area of the future, the Mödling district, Lake Wörthersee and Lake Ossiach.

97 percent

A punctuality rate of around 97 per cent in passenger transport makes ÖBB one of the most punctual railway operators in Europe. For many, this is another reason to use the train regularly.

Desire for rail travel grows

This commitment by ÖBB on many levels is paying off. The results of the VCÖ rail test published in December 2021 and the ÖBB customer satisfaction analysis once again show top ratings. Despite the corona pandemic and the additional workload for the on-board staff, the friendliness of the train attendants was once again perceived as very positive. The value could be increased again.

30 percent of customers expressed a desire for more rail travel. The many connections to major European cities are particularly in demand. Just under one in ten travelled by night train last year. For the coming year, around a quarter of those surveyed are planning a vacation trip by rail.

Travel by train without worries

According to VCÖ, 9 out of 10 passengers are satisfied with the cleanliness

GAMECHANGER. Ride the public transport system in (almost) all of Austria for EUR 3 a day

on board trains in Austria, and ÖBB's Hygiene Offensive 2021 certainly made a significant contribution to this. In 2021, ÖBB further strengthened its cleaning services in trains and stations and ensured that passengers and employees can travel and work safely even in times of pandemic.

Every day, more than 1,000 cleaners were on duty at stations and on trains for surface cleaning. ÖBB passenger trains were spotlessly cleaned 11,000 times. In addition, there were 1.3 million lesser cleanings – such as those of tables, grab bars and door openers. In 2021, ÖBB even received a risk management certificate with a focus on hygiene from TÜV AUSTRIA for the cleaning of trains.

In 2021, cleanliness and hygiene were also at the forefront at train stations. Mungos Sicher & Sauber employees cleaned 2.8 million square meters of floors and 80 kilometers of handrails at around 1,000 train stations in Austria last year. More than 33,000 liters of surface disinfectant and nearly 11,000 liters of ecologically certified cleaning agent were used.

This large-scale effort, along with the wearing of FFP2 masks, means that train travel is safe and the risk of infection with COVID-19 on public transportation is no higher than in other areas of public life. This was also helped by the fact that the air in the trains and buses is regularly changed by high-performance ventilation systems. <

The night train network grows

Four new Nightjet lines premiered in 2021, bringing the total number of Nightjet lines to 20.

Since May, the night train has been running daily on the Vienna-Amsterdam and Innsbruck-Amsterdam routes. Since December, there have been three overnight services a week from Vienna to Paris via Munich and Strasbourg, and the new Zurich-Amsterdam Nightjet has also started its daily service. As a further seasonal night train connection to the Croatian coast, the EuroNight from Bratislava and Vienna via Graz to Split was added to the timetable in June.

Special operations were also on the Nightjet's program in the European Railway Year 2021: For example, at the beginning of May, the Austrian ESC participant Vincent Bueno went to the Eurovision Song Contest in Rotterdam. From 2 September to 7 October, the "Connecting Europe Express" toured a total of 26 European countries. A Nightjet sleeper carriage, along with wagons from other European railways, was part of this special train that drew attention to challenges and opportunities in European rail transport. And finally, the Christmas tree for the European Parliament – a Waldviertel fir almost four meters high – also travelled to Brussels at the end of November on a freight wagon attached to the Nightjet.

New destinations – new wagons

In addition to the additional destinations in the Europe-wide night train network, ÖBB is also relying on new and even more modern carriages. The upgrade program involved converting conventional seating carriages into modern multi-function couchette carriages in a conversion phase lasting around four months in each case. They offer 4-person compartments with fixed beds, whose equipment significantly increases sleeping and travelling comfort. And they have a stroller parking space and three bicycle parking spaces, which means that bicycle transport will be possible on almost all Nightjet lines in the future. Free WiFi and other technical innovations such as charging options at every couch or an operating display for light control or service calls also await passengers. And each multifunctional wagon is equipped with a barrier-free compartment.

The upgraded "comfort couchette wagons" will gradually be integrated into the existing Nightjet fleet. The first wagons have been in service since December 2021. By the end of 2022, all 22 wagons should be completed and in service on selected routes in Austria, Germany, Switzerland and the Netherlands. In addition, ÖBB ordered 20 more seven-wagon Nightjets of the new generation from the framework agreement with Siemens Mobility in July 2021. This means that a total of 33 Nightjets of this new generation will be on the rails by 2025.

The Postbus brings something to everyone

DEPARTURE INTO THE FUTURE. Postbus continues to

POSTBUS. From Lake Neusiedl to the Alpine Pass: Österreichische Postbus AG makes rural Austria mobile and saves the environment from harmful emissions.

The Postbus is on the road in just about every Austrian community. In more than a third of all Austrian communities, it is the only means of public transport. It makes the rural population mobile, provides a connection to the rail, secures land supply – and is the environmentally friendly alternative to the car: One passenger kilometer by diesel bus produces three times less CO_2 than the same trip by car. All this makes it an irreplaceable part of the public transport system and an important partner in achieving climate goals. After a corona-induced drop in passenger numbers from an average of 204 million to 119 million in 2020, the numbers rose again significantly in 2021 to around 133 million.

Innovations such as the digital driver cockpit make bus operation **sustainably, more efficient and easier.**

New passengers for the Postbus

Currently, about 70 percent of the passengers are students. In order to increase the potential for CO_2 savings, additional potential passengers are to be addressed in the future. Increasingly, the needs of other target groups are also being included. The aim is to attract commuters, tourists and adults in general. The Postbuses already cover 140 million kilometers per year – but this is far from exhausting their capacity. It would make perfect sense to expand the bus in the same way as the train. In many federal states, there is a lack of dense, daily interval service. The offer should be oriented to the mobility needs of the people – and not to the number of inhabitants in the communities.

Postbus Shuttle: even more service for customers

One way to reach these new passenger contingents and at the same time an answer to increasingly flexible mobility behaviour is the Postbus Shuttle. Since 2021, it has been in operation in Carinthia (Techelsberg am Wörthersee and Ossiacher See), Upper Austria (Zukunftsraum Donau Gusen, Donau-Ameisberg) and Lower Austria (Mödling). It provides a convenient on-demand service to the rural population: Journeys can be booked conveniently via an app or a call center without any timetable or fixed departure times – and at prices similar to public transport.

In the digital fast lane

However, digital innovations also provide a decisive impetus for the future of public transport: Since 2020, a digital driver cockpit has been making bus operations step by step simpler and more efficient and supporting Postbus drivers in their day-to-day work. For example, the drivers' duty rosters, changes in the operating schedule, and also the processing of ticket sales are controlled via the digital assistant on a tablet – updated daily and at the touch of a button. Driving innovation and digital transformation are important success factors for ensuring the quality standards of the Postbus in the long term.

For passengers, of course, this has the important advantage of making regional bus services even more reliable. The Austria-wide roll-out will be completed in the summer of 2022 and all 3,296 Postbus drivers will be able to steer digitally into the future.

focus on the expansion of alternative drives and flexible services in the name of sustainability

Postbus in figures

The mobile power on the land

The Postbus is **on the road every day in around 1,800 communities** and thus ensures public connections in rural areas as well as regional added value and securing regional jobs.

In 2021, **2,433 buses carried around 133 million passengers** and covered **140 million kilometres**.

A passenger kilometre with a diesel bus causes three times less CO_2 than the same journey by car, every e-bus is even completely emission-free.

The number of **lower-emission buses** in the Euro 5/EEV and Euro 6 standard classes was **increased to 2,429** in 2021.

Expansion of alternative drives continues

Even if most buses currently still run on diesel, they are still environmentally friendly compared to passenger cars: Even with an average of five passengers, the bus requires less energy than a passenger car, which has an average of 1.1 passengers. If the buses are converted to alternative drives, then this comparison becomes even clearer. It is up to the provinces and municipalities to decide how many buses with environmentally friendly, alternative forms of drive are on Austria's roads.

As a partner of the transport associations, Österreichische Postbus AG is ready for the change and the use of new, environmentally friendly drive forms. The savings potential is high: If the entire fleet were to be completely converted to CO_2-free drives, this could save around 100,000 tonnes of CO_2 per year in Austria. Projects that meet both sustainability and tourism requirements are already underway.

Lifeline for rural mobility

The Postbus ensures public **connections in rural areas, regional value creation and the safeguarding of regional jobs**.

Emission-free and very quiet: battery-powered buses

At the end of 2021, Austria's first electric-powered ski bus did the rounds through Kaprun – 100 percent emission-free and quiet. During the ski season, it was tested for its everyday suitability for three months to observe how it performs in winter operation. These empirical values form an important basis for future use in regular operation. In general, however, we can now draw on quite a bit of experience when it comes to e-mobility: As the only bus company in Austria, Österreichische Postbus AG has already implemented several projects in the field of alternative forms of drive and is continuously working on their further development: A total of six e-buses are already in regular operation in Styria, Carinthia and Vorarlberg. In summer 2022, two new e-bus lines will also go into operation in the Schweinbarther Kreuz region (Gänserndorf district): Eleven e-buses will serve a total of 1.3 million service kilometers in the southern Weinviertel region.

The "H2Carinthia" (Start 2020) involves the Österreichische Postbus AG in a project that is unique in Europe and uses green hydrogen twice: both in industrial microchip production and for public mobility in the form of fuel for buses. In doing so, the company is contributing its expertise gained during the first use of a hydrogen bus in Austria on the Vienna Airport Lines (2018) and in further test operations in Graz and Klagenfurt (2019). In May 2021, a hydrogen bus was put into regular service in Villach on a trial basis. One goal of "H2Carinthia" is to convert the entire Carinthian transport region to hydrogen-powered and thus climate-neutral buses – Österreichische Postbus AG has already ordered the first five hydrogen buses in 2021 based on a contract with Verkehrsverbund Kärnten GmbH. Service, digital and drive innovations like these are indispensable to ensure that the Postbus continues to benefit everyone in the future – the environment as well as the people. <

More freight on the rail

ÖBB RAIL CARGO GROUP. As one of Europe's leading rail logistics providers, ÖBB Rail Cargo Group (RCG) is in the process of winning new customers for rail freight transport and further promoting the even greater shift of freight transport to the train.

Whether it be the ten-year high of the Rolling Highway – ROLA for short – or opening up new international TransFER connections: Last year, ÖBB Rail Cargo Group took numerous decisive steps to further promote an even greater shift of freight transport to rail. Even though the share of freight traffic in Austria is very high compared to Europe, the figures are to be increased further – not least because rail is the only way to combine climate targets and also economic and transport growth.

In order to open up new sectors and win new customers, ÖBB Rail Cargo Group, as the second largest rail logistics company in Europe, is constantly investing in digitalisation and innovations in rail freight transport – processes are to be automated and simplified, and analogue, complex and expensive processes are to be replaced by digital solutions. At the top of the agenda are also efforts for progressive internationalisation: RCG is continuously expanding its international TransFER connections (currently already around 60 TransFER connections in addition to the nationwide single wagonload service in Austria and Hungary), thus making a significant contribution to achieving the goals of the European Green Deal. Strategic positioning abroad is intended to open up markets and benefit from new market opportunities.

In addition to greater efficiency and flexibility, the main aim is to tap into new customer groups through **easy access to the rail system.**

Over 94 million net tonnes

Focusing on the clear goal of connecting people, companies and markets even more strongly, ÖBB Rail Cargo Group enables 94.1 million net tonnes to be transported in 2021 with efficient end-to-end logistics solutions. ÖBB Rail Cargo Group saves more than one million tonnes of CO_2 annually in Austria through these transports by rail.

Brenner axis with ROLA traffic – highest value in ten years

In 2021, the Rolling Road (ROLA) of ÖBB Rail Cargo Group, as a rapid relocation tool for trucks, not only made up for losses suffered during the corona pandemic on its journey through Tyrol, but also showed a strong performance in a ten-year comparison. The Brenner axis with the two connections Wörgl-Brenner and Wörgl-Trento transported more than 160,000 trucks in 2021. This is the highest figure in ten years. In autumn, we were already above capacity utilisation for 2020. This increase on the Brenner shows that intensified, cross-state transfer measures and traffic policy control are working efficiently – especially the sectoral truck driving bans and accompanying police controls introduced in Tyrol.

European pioneer

The high share of freight transport by rail makes Austria one of the European pioneers. The modal share should generally be further expanded throughout Europe – not least because rail is **the only way to reconcile climate targets with economic and thus transport growth.**

The majority of truck transport on the ROLA is still concentrated on the Wörgl-Brenner axis and back, which means that the environmentally friendly modal shift to rail will make a significant contribution to relieving the transit burden in the sensitive Alpine region. The Wörgl-Trento connection, which had been greatly reduced and even completely discontinued in the period until April 2021, resumed operation as a daily twinset in spring 2021. On all ROLA connections, i.e. Wörgl-Brenner, Wörgl-Trento and Wels-Maribor, a total of 29 percent more trucks were transported in 2021 than in 2020. The numbers from 2018 and 2019 were also exceeded. In total, about 187,000 trucks used one of the ROLA connec- >

ENVIRONMENTALLY-FRIENDLY RAILWAY. Rail accounts for around 28 percent of the total freight volume in Austria. ÖBB Rail Cargo Group saves more than one million tonnes of CO_2 annually throughout Austria by shifting freight transport to rail

WITH TRANSFER CONNECTIONS and individual combinations across Europe to Asia

tions of ÖBB Rail Cargo Group in the past year. Thus, ÖBB has proven to be a reliable and competent partner in shifting truck traffic from road to rail, as, for example, each ROLA trip Wörgl-Brenner is 35 times more environmentally friendly than a trip on the road.

Around 60 TransFER connections

RCG continued to expand its network of international TransFER connections in 2021. TransNET now includes around 60 international connections, enabling customers to transport their goods from Europe to Asia. If desired connections are not covered, RCG also offers its customers individual TransFER solutions. During the corona pandemic, ÖBB Rail Cargo Group was a reliable partner of the European economy by reliably and safely bringing every ton to its destination during the various lockdown phases. Even though it was a challenge to switch to home office, sometimes within a very short time, and to increase capacities at the same time, the network could be adapted dynamically to the high volatility.

TransNET is constantly being expanded and includes around **60 network TransFER connections** as well as numerous **individual combinations.**

The starting signal for an additional TransFER connection with European industrial goods from Budapest to Xi'an in China in the summer of 2021 can be seen as a milestone here – until then, only the opposite direction had been offered. The train operated by ÖBB Rail Cargo Group covers up to 1,000 kilometers per day, and reloading is required twice here because of the changeover to broad gauge and standard gauge. In the process, the transport is faster than by ship, cheaper than by airplane, and more environmentally friendly than either mode of transportation. In 2021, ÖBB Rail Cargo Group was already travelling once a day in each direction on the various Silk Road routes, benefiting customers internationally. That, too, is a step – and a highly complex one at that – toward getting more new export goods on the railway. On the one hand, the market position of ÖBB Rail Cargo Group was strengthened and expanded, and on the other, customers from Austria also benefit from this international network.

Medium-sized customers

In the future, **ÖBB Rail Cargo Group would like to address medium-sized customers** with consignments ranging from one container to a group of wagons even more strongly than before.

This connection is not an isolated case. In other respects, too, new TransFER connections are constantly being created, such as most recently between Villach and Trieste, Verona and Regensburg, Verona and Hannover, and between Turkey and Hungary / the Czech Republic. The steady expansion of TransFER connections is not only intended to promote internationalisation, but also to help increase the modal share in Europe from the current 18 percent to 30 percent in freight transport. ÖBB Rail Cargo Group is also dedicated to this goal within the framework of the Rail Freight Forward Initiative (RFF), an association of European freight transport companies. ÖBB Rail Cargo Group is not only a founding member, but also holds the chairmanship. Together, the members of the initiative are working to get freight traffic off the roads and onto the rails. Together with partners from all over Eu-

TRIESTE. The port city on the northern Adriatic is the closest access to the sea for Austria

rope, ÖBB Rail Cargo Group is working on a uniform infrastructure and investing in digital services and innovative technologies.

Multimodal logistics as growth potential for medium-sized companies

In general, it can be seen as a trend that rail freight transport has been expanded in recent years to include new sectors and new customers. In the future, ÖBB Rail Cargo Group would like to address medium-sized customers with consignments of one container or one wagon group even more strongly than before. End-to-end logistics solutions are offered for the shipping industry in order to attract more customers who are not connected to the rail network.

These include bringing ÖBB Rail Cargo Group's empty containers or wagons to the customer's loading point by truck pre-carriage, picking up the goods, taking them to the terminal by truck, reloading them onto our TransFER connections and making the main run by rail to bring the container to its destination. The containers of ÖBB Rail Cargo Group have the same loading space as a conventional road truck: Thus, every industrial customer loading onto trucks today is a potential RCG customer. These special services completely eliminate entry barriers for interested parties. <

Digitalisation through MIKE and Co

ÖBB Rail Cargo Group has driven forward numerous innovations in terms of digitalisation. It is important to digitalise internal processes end-to-end so that work can be done more efficiently and intelligently, and also to offer new services to customers externally. MIKE, the digital assistant of ÖBB Rail Cargo Group, was used to drive forward the goal of reorganising core processes in a transparent, collaborative manner with data-driven decision support. The first customer-specific solutions that support customers with digital services for their goods transport are currently being rolled out. In the future, for example, the "Capacity Planning" functionality can help to better plan wagon requirements for rail transport, and Tracking makes it possible to always know in real time where the customer's shipment is currently located. The aim is to continuously digitalise new functionalities, from transport requests to invoicing, and thus make the processing of transports simpler, more transparent and more efficient.

At the same time, the digitalisation of operational transport processing was also driven forward, which will also facilitate international cooperation between the carrier companies in the future. Among the numerous digitalisation measures of the ÖBB Rail Cargo Group was that of the fleet management of freight wagons and equipment. Other digital initiatives include, for example, projects in the area of weighing sensors and thus the detection of overloading or the support of customers in correct loading. There are thus numerous initiatives to make efficient use of digitalisation for freight transport by rail and thus to facilitate the daily work of all those involved by means of digital tools.

ÖBB Rail Cargo Group has taken a number of steps to offer customers even faster, more efficient, more comprehensive and digitally supported services – so that even more goods can be transported by rail in the future.

Another example is "SmartLINK", a digital demonstration tool of our services, which clearly shows customers the range of services offered by ÖBB Rail Cargo Group at a glance. This is an essential first step toward easy, engaging access to the rail system. By way of introduction to the digital world of rail logistics, SmartLINK guides site users through four areas: Customers and interested parties can choose from scheduled or individual TransFER connections, find out about the equipment available and the services and additional benefits relevant to them.

Fit for the future

INFRASTRUCTURE. Over the next six years, the new framework plan will invest 18.2 billion euros in rail expansion – not only in the rail network but also in operational quality, mass transit and digitalisation.

More speed, higher capacities, modernised stations, better connections. Rail travel will get even better in the coming years. This is made possible by the investments of ÖBB-Infrastruktur AG, which are set out in the framework plan 2022 to 2027. 18.2 billion will be used over the next six years to expand the rail network and ensure operating quality, strengthen local transport in conurbations, make regional rail services even more attractive and drive forward digitalisation measures. This works out at just under EUR three billion per year and thus the highest sum ever made available to ÖBB on behalf of the federal government for the expansion of infrastructure.

The projects include station conversions as well as the major tunnel projects. At the same time, the investments set out in the framework plan will create the conditions for even more trains to travel on an even better rail network. More travelers are expected, not least because of the KlimaTicket (climate ticket). By investing in the major main lines, we are bringing more speed to transport between Austria's major conurbations and increasing comfort within the cities, for example in the greater Vienna area. In addition, the investments will also be used to make the most important regional lines more attractive and more environmentally friendly through electrification. Regional railways provide valuable feeder services to the main lines and bring additional added value and jobs to the regions.

The framework plan 2022 to 2027 is the **largest investment package for the expansion of the railway infrastructure** in Austria that has ever been put on track.

For the railway of the future

The "digitalisation of rail" will bring more convenience for rail passengers. The digitalisation of rail operations and infrastructure, on which the ÖBB Group is working intensively, is the core element of the railway of the future. The railway of the future will be even more punctual, more comfortable, and even more environmentally friendly, making it possible to achieve the ambitious climate targets.

Numerous projects were newly included in the framework plan, such as the planning of the double track of the Tullnerfeld Railway between Herzogenburg and St. Pölten or the Brenner North Access as an important part in the expansion of the Brenner Corridor. These include, for example, the construction of the Wachberg Tunnel (Loosdorf-Melk) and a turnaround facility in Kufstein, the double-track expansion of the Pyhrn line between Kirchdorf an der Krems and Micheldorf, the new construction of the Timelkam stop in an improved location in relation to the settlement area and the creation of barrier-free access, an increase in speed in the Arlberg Tunnel, a reconstruction at the Innsbruck and Villach main stations and at Ried im Innkreis, and much more.

Focus of investments

- **Expansion of local transport** in conurbations.
- **Improved attractivity of the regional railways** and an ambitious **electrification programme**
- Further **expansion of infrastructure facilities** for freight transport
- **Digitalisation** and **efficiency enhancement**

Significant reduction and replacement of railway crossings with overpasses or underpasses is also noted in the 2022 to 2027 Framework Plan. After all, the aim is to further increase the level of safety in the area of rail infrastructure. For freight transport, the additional financial resources are being used to increase capacity. Infrastructural changes here should enable longer, heavier and thus more economical freight trains to run in the future. In this way, the aim is to secure competitiveness vis-à-vis

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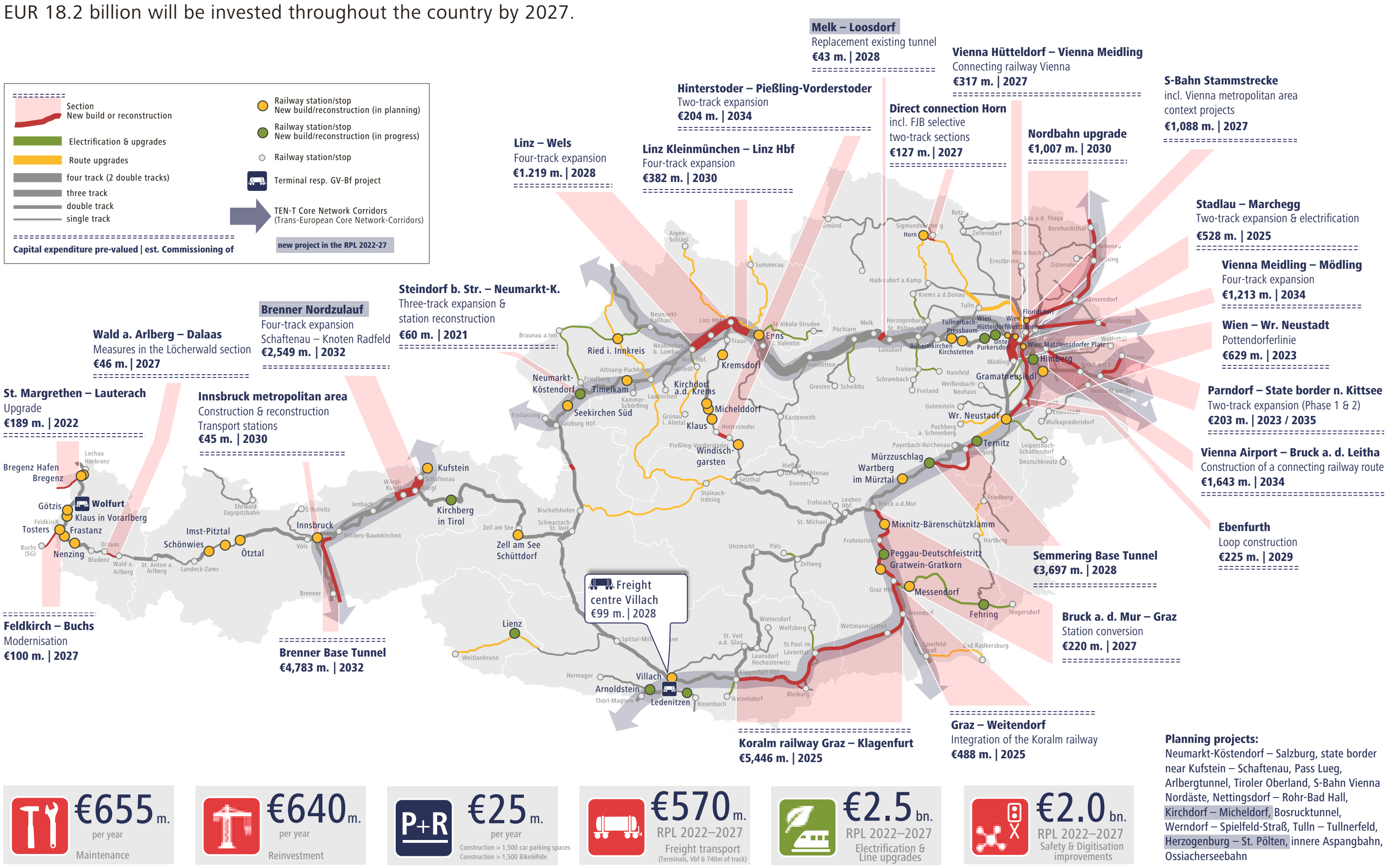
ENVIRONMENT-FRIENDLY. The investments in the 2022 to 2027 framework plan will also be used to become climate neutral in the mobility sector by 2030

ACCESSIBILITY IN TERNITZ. The Ternitz train station was recently made barrier-free through extensive reconstruction work. Seating, glass waiting booths and state-of-the-art customer information systems were also installed

ÖBB Framework Plan 2022-2027

EUR 18.2 billion will be invested throughout the country by 2027.



ÖBB FRAMEWORK PLAN 2022 TO 2027 enables investments ranging from new construction to digitalisation measures and the reduction of crossings

the road. In Austria, transalpine freight traffic is divided in a ratio of 30 to 70 in favour of road, while in Switzerland, for example, 70 percent is accounted for by rail. Experts also attribute this to the large number of major rail tunnels and a different weighting of system costs between road and rail. Accordingly, greater supply in Austria would also lead to more demand for freight transport by rail in this country. For this reason, ÖBB considers the expansion of the southern railway line and the three major tunnel projects to be particularly important. In addition, the aim is to sustainably reduce the system costs of rail and improve competitiveness compared with other modes of transport.

The "digitalisation of rail" brings more convenience for rail passengers. ÖBB is working on the **digitalisation of rail operations and infrastructure** – it is the core element of the railway of the future.

Value creation for Austria

All these measures not only have major benefits for passengers, they are also economically sustainable. Every euro invested in rail expansion generates two euros of added value for the national economy. ÖBB therefore brings around EUR 6 billion in value added to the country. Every single billion of the framework plan creates between 15,000 and 17,000 jobs in Austria. Last but not least, the domestic suppliers and employees also benefit from the investments in the framework plan, in addition to the companies directly commissioned. The framework plan can therefore be seen as a comprehensive economic and job engine for Austria.

At the same time, ÖBB will achieve enormous added value through the planned expansion work by avoiding accidents – also in monetary terms: Consequential accident costs amounting to EUR 17.2 billion can be avoided, quite apart from the fact that accident avoidance and greater safety in traffic go hand in hand with added social value.

Not only for the people, but also for climate protection, every euro invested pays off. In this way, the expansion of the rail infrastructure will help bring the European Union's and Austria's climate target closer. The European Commission's Green Deal calls for Europe to

What is the Framework Plan?

The ÖBB Framework Plan is the **federal government's planning and financing instrument** for investments in the ÖBB-Infrastruktur AG network. Accordingly, it includes a presentation of the **projects and their investment sums as well as the planned expenses for the maintenance of the rail network.** This, in turn, forms the basis for the grants from the Federal Ministry for Climate Protection to ÖBB-Infrastruktur AG. The framework plan covers a **period of six years** and is supplemented and adjusted annually on a rolling basis by one year.

KORALMBAHN (Koralm Railway). Through modern tunnels in about 45 minutes from Graz to Klagenfurt – environmentally friendly and faster than the car

be carbon-neutral by 2050. Austria is aiming to achieve this by 2040. ÖBB has set itself an even higher goal and aims to be climate-neutral in the mobility sector by 2030. One thing is clear: Without the expansion of the railways, the climate targets will not be realised. ÖBB is already making annual CO_2 savings in the millions. The investments in the 2022 to 2027 framework plan can achieve further CO_2 reductions of 0.9 to 1.3 million tonnes per year from 2035 onwards – namely because the work will bring about a further shift of traffic from road to sustainable rail.

Strengthen Europe's network

The 2022 to 2027 framework plan thus helps the railway increase its performance, operational quality, and schedule stability in both the highly congested and regional route networks. The European TEN-T axes and corridors, five of the nine most important of which pass through Austria, will be further strengthened and a shift of traffic from road to rail will be made even more possible. For a railway of the future. <

Investments for generations

With the implementation of the draft framework plan 2022 to 2027, the following is achieved …

- meeting the increasing demand for railway capacity (increase in efficiency)
- implementing further improvements in terms of operational quality and timetable stability in the highly congested and regional route network for passenger and freight transport (punctuality, integrated interval timetable, etc.)
- further increasing the safety level of the railway through measures in digitalisation and automation
- further strengthening the European TEN-T axes and corridors and to enable a shift of traffic from road to rail
- sustainably reducing the system costs of the railway and thus achieve an improvement in competitiveness compared to other modes of transport
- making valuable economic, ecological and social contributions to Austria as a railway country

"The railway is reinventing itself"

ANDREAS MATTHÄ AND ARNOLD SCHIEFER. The ÖBB-Holding AG Management

INTERVIEW. CEO Andreas Matthä and CFO Arnold Schiefer on a challenging year 2021, but also on the future prospects of the rail system, which is experiencing an enormous surge in innovation, particularly as a result of digitalisation.

The pandemic is still not over, yet the railway picked up speed again last year. In any case, there was a clear plus in passenger traffic. Will lockdowns and home offices be a thing of the past?

ANDREAS MATTHÄ: I hope that we have overcome the lockdowns, even if the pandemic is not yet finally over. I believe that, based on the experience of the last two years, we should have enough other instruments in our hands.

It's a completely different story with home office. Through the pandemic, together we've all learned how to use home offices wisely. At ÖBB, we have therefore also significantly expanded the options for home office.

Despite the lockdowns, which also occurred in 2021, ÖBB was able to generate a positive result. To what extent have we needed to put the brakes on ourselves?

ARNOLD SCHIEFER: We knew that the pandemic would keep us busy throughout the year. But of course, we also had to keep a close eye on our costs internally again last year. However, this is nothing new for us, but a permanent topic anyway! A lot of taxpayers' money goes into the rail sector, and it goes without saying that we have to pay close attention to economy and efficiency.

> "We want to and we can **double the performance of the rail system** in Austria by 2040."
> ANDREAS MATTHÄ

The end of the past financial year and the beginning of the new one brought new records for corona infections and the war in Ukraine. How will the latter in particular affect rail traffic?

MATTHÄ: Of course, after two years of the pandemic, we all hoped that we would finally find calmer waters. However, the beginning of 2022 with the enormously high infection figures has shown us that we still have some patience and that we have to be prepared to perform under difficult conditions – with staff shortages due to quarantine. And that was and is not always easy! But here too: Thanks to the enormous commitment of our colleagues, we have managed quite well so far. And to be quite honest, I am still at a loss for words on the war in Ukraine. So much human suffering, so much destruction, and last but not least the enormous number of uprooted people, of displaced people who are left with nothing. I don't think I'm alone when I say, I didn't think we could experience such a situation again in Europe in 2022.

Yet we did what we do best – help from day one! Vienna Main Station very quickly became the hub for displaced persons again, this time from Ukraine. We have transported more than 100,000 people, mostly women and children, free of charge since the beginning of this war, and together with Caritas, many volunteers and the federal states, we have provided them with food and support for their onward journey.

Board members in dialogue in front of the portal of Vienna Main Station

The tensions with Russia have also highlighted Europe's continued high dependence on fossil fuels: Will the Ukraine war boost the energy transition?
SCHIEFER: The fact is that the war in Ukraine shows us all how dependent our entire way of life is on peaceful coexistence and international cooperation. We are experiencing a "wake-up call" that the way we have organised certain processes in the past may not be the way forward.
The fact that our economy, our prosperity, in fact our entire life as we know it, comes under pressure so easily when there are supply problems with gas and the like, is something that we all certainly did not have at the forefront of our minds. In this respect, I assume that the current situation will push the energy transition enormously.

ÖBB generates some of the traction power it needs itself – with its own hydropower plants, but also with wind power and photovoltaics. What effect will the geopolitical situation have on ÖBB's supply of green electricity?

"A lot of taxpayers' money flows into the rail sector, so it goes without saying that **we pay close attention to economy and efficiency."** ARNOLD SCHIEFER

SCHIEFER: We currently generate more than one-third of the electricity required for our operations ourselves: with nine of our own hydropower plants, with 45 photovoltaic systems, and most recently with the world's first wind turbine to produce 16.7 Hz traction current. We purchase the remaining electricity from suppliers who guarantee us the supply of green electricity. We have therefore been running our rail operations on 100 percent green power since 2018. That's okay, but of course we're still far from satisfied. We want to significantly increase our self-sufficiency rate over the next few years. 100 years ago, the Austrian railways decided to rely on electricity from hydropower and leave steam locomotives behind. And since then, energy independence has been important to us. The current development around exploding energy prices proves us right. We are therefore not only renewing our existing hydropower plants, but also massively increasing our investments in photovoltaics and wind power. In 2022 alone, 30 new photovoltaic plants are planned.

Transport is not only the second largest CO_2-emitter, it is the only sector whose greenhouse gas emissions have been rising continuously for decades. How optimistic are you that the goal of climate neutrality in transport by 2040 will actually materialise?
MATTHÄ: As head of the railway – and I'm sure you expected nothing less – I'm optimistic that we can achieve this. And that's because we have already developed very specific plans for this together with policymakers, which we are currently implementing step by step.
I can perhaps say this much in advance: Of course, this will not work without a massive expansion of public transport, without a significant increase in rail capacity. And that's exactly where our planning comes in: We want to and we can double the performance of the rail system in Austria by 2040! Through the expansion and modernisation of the rail network, through digitalisation and through new rolling stock.
Digitalisation in particular will help us to run significantly more trains on existing lines through automation – and at the same time to increase safety even further. That still leaves the new rolling stock, which will enable us to increase our capacity by a >

ANDREAS MATTHÄ. "We operate nine of our own hydroelectric plants, 45 photovoltaic systems and the world's first wind turbine for 16.7 Hz traction power"

good third in both passenger and freight transport. In passenger traffic through new double-deck trains for commuter and local traffic. And in freight transport through lighter freight wagons that allow more train loads.

To a large extent, however, the shift also fails due to the lack of capacities and corresponding offers on the railways. Were there any failures on the part of the railway or was the development a surprise??

MATTHÄ: In passenger transport, we have made enormous strides forward in the last decade, and all rail companies across Europe have done so. I am by no means saying that there is nothing left to do in this area. Quite the opposite! Cross-border transports, for example, are still far too complicated.
It's a different story in rail freight. We have a fully liberalised market across Europe, but in some cases there is simply a lack of network capacities and hubs where the transshipment process for the first and last mile can be handled professionally and on time. However, now that this fact is generally known and European initiatives such as Rail Freight Forward or the EU-Rail program, which is well endowed with 1.2 billion euros, are boosting the expansion of rail freight transport and digitalisation, I see light at the end of the tunnel in this area as well.

"New wagon equipment will allow us to **increase our capacities by a good third."**
ANDREAS MATTHÄ

Until now, the railway system was not known for dynamic changes. At the moment, you get the impression that the railway is reinventing itself – automation and digitalisation spring to mind here. What will innovations like the Digital Automatic Coupling actually change?

SCHIEFER: The railway is indeed in the process of reinventing itself to some extent. The possibilities offered by digitalisation have reshuffled the pack. By the way, the Digital Automatic Coupling (DAC) is a good example: Since imperial times, we have been coupling mechanically and manually in Europe – and now we in Europe have finally leapt into the 21st century and are starting worldwide with DAC. Its globally unique continuous power and data line provides an indispensable basis for interoperable, efficient digital rail freight transport throughout Europe. This will be a quantum leap for rail freight, which will be much more efficient and thus more competitive at a single blow.

The development of the battery train has also been completed, and hydrogen buses have been tested. When and where will ÖBB actually start using the first trains and buses with alternative drives?

MATTHÄ: We already have both in test operation: On the railways, the battery-powered Cityjet Eco from Siemens, which we have used in "real operation" more or less throughout our entire network; on the mountain routes in the west as well as

ARNOLD SCHIEFER. "Digitalisation will be a quantum leap for rail freight, which will be much more efficient and thus more competitive at a stroke"

MATTHÄ: ÖBB 360 is a good practical example of what digitalisation can do for our customers. Based on the wegfinder app, we can cover almost all mobility needs in a locality, a city or an entire region. No matter whether the customer needs a cab to or from the train station or, for example, for a doctor's appointment, or whether he/she wants to use an (electric) bicycle or an e-scooter for a short trip. All this can be easily ordered and paid for via the app – train tickets and Rail&Drive.

on the flat east. Similarly, Postbus has electric buses in operation in various states. And we have tested a hydrogen bus in operation for the route from the city to Vienna Airport, i.e. on the City Airport Lines route. The experience was good with both methods and prompted us to pursue both further. However, our current priority on the railways is our line electrification program, with which we aim to operate 85 percent of our network electrically by 2030.

One reason that slows down innovations on the railways is the lack of harmonisation at the European level. Can't the president of the European umbrella organisation do something about this?
MATTHÄ: Harmonisation at the European level is indeed still a stumbling block in many areas. We need the unification of rail systems, we need more Europe for the rail system. As President of the European Railway Association, I am massively promoting a kind of operational Esperanto. This would allow unhindered passage across the countries' borders. At the beginning of the year, 25 rail partners and the European Commission signed the "Europe's Rail Joint Undertaking" innovation program. With the help of this European innovation program, a first step is to be taken to harmonise and digitalise the rail system in Europe. This is an ambitious project that we must not lose sight of, if only because of our role as supreme climate protectors.

With ÖBB 360, ÖBB has put together a regional allround public transport service package aimed at municipalities and regions to cover the journey from the first to the last mile.

"The possibilities of **digitalisation have reshuffled the cards."**
ARNOLD SCHIEFER

Let's get back to the past financial year. By introducing the KlimaTicket (climate ticket), ÖBB's long-cherished wish for a universal ticket along the lines of the Swiss model was fulfilled last year. How satisfied are you with the demand?
MATTHÄ: The KlimaTicket is certainly one of the most important steps on the way to a successful transport turnaround. If we really want to move away from individual transport and towards public transport (PT), then the offer must be simple and affordable for all. And the KlimaTicket fulfils both of these requirements. Once purchased, it can be used for virtually all public transport throughout Austria. And at just under EUR 1,100 (classic ticket), the price is really something to be proud of.

As far as Nightjet is concerned, the intended modal shift is pointing in the right direction. New destinations have been added, existing ones are to be extended. However, there are also new providers pushing into this segment. How is ÖBB responding to the growing competition?
MATTHÄ: The ÖBB Nightjet, but also our partner services in the night train sector, the EuroNight trains, are really a success story. We currently serve 25 major European cities, from Rome and Paris to Berlin and Amsterdam. Not all daily, but at least several times a week.
And we want more too! In our expansion plans, we are now benefiting from the fact that our success means that the other major rail companies are also literally "jumping on this bandwagon". And of course it also helps that both national and European politicians are very interested in an expanded range of night trains across Europe.

Let's stay with the past year. How well was Postbus able to recover from the massive decline in 2020? And how

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ANDREAS MATTHÄ. "Just having the rail toll lowered has made us and the entire rail sector much more competitive"

will the KlimaTicket affect the Postbus? Do you expect that KlimaTicket holders will also use this means of transport more instead of driving to the station?
MATTHÄ: In terms of passengers, the Postbus is similar to rail transport. We were able to make significant gains in 2021 compared to 2020, but of course we are nowhere near the level of 2019 in the bus business either. However, I am also very optimistic about the Postbus, because bus services are quite simply the backbone of public transport in the rural regions. And if we take the transport turnaround seriously, then I see a positive future for bus transport and thus of course also for Österreichische Postbus AG. A much denser bus service in the regions is needed above all to complement a strong rail network for the transport revolution to succeed. And innovative, small-scale services – so-called micro-public transport. Only in this way can public transport in rural areas become a real alternative to the private car.

Too few truck drivers and a lack of container ships are said to be a major contributor to ongoing delivery problems across all industries. How well was Rail Cargo able to take advantage of this situation in 2021?
MATTHÄ: In the last two years, rail freight operators have proven that they can be relied upon. I don't know if you remember, but when everything stood still at the beginning of the pandemic, it was the rail companies that kept the flow of goods going. From pizza sauce to toilet paper, literally everything came to people by rail.
As far as Rail Cargo Austria is concerned, we had a very positive development last year. However, the reason for this was not so much the delivery problems of trucks and ships, but rather the fact that the reduction of the infrastructure usage charge (IBE), i.e. the reduction of the rail toll, succeeded in providing rapid and efficient support during the crisis. Incidentally, this reduction has helped – albeit temporarily for the time being – not only us but the entire rail sector. It has made us many times more competitive! That is why we – along with all other European rail freight operators – are currently negotiating the extension of this measure. May the exercise succeed!

"I expect **CO_2 pricing to come** in the middle of this year as announced." ANDREAS MATTHÄ

If the CO_2 pricing planned for June comes into effect, will a CO_2 price of EUR 30 per tonne have any measurable effect at all? From ÖBB's point of view, what is fair CO_2 pricing and how should the revenues be used sensibly?
MATTHÄ: I assume that the CO_2 price will come in the middle of this year as announced, and I also think that is right. The current price of EUR 30 per metric tonne is only a first step towards CO_2 pricing. But it is precisely the entry point that we now finally need. In perspective, I adhere to the proposal of the European Investment Bank. This proposes a CO_2 price of around EUR 250 per metric tonne by 2030 in order to achieve real steering effects.

The current framework plan has already launched the largest railway infrastructure package. Are these funds sufficient to achieve the passenger and freight transportation goals in the Mobility Master Plan?
SCHIEFER: The fact is that we have more money available in Austria for rail expansion than ever before. Unfortunately, it is also a fact that construction prices have risen enormously since last year and the construction industry is struggling with an acute shortage of raw materials due to the war in Ukraine. As one of the largest investors, we are being hit hard by both. We are therefore currently examining all investments and, in particular, all schedules of our projects very closely, because our goal must be to achieve the maximum construction output with the available funds – and we are talking here about taxpayers' money. Not a very easy exercise.

Where ÖBB is also de facto "reinventing" itself is in its employees and the biggest generation change in its history. Have you achieved the planned hires for 2021? And what does it look like for the next few years? After all, ÖBB is not the only company looking for new skilled workers.

ARNOLD SCHIEFER. "We are not just any company; as ÖBB, we are on the move in the future field of environmentally friendly mobility"

MATTHÄ: Without the commitment of our employees, we would not be able to once again report such good Group results as in 2021. Or put even more clearly: We know exactly what value our employees have for us. I can't say thank you often enough.

Conversely, we also believe that our employees know exactly what they value in ÖBB as an employer. At least that's what the positive results of our employee surveys tell us. And the tendency is on the rise.

And with this impression, we are also approaching the necessary generation change. Of course, it's a challenge when you have to change almost a third of your staff within just a few years due to retirement. But we managed that well last year and we will manage that in the next few years, even though we are not the only company looking for skilled workers.

We are however not just any company; as ÖBB, we are active in the future field of environmentally friendly mobility. This means that we offer jobs that are relevant to the future and therefore also secure for the future. And in a tremendous range: from IT experts to train drivers! <

"The fact is that we have **more money available in Austria for rail expansion** than ever before." **ARNOLD SCHIEFER**

Passing the baton at Österreichische Postbus AG

Workshop coordinator Martin Fleck receives the diagnostic device from his colleague Johann Konlechner

Corporate Governance

Corporate Governance Report*

ÖBB Group wants to strengthen the trust of its customers, its employees, and the general public with its policy of transparent, quick and detailed information. As a corporate group that operates on the capital markets and attracts a great deal of public interest, the ÖBB Group aligns the organisation and communication of its corporate governance to international standards and best practices and, since 11 April 2014, to the Public Corporate Governance Code of the Federal Government (previously to the Austrian Corporate Governance Code).

The Management Board of ÖBB-Holding AG pursues a corporate strategy that is focused on the interests of the owner, the Republic of Austria, the customers and the employees. It regularly reports to the Supervisory Board on the development of business and submits to it – in accordance with the law, the articles of association and the rules of procedure – certain business transactions of ÖBB-Holding AG or its Group companies for approval. The strategic direction of the ÖBB Group is determined in close consultation with the Supervisory Board.

Federal Public Corporate Governance Code (B-PCGK)

In accordance with item 15 of the 2017 Federal Public Corporate Governance Code (B-PCGK), all companies subject to the Code should prepare their own corporate governance report and publish it on the internet, whereby the parent company of the group may prepare an overall group report for all group companies. The ÖBB Group prepares such an overall Group report in four chapters in accordance with the Group's organisational structure.

1. ÖBB-Holding AG including listed subsidiaries
2. ÖBB-Infrastruktur AG including listed subsidiaries
3. ÖBB-Personenverkehr AG including listed subsidiaries
4. Rail Cargo Austria AG including listed subsidiaries

Notes on the working methods and allocation of responsibilities of the companies listed below
The allocation of responsibilities and the cooperation of the Executive Board are regulated in the Rules of Procedure for the Executive Board. In addition, the Rules of Procedure contain reporting and information requirements for the Executive Board. The rules of procedure for the Supervisory Board contain a list of those measures that require the approval of the Supervisory Board or its committees. This also includes important business cases of the subsidiaries and second-tier subsidiaries.

Notes on the executive remuneration
The remuneration system includes fixed and variable salary components. The payment of the variable remuneration occurs in the following year, as the achievement of objectives is only determinable on completion of the annual financial statements. The variable remuneration granted to the Executive Management in 2021 for the 2020 financial year is shown accordingly.

Notes on the Supervisory Board remuneration
The capital representatives on Supervisory Boards of domestic ÖBB Group companies, with the exception of members of the management and employees of ÖBB Group companies, are entitled to remuneration in accordance with the resolution of the ordinary general meetings to the extent and scope described below. Insofar as members of the Supervisory Board are federal civil servants, their remuneration (with the exception of meeting fees) is transferred to the account of the Federal Ministry of Finance. The employee representatives receive no Supervisory Board remuneration. In addition, members of a Supervisory Board are reimbursed for actual expenses incurred in connection with the exercise of their function against appropriate documentation.

The respective consolidated financial statements are published on the websites of ÖBB-Holding AG and ÖBB-Infrastruktur AG.

* The following pages contain an excerpt from the Corporate Governance Report.
The full report is available on our website at **konzern.oebb.at/cg2021**.

Declaration of compliance / deviations

The B-PCGK is applied in the ÖBB Group and complied with in accordance with the explanations in this report.

The application of the B-PCGK is an essential building block for the ÖBB Group in terms of strengthening the trust of the owner, business partners, customers and employees as well as the public in the company.

As regards ÖBB-Infrastruktur AG, no B-PCGK has been implemented by WS Service GmbH. This is due to the fact that the analogous application of the "governance structure" of the minority shareholder was agreed upon for WS Service GmbH.

OBB ITALIA S.R.L. as well as individual companies within Rail Cargo Austria AG based abroad have not yet implemented the B-PCGK or the implementation is not possible at present due to the lack of a majority shareholding (no consent of the co-owner(s)).

Where deviations from the Code rules are indicated, these result primarily from the organisational structure of the ÖBB Group and are explained accordingly.

All Group companies have liability insurance for the management and – if established – supervisory bodies. The two-tier trigger policy is not applied (C Rule 8.3.3.1), as it hardly exists in Austria or in German-speaking countries due to the risk assessment and would therefore be difficult to implement due to the small number of providers and would lead to a strong increase in premium expenses.

At ÖBB-Business Competence Center GmbH, ÖBB-Technische Services GmbH, ÖBB-Produktion GmbH, Rail Cargo Logistics Austria GmbH and ČSAD AUTOBUSY České Budějovice a.s., as well as some foreign companies of the Rail Cargo Austria subgroup, the Supervisory Board is not equally composed of men and women within the meaning of C Rule 11.2.1.2.

C Rule 11.6.6, which stipulates that a member of the supervisory body should not at the same time be a member of the shareholders' meeting, is not complied with except at ÖBB-Holding AG, as such a combination of personnel is permissible under stock corporation law and represents a recognised and customary management instrument for corporate groups. In this sense, the members of the Management Board of ÖBB-Holding AG are at the same time members of the Supervisory Boards of the subsidiaries and their Management Board members are in turn members of the Supervisory Boards of their subsidiaries. As a result, the members of the Supervisory Boards are also members of the respective shareholders' meeting. The discharge is effected by the other two members of the Executive Board / Executive Management or authorised signatories, ensuring that no self-discharge occurs.

Board of Management and Supervisory Board
of ÖBB-Holding AG e.h.

Promoting equality and diversity in leadership functions, in management and in the supervisory bodies of the ÖBB Group

ÖBB actively pursues gender equality and has had both an equal opportunities policy and a diversity officer since 2011. An institutionalised system of regional equal opportunities officers operates within the ÖBB Group. They are entrusted with compliance with the Equal Treatment Act and ensure equal treatment of all employees.
In 2021, gender equality management focused on raising awareness among executives (including implementing a guide for executives and holding events such as "10 Years of Equality Work in the ÖBB Group") and apprentices (including the creation of a booklet for apprentices and the holding of workshops with regional equality officers). Diversity management also adds strategic emphases to increase diversity in the Group. In 2019, the ÖBB Group was presented with the Diversity Award. This was followed in 2020 by the "equalitA" seal of approval for ÖBB's internal promotion of women, and in 2021 by the "SHEconomy Minerva Award" for the cross-mentoring program and the "Diversity Leader" award (Financial Times).

Diversity-Charta 2026

A strategic goal throughout the Group is to increase the proportion of women to 17% by 2026. Further strategic goals: at least 20% share of women in new hires; successive increase in the share of women in management positions; increase in the share of women in apprenticeship training throughout the Group to at least 20%; 25% share of women in the further development programs of the ÖBB academy and at least 30% share of women in the Supervisory Boards of ÖBB AGs and GmbHs in Austria.
Numerous measures are planned for this purpose, such as cooperation and training programs (with AMS and NPOs, among others), qualification offers in diversity management and seminars on the Equal Treatment Act. The majority of training and seminars were suspended due to COVID-19. The existing career development programs were offered in digitalised form and were used more frequently than average. These include online coaching for women, the cross-sectoral cross-mentoring program and the ÖBB networking events. In addition, the Women's Career Index (FKi) is being implemented and enforced throughout the Group.

Other lighthouse projects: new gender guidelines, adaptation of HR IT systems and "Women's and men's health" campaign

The legal recognition of the third gender is followed in several respects. As of 1 June 2021, the new guidelines on corporate language provide for the colon (e.g. employees) for the linguistic marking of the genders. The HR IT systems are continuously adapted so that when applications are submitted via the **karriere.oebb.at** site, not only male / female, but also diverse or inter are displayed and queried. This also applies to the entire personnel records in SAP.
In addition, the year 2021 in the ÖBB Group was dominated by awareness-raising measures on the topic of "Health and Gender Medicine". The symptoms of many diseases show up differently in women and men, women and men are susceptible to specific diseases differently and have divergent disease courses. These divergences were addressed and widely communicated as part of our health campaign with online events, podcasts, webinars and the Group-wide "No Shave Movember & Red Lips November" campaign.
The overall percentage of women has increased by 0.7% compared to the previous year's reporting date and now stands at 14.2%. The share of apprentices decreased by 0.3% and is currently 17.3% (excluding foundation apprentices). 42.6% (58.1% excluding employee representatives) of the Supervisory Board mandates for the joint stock corporations were held by women, as of the reporting date. There has also been a 1.6% increase in managerial positions to 15.4% from 13.8% in the previous year. Women account for 30.1% of participants at the ÖBB academy further development programs in 2021.
An important factor of employer attractiveness is the compatibility of work and private life. This topic is also part of the ÖBB Equal Opportunities Policy 2011. Among other things, it provides for concrete measures to promote reconciliation (such as company kindergartens, Nannies4ÖBBKids, and the RailMap*Reconciliation Work & Private, an [information portal on maternity leave, care, and ÖBB's reconciliation offers]). Weekend childcare for colleagues on shift and weekend has been implemented as a pilot project since November 2021.

External review of the report

In accordance with Rule 15.5, an external review of compliance with the rules of the Code was conducted by BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft in 2019. BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft confirmed, through the findings obtained in the course of the activities performed, that the Corporate Governance Report 2018 complies with the provisions of the Federal Public Corporate Governance Code.

ÖBB-Holding AG

Board of Management

Name	Year of birth	First appointment	End of term of office
Ing. Mag. (FH) Andreas Matthä	1962	24.05.2016	30.06.2026*
Mag. Arnold Schiefer	1966	01.04.2019	31.03.2024

* Possibility of early termination of the function as a governing body on 30.11.2024

No external Supervisory Board mandates

Business allocation

Ing. Mag. (FH) Andreas Matthä	Mag. Arnold Schiefer
Group Strategy, Corporate Development and Organisation, Group Communications/Newsroom, Group Law and Executive Board Secretariat, Systems Engineering and Group Production, Corporate Affairs, Strategic HR Management	Group accounting, Group Accounting and Taxes, Group Controlling, Group Finance, Strategic Group IT Management, Strategic Group Purchasing
Compliance, Group Internal Audit	

Ing. Mag. (FH) Andreas Matthä is Chairman of the Board of Management.

Remuneration of the executive management (in TEUR)

	Fixed remuneration	Variable remuneration	Total remuneration
Ing. Mag. (FH) Andreas Matthä	475	180	654
Mag. Arnold Schiefer	484	158	642

Members of the Supervisory Board

Name and function	Year of birth	First appointment	End of term of office
Mag.a Andrea Reithmayer Chairwoman since 04.06.2020	1966	28.05.2020	Ordinary Annual General Meeting 2025
Dr. Kurt Weinberger First Deputy Chairman	1961	29.06.2015	Ordinary Annual General Meeting 2025
DI Herbert Kasser Second Deputy Chairman since 20.03.2020	1964	16.03.2020	Ordinary Annual General Meeting 2025
Mag.a Elfriede Baumann	1955	28.05.2020	Ordinary Annual General Meeting 2025
Mag.a Brigitte Ederer	1956	28.05.2020	Ordinary Annual General Meeting 2025
Mag. Markus Himmelbauer	1972	28.05.2020	Ordinary Annual General Meeting 2025
Dr.in Angela Köppl	1960	28.05.2020	Ordinary Annual General Meeting 2025
Dr.in Cattina Leitner	1962	09.02.2018	Ordinary Annual General Meeting 2025
Roman Hebenstreit Employee representative Third Deputy Chairman	1971		Secondment for an indefinite period of time
Mag. Andreas Martinsich Employee representative	1964		Secondment for an indefinite period of time
Günter Blumthaler Employee representative	1968		Secondment for an indefinite period of time
Mag.a Olivia Janisch Employee representative	1976		Secondment for an indefinite period of time

Audit Committee:
Mag.a Elfriede Baumann (Chairwoman)
Dr. Kurt Weinberger (Deputy Chairman)
DI Herbert Kasser
Mag.a Andrea Reithmayer
Roman Hebenstreit (Employee representative)
Mag. Roman Hebenstreit (Employee representative)

Supervisory Board remuneration

Remuneration	Attendance fee
• EUR 14,000 annual basic quota per Supervisory Board member • Chairperson: Supplement 100 % • Chairperson/Deputy Chairperson Supplement 50 % (only in ÖBB-Holding AG)	• EUR 800 per member of the Supervisory Board for each meeting of the Supervisory Board, the Presiding Committee or a committee.

In addition, members of a Supervisory Board are reimbursed for actual expenses incurred in connection with the exercise of their function against appropriate documentation.

Number of meetings 2021
Supervisory Board (meetings and conferences): 10
Presiding Committee: 6
Audit Committee: 2

Passing the baton at ÖBB-Infrastruktur AG

Shunting employee Dennis Fösl takes over the radio remote control of the shunting traction unit from his colleague Robert Kainbrecht

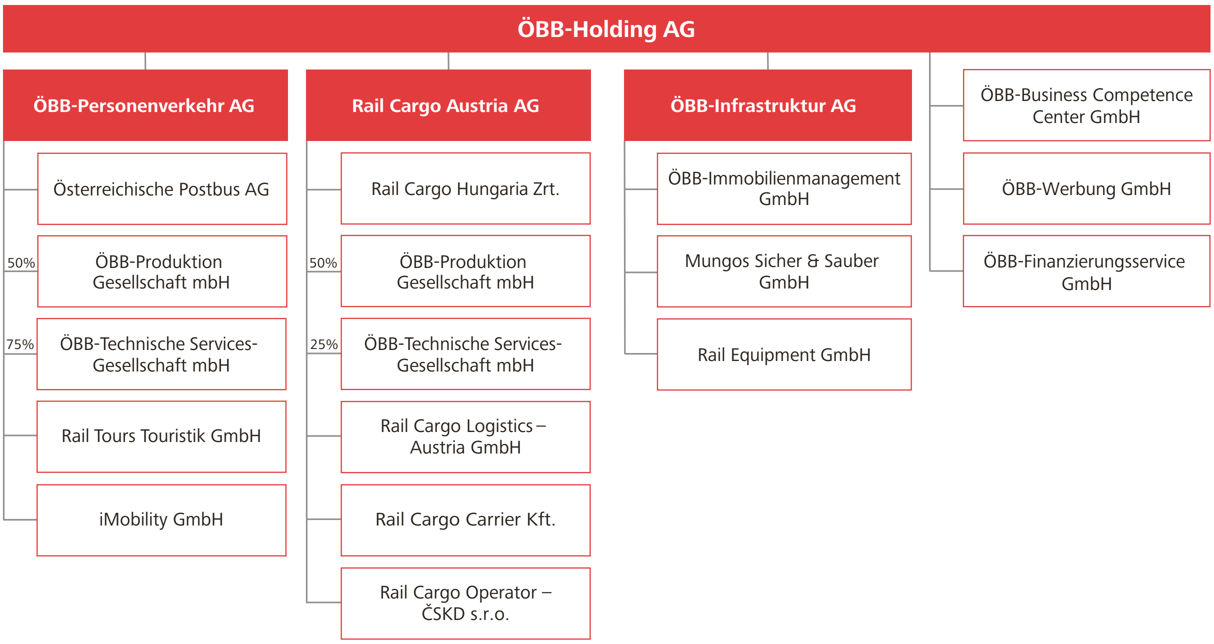
Group Management Report

Group Management Report

This management report supplements the consolidated financial statements of Österreichische Bundesbahnen-Holding Aktiengesellschaft, Vienna (hereinafter referred to as "ÖBB Group"), which must be prepared in accordance with § 244 of the Austrian Commercial Code (UGB) and which are filed with the Commercial Register of the Commercial Court of Vienna under FN 247642 f. The consolidated financial statements as at 31.12.2021 were prepared in accordance with § 245a (2) UGB (Austrian Commercial Code) in compliance with the International Financial Reporting Standards ("IFRS/IAS") adopted by the International Accounting Standards Board ("IASB"), the interpretations of the International Financial Reporting Interpretation Committee ("IFRIC") and the interpretations of the Standards Interpretation Committee ("SIC") that were in force and adopted by the European Union as at 31.12.2021. In addition, a subsidiary of Österreichische Bundesbahnen-Holding Aktiengesellschaft (hereafter "ÖBB-Holding AG"), ÖBB-Infrastruktur Aktiengesellschaft (hereafter "ÖBB-Infrastruktur AG") is required to prepare subgroup financial statements in accordance with section 245 (3) UGB, as it has issued bonds that are admitted to trading on a regulated market. The subgroup financial statements of ÖBB-Infrastruktur AG are submitted to the commercial register under FN 71396 w at the Vienna Commercial Court.

A. Group Structure and Investments

ÖBB Group structure



As at: 31.12.2021
This organisation chart contains a selection of important companies of the ÖBB Group.

The Austrian Federal Railways are organised in accordance with the Federal Railway Structure Act. Since 2005, the holding structure has been headed by ÖBB-Holding Aktiengesellschaft, which as the parent company is responsible for the strategic orientation of the Group.

The shares in the company are held 100% by the Republic of Austria. The share rights are exercised by the Federal Minister for Climate Protection, Environment, Energy, Mobility, Innovation and Technology (BMK).

ÖBB-Holding AG holds all shares in the three subsidiaries ÖBB-Personenverkehr AG, Rail Cargo Austria AG (RCA) and ÖBB-Infrastruktur AG. These three joint stock companies with their subsidiaries are subsequently referred to as the ÖBB-Personenverkehr subgroup, the Rail Cargo Austria subgroup and the ÖBB-Infrastruktur subgroup. ÖBB-Business Competence Center GmbH provides internal Group services (shared services), in particular in the areas of human resources, information and communication technology, purchasing and procurement, and accounting. ÖBB-Werbung GmbH is the internal service provider for marketing activities and externally responsible for the marketing of all ÖBB advertising spaces. ÖBB-Finanzierungsservice GmbH performs liquidity management between ÖBB-Holding AG and the companies in which ÖBB-Holding AG holds a direct or indirect interest and provides financing services within the ÖBB Group.

The main tasks of **ÖBB-Holding AG** are the exercise of shareholding rights and the uniform strategic orientation of the ÖBB Group. This includes the overall coordination of the creation and implementation of the corporate strategies of the companies as well as ensuring the transparency of the public funds deployed. In addition, ÖBB-Holding AG is responsible for ensuring that all measures are taken for internal staff compensation within the Group.

ÖBB-Personenverkehr subgroup is Austria's leading mobility service provider in the rail and bus markets. It is responsible for the conception and implementation of the offer, the coordination of the service provision process, the marketing as well as the distribution and also the financing of the passenger transport services. Together with its subsidiary Österreichische Postbus Aktiengesellschaft, ÖBB-Personenverkehr AG manages an optimally coordinated range of rail and bus services.

Rail Cargo Austria AG is the internationally operating freight transport subsidiary. It operates on the market together with its subsidiaries and holdings under the overall brand Rail Cargo Group (RCG). The home markets are Austria and Hungary. In addition, RCG is present in 17 European countries and operates its own traction in twelve of them. The objective is to remain the market leader in Austria and to further expand its strong market position as No. 2 in European rail freight transport. Rail Cargo Austria AG is a specialist for rail transport with additional forwarding services and as such offers an environmentally friendly, reliable as well as cost-efficient transport and logistics system in combination with professional and tailor-made services.

ÖBB-Produktion Gesellschaft mbH and ÖBB-Technische Services-Gesellschaft mbH are joint subsidiaries of ÖBB-Personenverkehr AG and Rail Cargo Austria AG and offer services in the areas of Traction and Maintenance of rail vehicles.

The **ÖBB-Infrastruktur** subgroup operates 1,038 passenger railway stations and stops in Austria as well as the railway infrastructure, which are used by companies of the ÖBB-Personenverkehr and Rail Cargo Austria subgroups as well as by non-Group railway undertakings (RUs).

The development of the subgroups and their market environment is discussed separately in further sections of this management report.

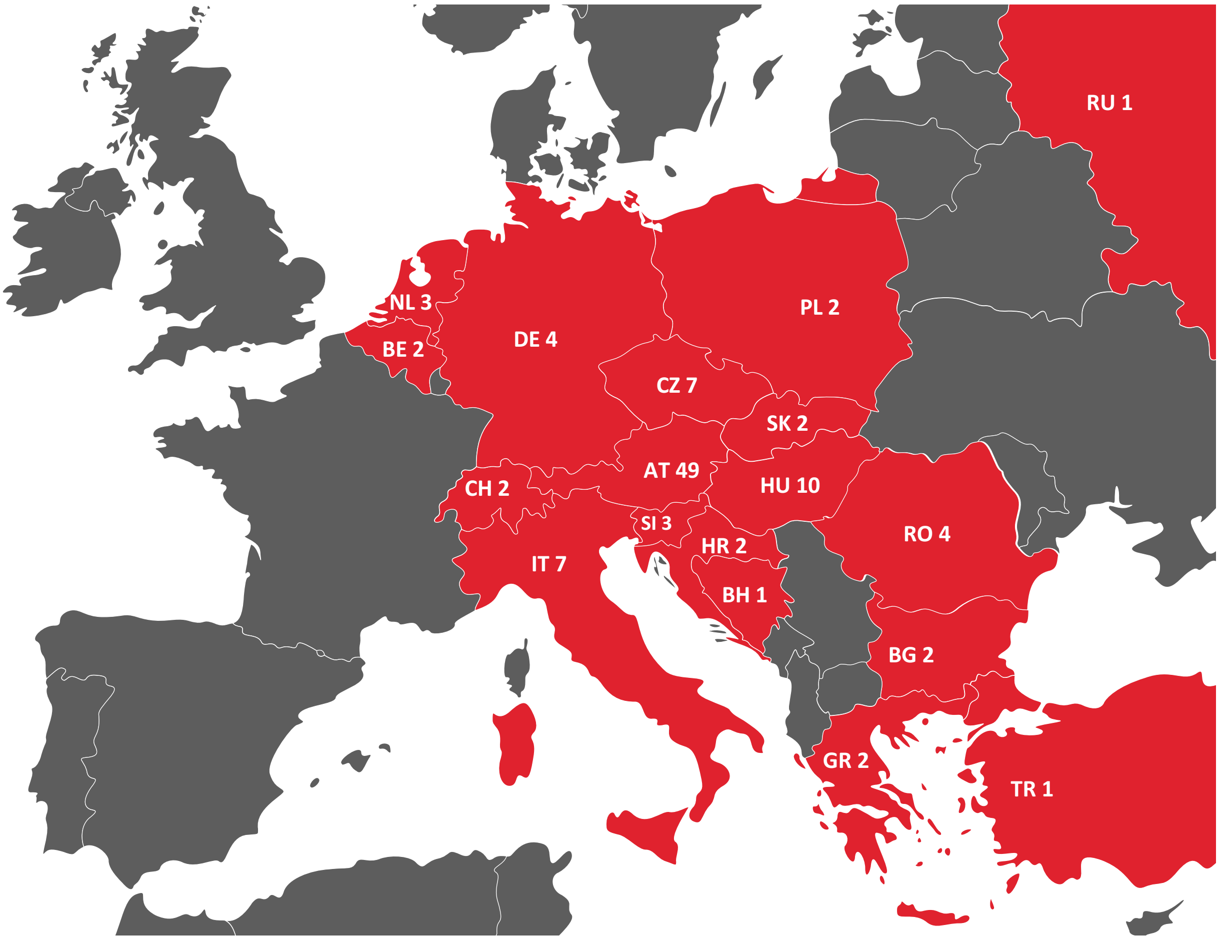
Number of shareholdings by subgroup

	Sub-group			
	ÖBB-Personenverkehr	Rail Cargo Austria	ÖBB-Infrastruktur	ÖBB Group incl. others *)
Investments >50%	13	41	20	80
thereof abroad	*5*	*34*	*0*	*39*
Investments 20-50%	4	10	4	17
thereof abroad	*0*	*8*	*1*	*9*
Investments <20%	3	3	1	7
thereof abroad	*3*	*3*	*1*	*7*
Total	**20**	**54**	**25**	**104**
thereof abroad	***8***	***45***	***2***	***55***

*) Only companies where it is possible to exert a direct influence.

The overview of **shareholdings in the notes to the consolidated financial statements** (see Note 34) lists all shareholdings of the ÖBB Group. In the above table, only a presentation by subgroup and country is given.

Outside Austria, the ÖBB Group holds shareholdings in 55 companies in 17 countries that have their registered offices in the following countries:



B. General Conditions and Market Environment

B.1. General economic conditions

The following forecasts do not take no account the effects of the Ukraine war.

Global economic development

Following a 3.1% decline in the global economy in 2020, the signs for 2021 were pointing to recovery. With growth of 5.9% in 2021, global economic development returned to its pre-crisis level. Global GDP is expected to grow by 4.4% in 2022.

This development was due in particular to the rapid and sustained economic recovery in the USA and China. Unlike the euro zone, the USA will also have more than compensated for the corona-induced economic slump of minus 3.4% in 2020 with growth of 5.6% as early as 2021.[1]

[1] IMF.

Overall, supply-side factors remained the determining factor for economic development. The recovery in the industrial economy began as early as mid-2020 and has continued almost unabated since then. By contrast, the development of private demand worldwide in many countries continued to be driven by renewed measures to contain the resurgent pandemic in the 1st half of 2021. The opening-up of the economy, particularly in the industrialised nations and China, in the middle of the year, and the start of the vaccination campaigns led to a return to private demand - especially for services - as a key growth driver.[2]

Global economic situation (Change in % compared to the prior year)

Key figures and forecasts for global economic performance		2019	2020	2021	2022
Gorss domestic product, real	Eurozone	1.5	-6.4	5.2	3.9
	USA	2.3	-3.4	5.6	4.0
	China	6.0	2.3	8.1	4.8
	World trade	2.8	-3.1	5.9	4.4
Global trade (goods and services), real		0.9	-8.2	9.3	6.0
Value added in industrial production, real		2.0	-4.1	7.5	4.2
Consumer prices	Industrialised countries	1.4	0.7	3.1	3.9
	Developing/ emerging countries	5.1	5.1	5.7	5.9
Crude oil price (USD)		-10.2	-32.7	67.3	11.9
Commodity price (USD)		0.8	6.7	26.7	3.1

Source: IWF, Oxford Economics.

Overall, the corona pandemic remained the determining factor for global economic development in 2021, albeit with varying effects on individual country groups. Developing and emerging countries in particular, with the exception of China, continued to struggle with the direct consequences of the pandemic. Low vaccination progress was primarily responsible for this. In the USA and Europe, on the other hand, the unexpectedly rapid upturn combined with consistently high demand from China led to distortions in international supply chains, particularly from the second half of the year. Massive shortages of raw materials such as steel and building materials, but above all semiconductors, as well as natural gas, oil and coal, were the result.[3] This situation has been exacerbated by the Chinese government's so-called "Zero Covid-19" strategy. This has already led to the temporary closure of entire ports in isolated Covid-19 cases, with massive effects on transport capacities and freight rates worldwide.[4]

For example, prices for global container shipments quadrupled from the beginning of the year to the end of the 3rd quarter, and prices for commodity shipments tripled. In 2021 as a whole, they were thus well above the average for previous years, despite an easing in commodity shipments in particular at the end of the year.[5] The acute shortage also led to massive price increases for the intermediate goods themselves. For example, the price of copper, the key raw material for the electronics industry, has risen by an average of 51% over the year, and the index of global metals and minerals prices has risen by 47%.[6] The oil price increased by approx. 67% year-on-year. The automotive industry and its suppliers are particularly affected by this development. In Europe and the USA, production facilities have even had to be temporarily shut down. As a result of this suppliers are threatened with bankruptcy.[7] Supply chain issues are likely to continue at least until mid-2022.[8]

All this has also had an impact on inflation, with consumer prices rising by an average of 3.1% over the year for all industrialised nations, and as much as 3.9% expected for 2022. Although the effects of price increases were initially limited primarily to industry, supply chain bottlenecks and the massive increase in global energy costs also led to this development being passed on to consumers.[9]

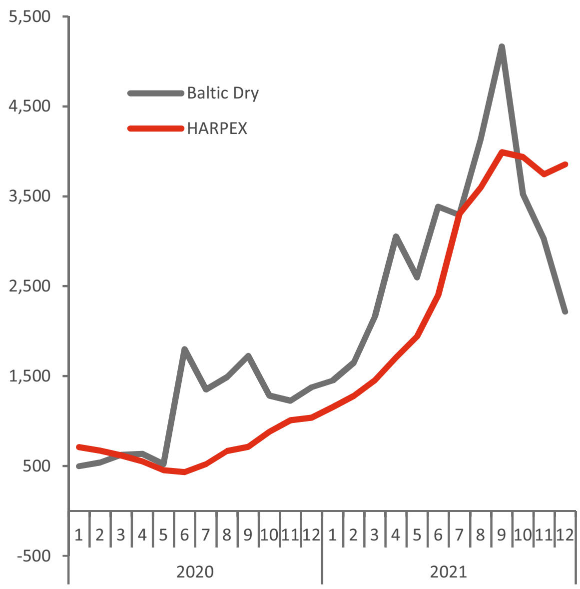
[2] Oxford Economics.
[3] IMF, Trading Economics, Handelsblatt.
[4] Handelsblatt.
[5] Baltic Exchange, Harper Petersen & Co.
[6] Finanzen.net, Weltbank.
[7] Handelsblatt.
[8] Oxford Economics.
[9] IMF.

The continued expansionary monetary policy in 2021, in particular of the Fed and the ECB, with their low or zero interest rate policy also fueled price developments on the financial markets. The Dow Jones and DAX reached all-time highs in the course of the year. However, investors' increased risk appetite due to favourable liquidity also poses the risk of overheating.[10] However, high inflationary pressure has prompted the Fed in the USA in particular to announce gradual interest rate increases in the course of 2022. Similarly, government bond purchases are to be scaled back to reduce the size of the balance sheet.[11]

Renewed waves of pandemics remain a certain risk for the global economy. Overall, however, the potential impact is estimated to be much lower than for the previous two years.[12] By contrast, as the impact of the corona pandemic on the economic situation weakens, geopolitical tensions could become a key threat to global trade and the economy in the coming years. The tension between the USA and China in particular has just intensified again.[13]

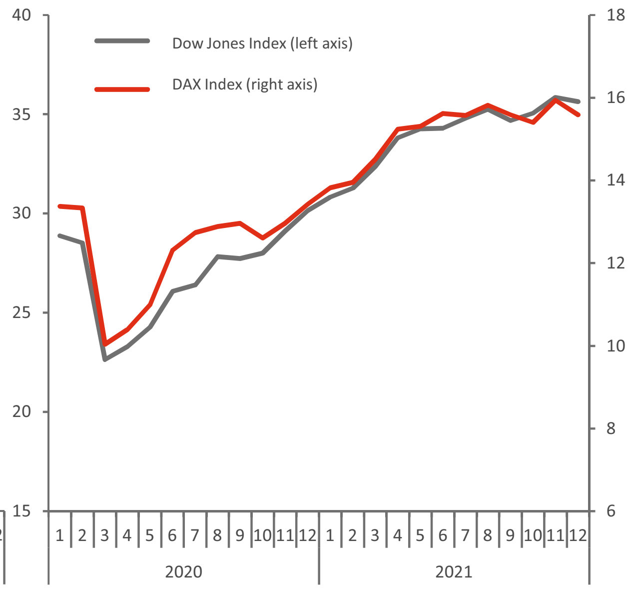
Development of transport prices and stock market indices

Price development for raw material and container shipments Baltic Dry and HARPEX (index points)



Source: Baltic Exchange, Harper Petersen & Co.

DAX and Dow Jones (index points in thousands)



Source: Finanz.net.

[10] OeNB, IMF.
[11] Handelsblatt.
[12] Oxford Economics.
[13] The Economist.

European economic development

The first half of 2021 was also marked in Europe by the immediate effects of the renewed intensification of the corona pandemic and, as a consequence, by the associated restrictions on public life in many countries of the European Union. The service sector was repeatedly hit particularly hard - first and foremost catering and accommodation. In this area, there was an EU-wide decline in economic output of 43% in the 1st quarter 2021 compared with the same period of the previous year.[14] Overall, the economy in the EU27 countries contracted by 1.1% year-on-year in the 1st quarter 2021.[15]

The pandemic situation eased with the onset of the first vaccination campaigns and the milder weather from spring onwards. Normality largely set in from the summer onwards with a lifting of restrictions on social life as well as the ability to travel in many countries. In conjunction to this, private consumption, an important growth driver, also rose again. Overall, GDP in the EU increased by 2.1% quarter-on-quarter in both the 2nd quarter and the 3rd quarter.[16]

Economic development in core RCG markets from 2019 to 2022 (changes compared to the previous year in % real)

	Gross domestic product				Industrial production			
	2019	2020	2021	2022	2019	2020	2021	2022
Austria	1.5	-6.7	4.1	5.2	0.4	-6.0	9.2	2.1
Hungary	4.6	-4.8	7.0	5.2	5.5	-6.9	8.9	2.6
Germany	1.1	-4.9	2.8	4.3	-4.3	-10.2	3.9	5.0
Italy	0.4	-9.0	6.3	4.7	-1.2	-11.0	11.1	3.4
Romania	4.2	-3.7	7.4	4.7	-3.6	-9.5	7.8	5.0
Czech Republic	3.0	-5.8	2.8	4.5	-0.4	-7.0	6.7	3.0
Slovenia	3.2	-4.8	7.0	3.8	3.1	-5.2	9.5	3.3
Bulgaria	3.6	-3.8	4.7	3.7	0.3	-6.1	7.0	2.7
Croatia	2.9	-7.7	8.8	4.5	0.5	-3.5	7.1	2.4
Slovakia	2.3	-5.1	4.1	4.2	0.5	-9.1	11.0	4.8
Poland	4.8	-2.6	4.9	4.6	4.5	-2.0	12.9	3.3
Greece	1.7	-7.8	8.2	3.7	-0.8	-1.8	8.2	3.0

Source: Oxford Economics, WIFO.

In contrast to the services sector, the development of the manufacturing sector in Europe has already been consistently positive since the beginning of the year. Initially, this was mainly due to the recovery of the global economy and the associated strengthening of global demand and world trade.[17] As demand returned in Europe as well, the industrial economy experienced an unexpectedly strong upswing from the middle of the year onwards. However, this development was impacted by bottlenecks in key raw materials and intermediate products, especially semiconductors. Production in some areas was also unable to keep pace with the sharp rise in demand, resulting in capacity bottlenecks.

The automotive industry was particularly affected by the supply chain problems. Short-time working and even temporary plant closures were inevitable at almost all carmakers represented in Europe. While the majority of vehicle manufacturers were able to report positive results in 2021 due to high advance orders, the supplier industry suffered from this development. On the one hand, it was itself affected by supply problems, and on the other, it was additionally confronted with sales problems for its components as a result of cutback production in finishing.[18]

Rising energy prices also caused problems for the European steel and metal producing industries. Despite massively rising metal prices, there were also temporary closures of production sites in Europe.[19] Overall, industry growth for 2021 was 7.6% year-on-year in the euro zone alone - following a downturn of 8.4% in 2020.[20]

[14] Oxford Economics.
[15] European Commission.
[16] European Commission.
[17] Oxford Economics.
[18] Handelsblatt, Autozeitung.
[19] Handelsblatt.
[20] Oxford Economics.

Large differences in the import progress of the individual EU countries as well as the respective national industrial and intermediate input structures are major factors for the widely varying catching-up rates of the EU economy. Due to the high dependency on developments in the automotive industry, the growth forecast for Germany had to be revised downward towards the end of the year, while that for Italy was revised upward following a surprisingly strong 2nd quarter.[21] No data was available for the 4th quarter of 2021 at the time the report was prepared. However, the renewed flare-up of the pandemic in numerous EU countries is likely to have dampened growth again at the end of the year, although this should not have any significant impact on full-year performance. Overall, it is clear that the Eastern European countries in particular have recovered much more quickly from the crisis. The growth rates in these countries could compensate for the slump in 2020 as early as 2021.

Italy is one of the first countries to receive funds from the European Reconstruction Program. Alongside the medium-term financial framework for the years 2021 to 2027, the EU Commission last year already budgeted approx. EUR 807.0 billion in additional corona reconstruction aid for the member states under the heading "Next Generation EU" - roughly half of which is divided into loans and half into grants.[22]

At the national level, the Covid-19 aid programs launched to support individual economies continue to put a strain on the budgets of many states. In the Euro zone, the budget deficit of public budgets averaged 7.7% of GDP in 2021. However, with the upswing expected to continue in the coming year, new borrowing is also expected to decline significantly in most countries. Overall, however, public-sector debt will remain well above pre-crisis levels in the coming years.[23]

Great uncertainty continues to exist, particularly with regard to the questions: When can the situation in global supply chains be expected to ease and what is the further development of inflation? With regard to inflation, the ECB has announced that it will not abandon its expansionary course until at least the end of 2022. At the end of 2021, the Fed already took the first steps toward an exit from the bond-buying program and announced a key interest rate hike in the course of 2022. Accordingly, there is a possibility of an earlier reaction by the European central bank.[24]

Austrian economic development

As a small, open economy, Austria was particularly hard hit by the collapse of the global economy and global trade volumes in the wake of the corona pandemic in 2020. GDP decreased by 6.7% compared with the previous year. By contrast, the upturn in 2021 was surprisingly strong, with GDP growth of 4.1%. As a result, the downturn caused by the tighter corona measures in the 1st quarter was less severe than expected. This was followed by a surprisingly strong rebound from the 2nd quarter. The positive contributions to GDP growth in Q1 2021 were provided almost exclusively by gross capital formation and public sector consumption. From the 3rd quarter onwards, all areas of application showed signs of recovery.[25]

In Austria, too, this development was primarily driven by the good industrial economy and the strengthening of private consumption, which increased strongly due to a surprisingly good recovery of the labour market after the end of the restrictions in the service sector. in 2021, the unemployment rate was 8.0%, roughly the same as in 2017. At 7.2%, unemployment is already expected to fall to pre-crisis levels in 2022. The international economic recovery also had positive effects on Austrian foreign trade. Exports of goods picked up strongly in 2021, rising by 14.0%. High domestic demand again ensured import growth of 14.5%.

[21] Sueddeutsche Zeitung.
[22] European Commission.
[23] IMF.
[24] Handelsblatt.
[25] OeNB.

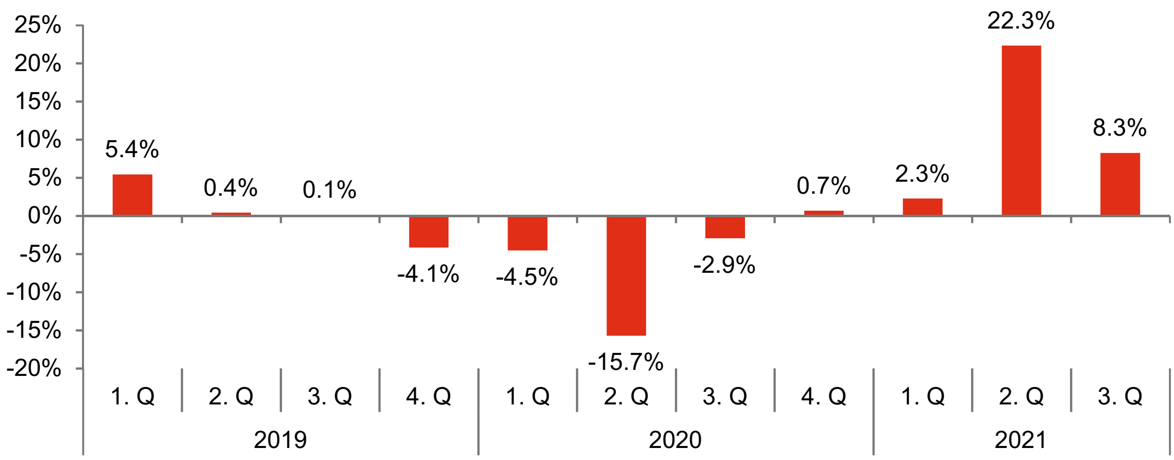
Key data and forecasts for the economic situation in Austria

Parameter	Unit	2019	2020	2021	2022
Gross domestic product, real	Change in %	1.5	-6.7	4.1	5.2
Industrial production		0.4	-6.0	9.2	2.1
Goods exports		2.7	-7.8	14.0	5.0
Goods imports		0.0	-6.4	14.5	4.3
Gross capital investment, real		4.8	-5.2	5.7	4.8
Private Consumer spending, real		0.7	-8.5	3.4	6.3
Inflation rate (Consumer prices)		1.5	1.4	2.8	3.3
Maastricht deficit	in % of the GDP	0.6	-8.3	-6.2	-1.8
Unemployment rate	in % of the labour force	7,4	9.9	8.0	7.2

Source: Statistik Austria, WIFO, Oxford Economics.

However, development of the individual sectors was increasingly heterogeneous. Accordingly, further recovery in 2022 is threatened by various risk factors. The short lockdown in December had little impact on the full-year development in 2021. However, the renewed intensification of the pandemic situation from the fall onwards again had a negative impact on the services sector. At the time of report preparation, a shortfall in foreign winter tourism was already anticipated. However, a rapid recovery in the services sector is again expected in the event of a weakening of the pandemic. By contrast, the Austrian industrial economy was largely decoupled from the pandemic, hit by the massive supply disruptions in global supply chains. Unlike in Germany, however, domestic industry was less affected by a lack of upstream products.[26] It was rather the massive rise in energy prices from mid-year which led to temporary production cutbacks from the 4th quarter onwards, particularly in some energy-intensive sectors such as aluminum, fertilizer and paper production.[27] For 2022, a return to the pre-crisis growth path is expected by mid-year at the earliest.

Development of industrial production (excluding construction) in Austria (production index, employment-adjusted), change compared to the same quarter of the previous year in %)



Source: Statistik Austria.

[26] WIFO.
[27] The Press.

Energy price developments are also the main reason why the inflation rate in Austria averaged 2.8% in 2021, well above the European Central Bank's 2% target. The price development is expected to peak at the end of the 2nd quarter 2022. Only thereafter is inflation expected to weaken. The development is attributable to various factors: Both supply chain problems and rising energy prices had an impact on end-customer prices. A slight weakening of the EUR exchange rate against the dollar had a corresponding impact on import prices. The above-average nominal wage settlements in many sectors have also further boosted price developments as a self-fulfilling prophecy.

Due to public measures to support the economy and the labour market, a budget deficit of -6.2% of GDP is expected in 2021. In 2022, Covid-19 aid to the economy is expected to expire, and employment growth and tax revenues should recover. As a result this year's deficit of 1.8% of GDP should already settle back below the Maastricht limit of 3%.[28]

Capital markets and the state budget

Since 2016, the funds required for ÖBB-Infrastruktur AG infrastructure investments have been raised on the capital market by the Austrian Federal Financing Agency (OeBFA). Financing costs are therefore determined by the interest rate level of federal bonds. The average yields on German government bonds for the period 2021 reached a historic low of -0.13% with an average maturity of approx. 14 years. Average issue yields were even negative throughout 2021, regardless of maturity, with the exception of the months of May, September and November. The average of yields on all Austrian federal bonds currently in circulation also remains in negative territory for the third year in a row at -0.275%.[29] That means investors are willing to pay in return for a safe form of investment. The development in Germany is similar. Here, too, the period average of the issue yields of the relevant 10-year Bunds was again negative. Contrary to the ECB's temporary insistence on a zero interest rate policy in the Eurozone, the announced gradual interest rate increases by the US Federal Reserve and the continuing inflationary pressure are not likely to leave the European bond market unscathed. An upward trend in issue yields is expected in the course of 2022.[30] Austria's credit rating remains high, the outlook of all major rating agencies is stable.[31]

B.2. Political and regulatory framework

The Corporate Affairs department of ÖBB-Holding AG represents the interests of the ÖBB Group externally. To this end, the department's employees continuously analyse the social and political framework conditions, formulate position papers for ÖBB Group-relevant legislative initiatives in Austria and in Brussels, and prepare information for decision-makers. The employees of the department are in continuous contact with ÖBB experts and external stakeholders in order to ensure the quality of the content of the prepared documents.

The political and media debate in Austria and in Europe was dominated by Covid-19 in 2021 - for the second time in a row after 2020. The social and economic consequences of the pandemic for countries and companies alike were thus once again the focus of the Corporate Affairs department's work. As in the first year of the pandemic, the focus of the work was on mitigating negative economic consequences for the company in passenger and freight transport as well as in the area of infrastructure.

After ÖBB was able to position itself as a reliable partner for people and the economy in the first pandemic-related crisis year 2020, despite massive slumps in passenger and freight transport, the aim was to confirm this course in 2021. As a result, passenger transport services were ramped up again to pre-crisis levels, and the ÖBB freight transport division also adjusted its services in line with current market conditions.

In passenger transport, however, the passenger figures from the previous year could not be achieved until April 2021 despite the full service - the passenger figures from the pre-crisis year 2019 were out of reach up to and including June 2021. A real recovery in the passenger transport segment was not seen until the summer months of July and August, or in September, when the number of long-distance and local passengers was only approx. 15% behind those from 2019. Despite the positive development from the middle of the year onwards, which also continued in the 4th quarter, a decline in customer numbers of around 30% compared with the same period in 2019 can be assumed for the year as a whole - with corresponding economic consequences.

[28] BMF.
[29] OeNB.
[30] Die Presse, Handelsblatt.
[31] OeBFA.

The same applies to rail freight transport, although the recovery of this segment - measured by the development of net tons transported - has already started with the 2nd quarter of 2021. In the summer months of 2021, freight traffic could return to 2019 levels for the first time. Despite the stabilisation that has been observed since then, there will also be a decline of around 10% in the volumes transported in the freight transport sector in 2021 compared with 2019.

In line with the developments described above in both passenger and freight transportation, Corporate Affairs focused on presenting the economic consequences and developing suitable countermeasures in this regard. The measures supported by Corporate Affairs ranged from
– the continuation of the temporary direct award ("emergency award") of long-distance passenger services between Vienna and Salzburg
– on the continuation of the temporary reduction of the infrastructure charge for freight and own-account passenger transport services
– up to an increase in support rates under the current aid model for rail freight transport compared to pre-pandemic levels.

The aforementioned steps and the use of further support offered by the legislator, as well as the continuation of the internal cost-cutting measures already initiated in 2020, have made it possible to keep the economic damage to the company within reasonable bounds in 2021. Current indications, however, are that it will take some time to return to the passenger figures and transported freight volumes of the pre-corona era. The consequences of the pandemic will therefore continue to occupy the Corporate Affairs department of the ÖBB Group until 2022.

ÖBB as a major climate protection company

The second central theme of 2021 was climate change and its consequences for society and the economy. ÖBB was able to consolidate its reputation as one of the most important climate protection companies in Austria.

The work of the Corporate Affairs department with regard to climate protection focused, on the one hand, on promoting fair competition between the individual modes of transport. On the other hand, it was the task and declared objective of Corporate Affairs to represent the interests of the company in specific legislative projects. The latter has been achieved, for example, with the amendment to the Waste Management Act (AWG), which will lead to a significant shift of waste transports to rail once it is finally passed by parliament. Specifically, a reduction in the values for mandatory rail transport from a distance of 400 km to 100 km in the future and from 50 t to 10 t was achieved. The implementation of the reduction in transport distances will take place in stages from 2023, namely from 01.01.2023, to 300 km, from 01.01.2024 to 200 km and from 01.01.2026 to 100 km.

An EU requirement - the "Promotion of Clean and Energy-Efficient Road Vehicles-Directive" - sets binding targets for the public procurement of low- and zero-emission buses. From August 2021 up to and including 31.12.2025, 45% of newly procured buses must therefore be emission-free, and from 01.01.2026 up to 31.12.2030, 65%. In the past year, the ÖBB corporate affairs team lobbied for suitable framework conditions for ÖBB Postbus in this regard. To this end, the ÖBB team intensified direct dialogue with stakeholders at federal, state and municipal level. In this context, greater emphasis was also placed on the basic supply function of buses for rural areas and the feeder function of bus lines to rail hubs.

In November 2021, the Austrian federal government's adoption of the new ÖBB framework plan for the years 2022 to 2027, with a record investment volume of approx. EUR 18.2 billion, marked another major success in the fight against climate change. In the area of rail passenger transport, the ÖBB 2021 corporate affairs team also supported the Austria-wide introduction of the climate ticket.

In rail freight transport, one of the focal points of activities was again the Rail Freight Forward (RFF) project. The current members of the initiative are pursuing the goal of increasing the modal share, i.e. the transport share of rail, from the current 18% in Europe to 30% by 2030. Furthermore, ÖBB was particularly committed in 2021 to the introduction of digital automatic coupling (DAC) throughout Europe in the rail freight sector together with the RFF partners, in addition to the four key technologies for digitisation (Digital Platforms, Digital Capacity Management, Automated Train-Operation and ERTMS). The DAC is considered a crucial element for the digitalisation and automation of the European railway system. It is the essential prerequisite for making optimal use of the capacities of the rail infrastructure, thereby enabling more traffic to be shifted to the railways and thus laying the foundations for climate protection and economic growth.

In the area of subsidies and grants in rail freight transport, the Corporate Affairs 2021 team handled the submission for the grant for rail freight transport according to the Rail Freight Support Program of Schieneninfrastruktur-DienstleistungsgesellschaftmbH (SCHIG) and provided preparatory work for the notification of the domestic framework for state aid for 2023 to 2028 by the European Commission, which is intended to extend the successful Austrian state aid system for another five years.

Theme management at international level

In September 2021, ÖBB-Holding CEO Ing. Mag. (FH) Andreas Matthä was confirmed in his position as President of the European Railway Association CER for another two years. The Corporate Affairs team therefore continues to focus on managing the content of CER's work and supporting the CER Chair in representing European rail interests in Brussels. Also in 2021, work with and within the CER was at times dominated by Covid-19 related issues. At the same time, the EU Commission presented the first concrete legislative initiatives from the Green Deal, on which the CER took a position.

2021 has been declared the European Year of Rail by the EU Commission. As one of the high-profile initiatives in this regard, the European Commission, together with the CER, launched the Connecting Europe Express (CEE), a special train that departed Lisbon on 02.09.2021, and crossed 26 states on its journey before arriving in Paris on 07.10.2021. During the five weeks, the train stopped at more than 100 stations, with events taking place in Austria at Brenner, Salzburg, St. Pölten, Vienna and Graz, each of which were accompanied by the ÖBB corporate affairs team in terms of content and media.

Corporate affairs activities regarding EU legislation focused on the European Green Deal and the Fit for 55 package. In it, on 14.07.2021, the EU Commission presented twelve proposals to shape EU climate, energy, land use, transport, and tax policies to reduce net greenhouse gas emissions by at least 55% from 1990 levels by 2030. A large number of legal initiatives of relevance to ÖBB were dealt with in Group-wide working groups, including the emissions trading system and the directives on renewable energies and the energy efficiency.

In addition to Green Deal-related topics, activities focused on the revision of the TEN-T Regulation and the revision of the Regulation on the creation of a European rail network for competitive freight transport (Rail Freight Corridors). Also in focus was the action plan for the area of cross-border passenger transport presented by the EU Commission in December 2021.

Another focus was the amendment of the Federal Environmental Noise Protection Ordinance to bring it into line with the revised European noise assessment methods. This amendment is intended to give greater consideration to the recommendations for the protection of human health from noise derived from the World Health Organisation (WHO). This is an undertaking that ÖBB supports in principle, even if it will ultimately lead to additional investments to stop the spread of noise.

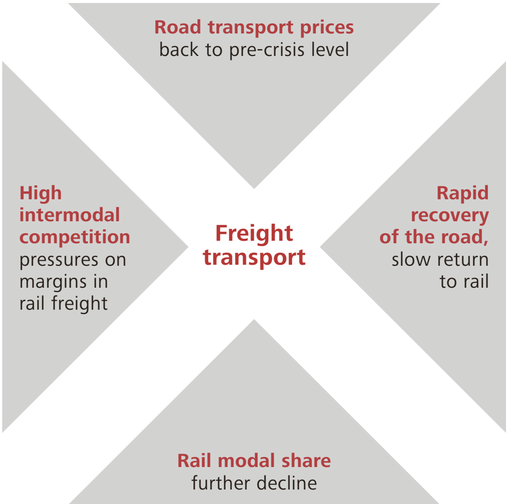
In addition, the Corporate Affairs team actively participated in consultations with the European Commission on rail-related issues and drafted amendments in the European Parliament and in the EU Council working groups.

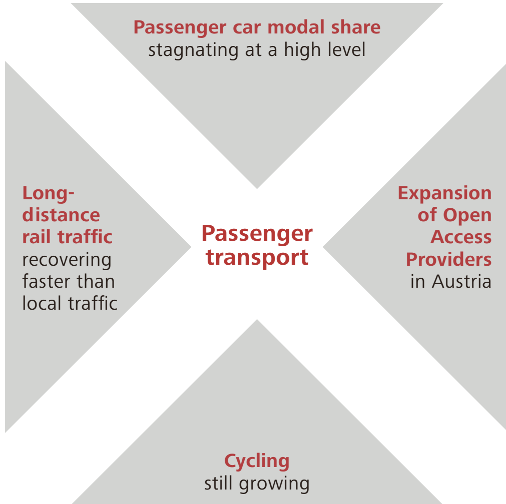
Position papers & Argumentation

Corporate Affairs has drawn up and further developed position papers and arguments on the following areas and presented them to politicians and institutions in Austria and the EU (excerpt):

- European climate protection law
- EU Guidelines on Climate, Environmental and Energy Aid
- Promote green energy for rail (part of the European Green Deal)
- Strategy for sustainable and intelligent mobility
- Approval of rolling stock in the EU
- Directive energy efficiency
- Fit for 55 package
- EU Energy Tax Directive
- ETS
- Renewable Energy Directive
- Demand sector integration for railways
- Revision of the TEN-T Regulation
- Rail Freight Corridors
- Combined transport
- Expansion of sidings, loading tracks and terminals
- EC Action Plan for international passenger transport

B.3. Market environment





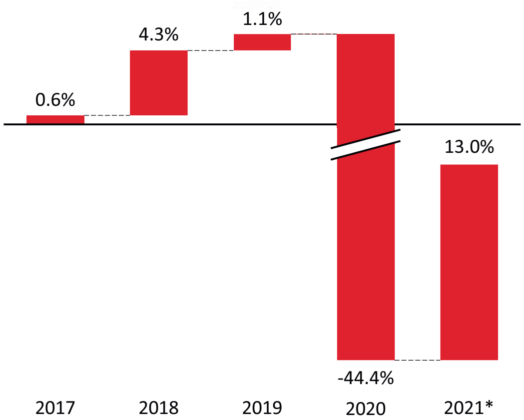
Passenger transport market environment

Thedevelopment of personal mobility in 2021 continued to be dominated by the effects of the corona pandemic and the associated restrictions on national and cross-border mobility. After the sharp drop in 2020, both private motorised transport and passenger transport by rail grew again in 2021.

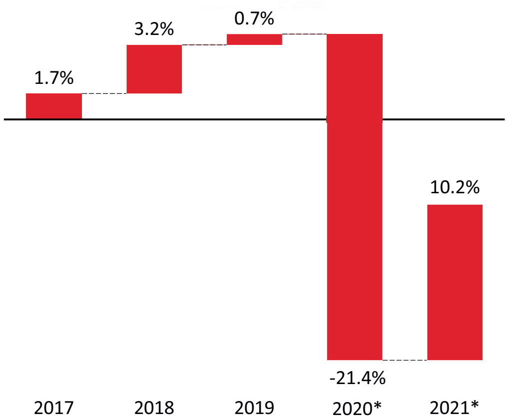
A first estimate for rail transport shows a strong increase in passenger transport services. An increase of 13%, growth on the railways was stronger than that of private motorised transport. However, in 2020, the decline in rail passenger traffic is about twice that of car traffic, which also means that the gap between rail and the pre-crisis level is considerably larger.

Development of passenger transport performance on the rail and roads in Austria

Rail passenger traffic (change in %)



Motorised private traffic (change in %)



*preliminary estimates.

In the case of rail traffic, the development during the year and the different dynamics of local and long-distance traffic are striking: In 2020, rail passenger traffic was well below pre-crisis levels for the entire year starting in March - with somewhat stronger months in the summer. In 2021, there was then a continuous upward movement. Long-distance rail traffic in particular benefited from this development. The very weak year 2020, in which long-distance traffic was hit harder than local traffic, was followed by dynamic development in 2021, especially from the 3rd quarter onward. Local transport also recovered, but showed less strong growth.

Booming domestic tourism in particular had a positive impact on long-distance rail traffic in Austria. An interesting development is apparent here. Before 2020, only slightly more than half of Austrians spent their vacations at home; in 2020, the figure was almost three-quarters, and in 2021 it was still over 60%.[32] The development of local rail service may well have been affected by home office work as well. Although the share of the workforce that worked from home fell from nearly 27% to 15% over the first three quarters of 2021. However, compared to pre-crisis levels, a high proportion of the workforce still works from home.[33]

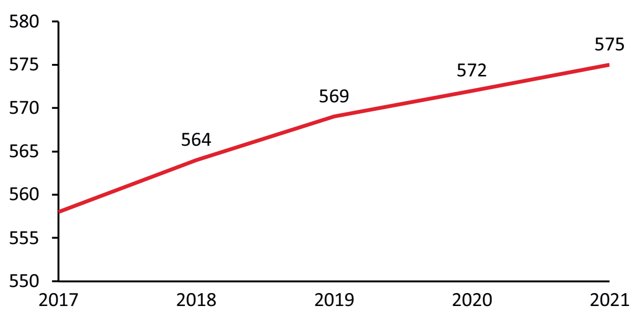
Basically, the passenger car modal share stagnated at a very high level - above the pre-crisis level. In many cases, corona was seen as the beginning of the mobility turnaround. However, the registration statistics show a different picture: The level of motorisation (car ownership per inhabitant) has been rising relatively steadily in Austria for decades. The two crisis years 2020 and 2021 do not show any reversal of this trend.

A new mobility trend is cycling, which continued to increase in 2021. However, a 2020 study showed that the vast majority of switchers to bicycles come from public transit. Only a very small percentage of cyclists were on the road by car before the crisis.[34] This could also be an additional reason for the comparatively slow recovery of local rail traffic.

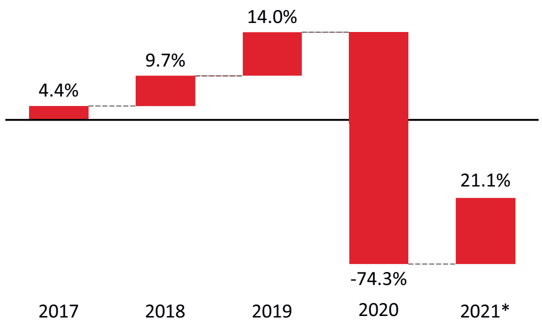
Aviation was and is particularly affected by the pandemic. In 2020, the number of passengers traveling to and from Austria decreased by 74%. In 2021, international air traffic continued to be affected by far-reaching restrictions. Nevertheless, it recovered slightly and recorded a 21% increase by November 2021. As in the long-distance rail sector, passenger numbers rose steadily throughout the year, with a dynamic upward trend starting in the 3rd quarter in particular.[35]

Other key indicators for passenger transport in Austria

Degree of motorisation
(number of passenger cars per 1,000 inhabitants)



Passengers
(excluding transit passengers – change in %)*



*preliminary estimates.
Source: Statistik Austria, own calculations.

Although the private competitors in the Austrian rail passenger market were also still operating at far below pre-crisis levels in 2021, they were preparing expansion plans for the time thereafter: WESTbahn plans to extend its service to Munich in 2022.[36] Regiojet has filed numerous international transports with regulatory authorities. Planned routes include Munich - Vienna - Budapest or Bucharest, Warsaw-Vienna and, in winter, night train connections from Poland and the Czech Republic to Tyrol and Salzburg.[37]

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[32] Statistik Austria.
[33] Statistik Austria.
[34] Fahrrad Wien und Emberger et al.
[35] Statistik Austria.
[36] Die Presse and WESTbahn.
[37] Rail Business.

The fact that rail traffic continued to suffer from the crisis in 2021 is also shown by the half-year figures of other major European rail companies. For example, various state railways in Europe recorded sharp declines in transport services for the year 2020: Both ÖBB and, for example, DB (long-distance and regional), SBB and ČD saw passenger transport performance decline by approx. 40%. The 1st half of 2021 already shows a much more inhomogeneous picture: ÖBB and SBB only suffered comparatively small declines of 15% and 13% respectively. In contrast, the passenger transport services of Czech State Railways fell by 22% and those of DB (in Germany) by almost 35%.[38]

The extent to which the corona crisis is affecting the rail companies is also illustrated by the development of the foreign subsidiaries of the French and Dutch state railways that are active in Germany. Both have already run into financial difficulties in 2020. in 2021, it was then decided to sell the German subsidiaries. The operation of the transports is partly maintained by emergency contracts.[39] There was also a trend-setting market development in France: For the first time, a route was awarded to the private German transport company Transdev.[40]

Market environment Freight transport

In the second half of 2020, the industrial economy began to recover, which meant that freight traffic also started to increase again. This catch-up process in road freight transport in Austria continued unabated during the renewed lockdown over the winter of 2020/21. By the end of the first half of 2021, the corona-related slump in 2020 had already been more than compensated.[41] In the summer months from July to September, for example, 0.8% more trucks already rolled through the Brenner Pass alone than in the same period of the record year 2019. The total annual volume for 2021 in Brenner transit was also only slightly below the pre-crisis level.[42] In addition, the number of trucks in Austria also grew by approx. 7% in 2021, which is well above the long-term average. However, the one-off effect of the new NoVA obligation for small trucks will certainly be visible here. The introduction in summer 2021 has probably led to planned investments being brought forward.[43]

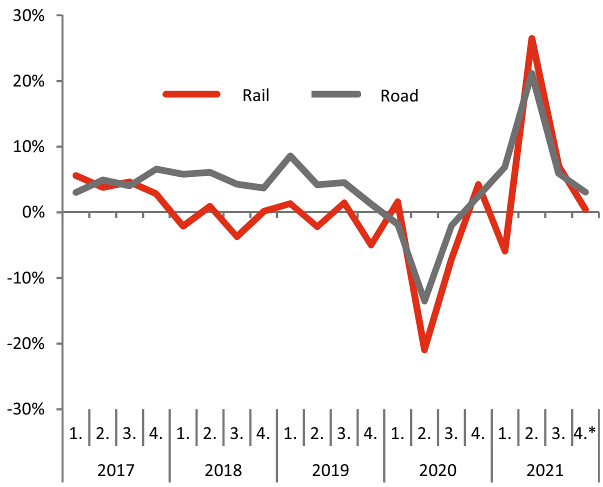
In comparison, the ramp-up of rail freight transport was rather sluggish. A 6% decline was recorded in the 1st quarter 2021 compared to the 1st quarter of the previous year. This development in rail freight transport has various causes. In January, massive snowfalls affect all rail traffic in Austria. This was followed in February by the derailment-related one-week closure of the western line. March was marked by a closure of the Suez Canal for several weeks due to the grounding of the container ship "Ever Given". This, in turn, resulted in massive disruptions to container shipments, which are important for rail freight transport.[44]

Overall, the corona crisis has further exacerbated the difficult competitive situation of rail compared with road. Road freight prices fell to a new low in 2020. The increase in 2021 represents nothing more than a return to pre-crisis levels.[45] Accordingly, in 2020, the modal share of rail in terms of land freight transport performance in Austria continued to decline. At 28.1%, it was well below the 30-percent mark for the third year in a row. However, a significant year-on-year increase in both road and rail freight volumes of approx. 9% and 8% respectively is now expected for 2021 as a whole.[46] Due to the different starting levels, however, the modal share of rail is likely to settle at around the previous year's level this year as well.

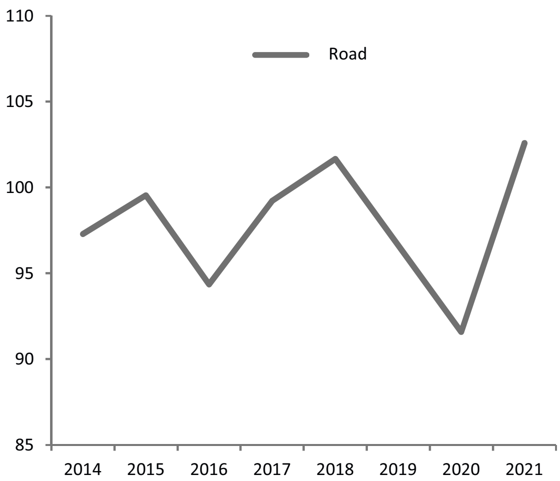
[38] DB, SBB and ČD.
[39] International Railway Journal, Rhein-Neckar-Zeitung, VRR.
[40] Handelsblatt.
[41] ASFINAG, own calculations.
[42] Orf.at.
[43] Der Standard.
[44] Orf.at, Handelsblatt.
[45] Tim Consult.
[46] Statistik Austria, ASFINAG.

Development of freight transport performance and prices

Transport performance Rail and Road
(net tkm, change compared withthe previous year quarter in %)



Road transport prices
(Index 2015 = 100)

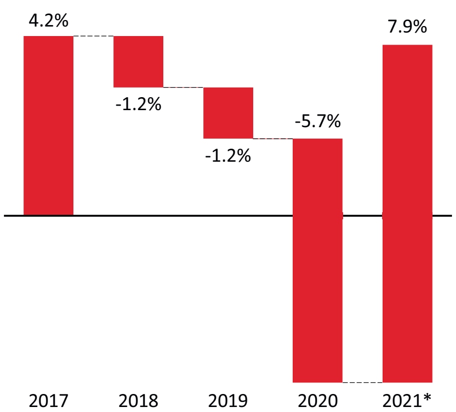


*preliminary estimates.
Source: Eurostat, Statistik Austria, ASFINAG, Tim Consult, own calculations.

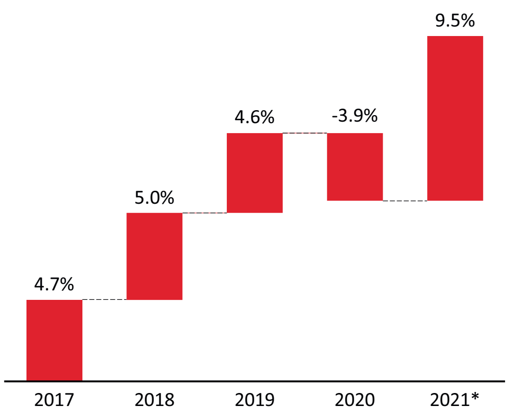
Corona has also contributed to a further intensification of intermodal competition in Austrian rail freight transport. A key factor in this development in 2020 was the proportionate shift in transport performance towards block train traffic, which recorded an increase of around 4 percentage points. Single wagonload traffic, on the other hand - which handles around two thirds of freight transport performance in the ÖBB network - was particularly affected by the temporary production closures in the 2nd quarter and declined accordingly. RCA was also particularly affected by this development. It operates almost exclusively single wagonload services, while its market share in the block train sector is now only approx. 50%. Accordingly, RCA's market share in domestic transportation services fell again by 2.7 percentage points to 66.9% in 2020.[47] Production cutbacks in some industrial sectors of particular relevance to rail freight transport, such as aluminium or the paper industry, due to the distortions in global supply chains and the sharp rise in energy prices from the 4th quarter 2021 onwards are again likely to strongly impact single-wagon transport.[48]

Development of freight transport volumes on the road and railways in Austria

Rail freight (change from previous year in %)



Road freight (change from previous year in %)



*preliminary estimates.
Source: Statistik Austria, ASFINAG, ÖBB Infrastructure, own calculations.

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[47] Rail Network -Control.
[48] The Press.

A European comparison also shows that freight railways as a whole were still struggling with the consequences of the crisis. At ČD Cargo and PKP Cargo, for example, transport performance in the first half of 2021 was still 12 and 7% below the level of the comparable period in 2019. By comparison, LINEAS, the largest private European rail freight operator, and DB Cargo were at least close to returning to their pre-crisis levels. For the latter, however, this merely means a return to an all-time low in the development of recent years.[49] SBB Cargo, on the other hand, achieved a significant increase in transport performance with a 4% increase in the first half of 2021 compared to 2019. The reasons for this development are, on the one hand, the opening of the Ceneri Base Tunnel, which now allows longer and heavier trains to run on the Gotthard axis, and the strict shift policy in transit traffic, which makes the competitive conditions for the railways fairer than in other countries.[50]

Numerous European countries have responded with support measures, in particular the temporary reduction or suspension of the train path usage charge - often until 2021. In Austria, the infrastructure usage charge for rail freight transport was even waived for the entire year 2021. However, these temporary measures do little to change the structural competitive imbalances that rail needs to contend with compared to road.[51] At any rate, there is currently no sign of a trend reversal in the development of European rail freight transport. The modal share of rail in the EU27 has remained constant at between 19% and 20% in recent years.[52]

Growth potential for rail freight is expected with the development of overland freight transport via the new Silk Road. Here, rail has gained in importance since the outbreak of the corona pandemic in particular against the backdrop of bottlenecks and breakdowns in container shipping. In the next few years, the modal share of rail in traffic between China and Europe could rise 3% to 5%.[53]

Market environment

The corona crisis still had an impact on the capacity utilisation of the ÖBB-Infrastruktur rail network in 2021, especially with regard to passenger traffic. The number of train kilometers traveled in 2021 increased again by 6.8% compared to 2020. This means a return of traffic to pre-crisis levels in 2019. However, Q1 2021 was still down 1% year-on-year due to renewed lockdowns over the winter. Freight transport showed a stagnation in traffic performance in Q1 of 2021. In contrast to passenger traffic, however, this development was not due to corona, but rather to adverse effects caused by snow in January, the derailment-related one-week closure of the western line in February, and the closure of the Suez Canal in March. Although operating performance for the full year 2021 was up 5.7%, the pre-crisis level has not yet been reached.[54]

However, the corona-related declines in passenger and freight traffic had no negative impact on new rail infrastructure construction and expansion in Austria. In 2020, Austria was already able to maintain its position among the top 3 in competition with European countries having the highest rail infrastructure investments per capita. Austria was and is only surpassed by Switzerland and Luxembourg in 1st and 2nd place.[55] Other countries are however also moving forward with rail infrastructure expansion. Numerous EU states are also using funds from the EU's corona reconstruction fund, among others, to expand rail infrastructure in the coming years. In Italy, for example, EU funds of approx. EUR 31.0 billion are to be invested in the further expansion of the high-speed network and the upgrading of regional railways, stations and rail freight lines.[56] In Austria, a total of approx. EUR 543.0 million in EU funding is flowing into infrastructure projects related to the construction of the Koralm Railway. The funding covers all related construction measures from 01.01.2020, including the airport branch, with the exception of the Koralm Tunnel itself. In total, Austria will receive approx. EUR 3.5 billion in EU funding from the "NextGenerationEU" (NGEU) development instrument in the years 2021 to 2027.[57]

[49] ČD, PKP, UIC, SBB.
[50] DVZ.
[51] NEE.
[52] European Commission.
[53] Orf.at, BCI Global.
[54] ÖBB-Infrastruktur AG.
[55] Pro-Rail Alliance.
[56] Kurier.
[57] ÖBB-Infrastruktur AG.

In Germany, the Federal Ministry of Transport and Digital Infrastructure (BMVI) presented its plans for the planned expansion and new construction of lines up to 2030 in August. The core of the measures is the introduction of the so-called "Deutschland-Takt" - with the aim of making it possible to transfer between trains at junction stations without significant waiting times. A total of approx. EUR 40.0 billion has been budgeted for the necessary construction projects and for measures to increase capacity in the network.[58] This includes in particular the reactivation of line sections and regional railways for passenger and freight transport.[59] Other measures for freight transport also include the scheduling of fixed train paths for freight transport and the expansion of passing sidings along the trans-European corridors in Germany. A special focus is on the heavily used Rheintal route. In addition to DB's construction measures on the German side, SNCF is also planning steps to upgrade the important alternative routes for freight traffic located on French territory. In particular, the clearance profiles in tunnels are to be increased in this regard.[60]

A decision was also made in the route-finding procedure for the Brenner northern approach. The feeder line is now to run between Ostermünchen and Schaftenau in Austria - 60% of it in a tunnel. Specific planning for this is only just beginning.[61] In comparison, preparations on the Italian side are already further advanced. In the first months of 2022, preparatory measures for the construction of the southern approach in the area of the Villnößtal valley are to begin.[62]

The planned double-track expansion of the Slovenian section of the line between Divača and Koper is currently of great importance for rail freight traffic in the south from an Austrian perspective. Now that the second construction lot has also been awarded to a Slovenian-Turkish consortium in spring 2021, the work is scheduled for completion by 2025. From then on, speeds of 160 km/h for passenger traffic and 120 km/h for freight traffic will be possible.[63] Meanwhile, at the Port of Koper itself, a project is currently underway for the automatic digital registration of all incoming and outgoing containers and freight wagons..[64]

The Czech Republic is another country in Europe that is now focusing on building its own high-speed rail passenger network. This expansion is in line with the corresponding priorities set by the EU Commission as part of the European Smart Mobility Strategy.[65] As announced by the state infrastructure operator Správa Železnic, the high-speed network is to be built by 2045. The line is to run along the northeast-southwest magistral between Dresden and Brno, with connections from Prague and Brno toward Poland, and will enable speeds of up to 320 km/h.[66] This EUR 18.0 billion, 660 km long project is to be built in cooperation with the French state railway SNCF.

[58] Rail Business.
[59] Pro-Rail Alliance.
[60] Rail Business.
[61] Verkehrsrd.schau.
[62] Dolomiten Tagblatt.
[63] Railway Pro.
[64] Railway Pro.
[65] European Commission.
[66] Rail Business.

C. Economic report and outlook

The 2021 financial year was marked by the impact of the global Covid-19 crisis, which was reflected, among other things, in the form of lower train-kilometre performance, passengers carried, tonnes transported and the related contributions to earnings. Specific information on the balance sheet and income statement effects is provided in the notes to the consolidated financial statements in section 3.

For an assessment of the impact of the Ukraine crisis, please refer to Note 35 in the notes to the consolidated financial statements as of 31.12.2021.

C.1. Revenues

Structure of revenues by sub-group in EUR million	2021	2020	Change	Change in %
ÖBB-Personenverkehr sub-group	2,525.5	2,136.9	388.6	18%
Rail Cargo Austria sub-group	1,888.7	2,196.6	-307.9	-14%
ÖBB-Infrastruktur sub-group	931.6	899.4	32.2	4%
ÖBB-Holding AG and other companies	1,298.8	1,266.1	32.7	3%
less consolidation of sub-groups	-2,289.1	-2,415.9	126.8	5%
Group revenue acc. to Consolidated Financial Statements	**4,355.5**	**4,083.1**	**272.4**	**7%**
Other income (consolidated)	2,630.8	2,641.2	-10.4	0%
Total income	**6,986.3**	**6,724.3**	**262.0**	**4%**
Total revenue per employee in thousands EUR	**160**	**154**	**6**	**4%**

With a decrease in the average number of employees from 43,564 to 43,533 employees, the ratio of total income per employee[67] increased to approx. TEUR 160 (py: approx. TEUR 154). The foreign share of consolidated Group sales revenues amounts to approx. EUR 1,103.0 million (py: approx. EUR1,090.7 million), approx. 25% (py: 27%).

Revenue development of the ÖBB-Personenverkehr subgroup

Overview	2021	2020	Change	Change in %
Revenue in EUR million	2,525.5	2,136.9	388.6	18%
of which traffic service orders of the federal government	*1,198.2*	*1,187.9*	*10.3*	*1%*
of which traffic service orders of the countries and communities	*277.3*	*256.7*	*20.6*	*8%*
Other income in EUR million	138.4	44.1	94.3	214%
Total income in EUR million	2,664.0	2,181.0	483.0	22%

Revenue for the financial year 2021 amounted to approx. EUR 2,525.5 Million (py: approx. EUR2,136.9 Million). This represents an increase of 18% on the previous year. The foreign share of consolidated Group sales was approx.. EUR 192.4million (py: approx.. EUR 115.9 million), approx 8% (py: 5%). The share of foreign sales revenue therefore increased by approx. EUR 76.5 million or 66%.

Around EUR 1,198.2 million (py: approx. 1,187.9 million) of the revenue results from transport service orders placed by the Federal Government, approx. EUR 277.3 million (py: approx. EUR 256.7 million) from transport service orders by federal states and local authorities.

Passengers in million	2021	2020	Change	Change in %
Long-distance railway transport	24.4	20.6	3.8	18%
Short-distance railway transport	163.2	142.2	21.0	15%
Total railway	**187.6**	**162.8**	**24.8**	**15%**
Bus	135.3	123.7	11.6	9%
Total	**322.9**	**286.5**	**36.4**	**13%**

[67] Total revenue per employee: Total income / average number of employees (headcount)

The ÖBB-Personenverkehr subgroup recorded an increase in the number of rail passengers to approx. 187.6 million (py: approx. 162.8 million passengers), and total revenues rose by 22%. Passenger numbers in the bus division also recorded an increase to approx. 135.3 million persons (py: approx. 123.7 million persons). However, the number of passengers in 2019 (approx. 476.8 million) could not be achieved either in the rail sector (approx. 266.6 million) or in the bus sector (approx. 210.2 million).

Revenue development of the Rail Cargo Austria subgroup

Overview	2021	2020	Change	Change in %
Net tonnes transported (millions, consolidated)	94.1	95.3	-1.2	-1%
Revenue in EUR million	1,888.7	2,196.6	-307.9	-14%
thereof public services contracted by the federal government	*107.0*	*92.3*	*14.7*	*16%*
Other income in EUR million	44.4	68.2	-23.8	-35%
Total income in EUR million	1,933.1	2,264.8	-331.7	-15%

Total revenues in the Rail Cargo Austria subgroup declined to approx. EUR 1,933.1 million (py: approx. EUR 2,264.8 million). The foreign share of consolidated sales amounts to approx. EUR 959.3 million (py: approx. EUR 944.8 million) approx.51% (py: 43%). The share of foreign sales revenue therefore increased by approx. EUR 14.5 million or 2%. In the previous year, they increased by approx. EUR 53.7 million or 5%.

In total, the Rail Cargo Austria subgroup's sales revenue declined to approx. EUR 1,888.7 million (py: approx. EUR2,196.6 million). Around EUR 107.0 million or 6% of revenue (py: approx. EUR 92.3 million or 4%) was accounted for by compensation from the Federal Government for the performance of public service obligations. The Technical Services division is responsible for approx. EUR 11.6 million (py: approx. EUR 468.9 million).

The key performance data for the transport business within the Rail Cargo Austria subgroup are the volume data in tonnes.

The Rail Cargo Austria subgroup recorded a decline in consolidated freight transport volume in the year under review compared to the previous year of approx. 95.3 million to approx. 94.1 million tonnes. In 2019, this figure was still approx. 105.3 tonnes.

	Conventional full-load transport		Unaccompanied combined transport		Combined road/railway transport		Total	
Net tonnes transported in mil.	2021	2020	2021	2020	2021	2020	2021	2020
Rail Cargo Austria AG excl. abroad	52.2	49.1	13.3	13.9	6.4	5.3	71.9	68.3
Rail Cargo Austria AG abroad	12.8	13.2	7.2	5.7	0.2	0.1	20.2	19.0
Rail Cargo Hungaria Zrt.	22.3	24.8	3.1	2.5	0.0	0.0	25.4	27.3
Rail Cargo Carrier – Bulgaria EOOD	0.1	0.0	0.6	0.5	0.0	0.0	0.7	0.5
Rail Cargo Carrier – Croatia d.o.o.	2.0	2.2	0.2	0.1	0.0	0.0	2.2	2.3
Rail Cargo Carrier – Czech Republic s.r.o.	3.2	2.7	0.5	0.5	0.0	0.0	3.7	3.2
Rail Cargo Carrier – Germany GmbH	2.2	2.9	3.0	1.4	0.0	0.0	5.2	4.3
Rail Cargo Carrier – Italy s.r.l.	2.5	2.2	2.9	2.4	0.3	0.1	5.7	4.7
Rail Cargo Carrier – Romania s.r.l.	0.3	0.6	0.6	0.5	0.0	0.0	0.9	1.1
Rail Cargo Carrier – Slovakia s.r.o.	0.1	0.1	0.6	0.6	0.0	0.0	0.7	0.7
Rail Cargo Carrier – Slovenia d.o.o.	2.2	2.2	0.3	0.3	0.0	0.0	2.5	2.5
Rail Cargo Carrier – Poland Sp. z.o.o.	0.2	0.0	0.2	0.3	0.0	0.0	0.4	0.3
Total not consolidated	**100.1**	**100.0**	**32.5**	**28.7**	**6.9**	**5.5**	**139.5**	**134.2**
less intra-group transports	-28.3	-26.3	-16.6	-12.3	-0.5	-0.3	-45.4	-38.9
Total consolidated	**71.8**	**73.7**	**15.9**	**16.4**	**6.4**	**5.2**	**94.1**	**95.3**

Revenue development of the ÖBB-Infrastruktur subgroup

Overview	2021	2020	Change	Change in %
Train-kilometers (millions)	156.6	146.9	9.7	7%
Gross tonnage-kilometres (million)	78,681.6	73,161.2	5,520.4	8%
Self-generated traction power from ÖBB power plants	749	699	50	7%
Traction power from overhead contact line in GWh	1,763	1,662	101	6%
Floor space incl. exterior spaces rented out in thousands m²	2,597	2,633	-36	-1%
Revenue in EUR million	931.6	899.4	32.2	4%
Other income in EUR million	2,387.3	2,429.6	-42.3	-2%
Total income in EUR million	3,318.9	3,329.0	-10.1	0%

Revenue of the subgroup amounted to approx. EUR 931.6 million (py: approx. EUR 899.4 million). Of this amount, approx. EUR 671.2million (py: approx. EUR 658.8 million) were attributable to companies of other ÖBB subgroups. Revenue is mainly generated in Austria. Only turnover in the amount of approx. EUR 23.8 million (py: approx. 21.4 million) was generated with foreign companies. These mainly relate to energy supplies and the infrastructure usage charge (infrastructure usage and service charges).

Compared to the previous year, performance per train-kilometre declined to approx. 156.6 million train-km (py: approx. 146.9 million train-km).

Development of train-kilometers by type of transport in mil.	2021	2020	Change	Change in %
Passenger transport	108.0	101.1	6.9	7%
thereof ÖBB Group	*103.0*	*97.2*	*5.8*	*6%*
Goods transport	40.8	38.6	2.2	6%
thereof ÖBB Group	*27.3*	*27.1*	*0.2*	*1%*
Service trains and light engines	7.8	7.2	0.6	8%
thereof ÖBB Group	*5.5*	*5.3*	*0.2*	*4%*
Total	**156.6**	**146.9**	**9.7**	**7%**
thereof ÖBB Group	***135.8***	***129.6***	***6.2***	***5%***

In the financial year 2021, gross ton kilometers (BTkm) increased by approx. 5,520.4 million BTkm. While in the financial year 2020 approx. 16.2 billion TGT km or 22% of the total volume was accounted for by external railway undertakings, this figure for 2021 was approx. 19.4 billion GBTkm, which corresponds to 25% of the total volume.

Development of gross tonnage-kilometres by type of transport in mil.	2021	2020	Change	Change in %
Passenger transport	30,370.7	28,380.1	1,990.6	7%
thereof ÖBB Group	*28,884.6*	*27,177.6*	*1,707.0*	*6%*
Goods transport	47,184.2	43,709.3	3,474.9	8%
thereof ÖBB Group	*29,566.0*	*28,992.5*	*573.5*	*2%*
Service trains and light engines	1,126.7	1,071.8	54.9	5%
thereof ÖBB Group	*845.4*	*840.2*	*5.2*	*1%*
Total	**78,681.6**	**73,161.2**	**5,520.4**	**8%**
thereof ÖBB Group	***59,296.0***	***57,010.3***	***2,285.7***	***4%***

Revenue is also generated in the electric power and real estate sectors.

The electric power sector developed as follows:

Traction power in GWh	2021	2020	Change	Change in %
Self-generated traction power from ÖBB power plants	749	699	50	7%
Consumption of traction power from the overhead contact line	1,763	1,662	101	6%

In the 2021 financial year, power plants owned by the ÖBB-Infrastruktur subgroup produced approx. 749 GWh (py approx.: 699 GWh) of traction current.

The rentable space developed as follows:

Floor space incl. rentable exterior spaces in thousand m²	2021	2020	Change	Change in %
Usage by external parties (outside the Group)	644	675	-31	-5%
Usage by ÖBB Group companies other than ÖBB-Infrastruktur AG	233	238	-5	-2%
Usage by ÖBB-Infrastruktur AG	566	556	10	2%
Vacant and public space	1,136	1,146	-10	-1%
Floor space	**2,579**	**2,615**	**-36**	**-1%**
Exterior spaces rented out	18	18	0	0%
Total portfolio	**2,597**	**2,633**	**-36**	**-1%**

As in the previous year, the floor area of buildings, including the rentable exterior spaces, amounted to approx. 2.6 million m². About a quarter of this space is leased externally. The remainder is used by the ÖBB-Infrastruktur subgroup itself, rented within the group or are common areas and vacancies.

Transport service orders/contributions from the federal government, the provinces and municipalities

Traffic services ordered/contributions by the federal government, federal provinces and communities in EUR million	ÖBB-Personenverkehr	Rail Cargo Austria	ÖBB-Infrastruktur
Traffic/public services contracted by the federal government	1,198.2	107.0	-
	(py: 1,187.8)	(py: 92.3)	-
Transport service orders with provinces and communities	277.3	-	
	(py: 256.7)	-	
Infrastructure operations	-	-	388.4
	-	-	(py: 469.6)
Repair and investment	-	-	1,582.0
	-	-	(py: 1,547.2)
Total	**1,475.5**	**107.0**	**1,970.4**
	(py: 1,144.5)	**(py: 92.3)**	**(py: 2,016.8)**

The ÖBB-Personenverkehr subgroup has concluded transport service orders for local and long-distance passenger transport by rail with the federal government as well as with federal states and municipalities. In 2021, the ÖBB-Personenverkehr subgroup received approx. EUR 1,198.2 million (py: approx. EUR 1,187.8 million) and from federal states and local authorities approx. EUR 277.3 million (py: EUR 256.7 million). The increase in compensation for services mainly relates to additional orders for services, fleet changes and valourisations.

The Rail Cargo Austria subgroup receives contributions for the provision of rail freight transport services in the production forms of single wagon transport, unaccompanied combined transport and rolling road. The basis for the contributions is the "Aid program for the provision of rail freight transport services in certain forms of production in Austria" notified by the EU. The payments in the reporting year amounted to approx. EUR 107.0 million (py: approx. EUR 92.3 million).

The reduction in the federal government's contributions to ÖBB-Infrastruktur AG is mainly due to the operation of the infrastructure. ÖBB-Infrastruktur AG is implementing a construction program of great economic importance on behalf of the Republic of Austria.

The federal subsidies are set out in the 2018 to 2023 subsidy agreement and the corresponding framework plan. Accordingly, the share of federal subsidies for expansion investments and reinvestments (with the exception of the Brenner Base Tunnel) is 75% until 2016 and for the years 2017 onwards 80% of the annual capital expenditure in the form of an annuity spread over 30 years. The Brenner Base Tunnel project receives a 100% subsidy from the federal government in the form of an annuity spread over 50 years. The long term financing rate of ÖBB-Infrastruktur AG currently in effect is used as the interest rate. In 2021, this federal contribution amounts to approx. EUR 985.1 million (py: approx. EUR 969.84 million). Maintenance (inspection, servicing, fault clearance and repair) of the infrastructure is subsidised by the federal government in the amount of approx. EUR 596.9 million (py: approx. EUR 577.3 million).

In addition, the federal government provides a subsidy for the operation of the infrastructure amounting to approx. EUR 388.4 million (py: approx. EUR 469.6 million). This contribution is granted to the extent and for as long as the revenues to be generated under the respective market conditions (from users of the rail infrastructure) do not cover the expenses incurred (in the event of economical and efficient management). Performance improvements as well as deferrals led to a decrease compared to the previous year.

C.2. Results of operations

Results of operations of the ÖBB Group

In spite of another year shaped by the Covid-19 pandemic, the ÖBB-Personenverkehr subgroup was able to record a growth in earnings. While customers' travel behaviour was still significantly restricted in the first half of the year due to lockdowns and movement restrictions, an increase in fare revenues and passengers was noticeable over the summer months. Another emergency award of the western route, but also service expansions on rail and tenders won by Postbus, led to a year-on-year increase in order fees.

The Rail Cargo Austria subgroup also achieved higher volumes and sales compared with the previous year. In addition to a better-than-expected market development, this is mainly due to a good operating performance, intensive countermeasures and governmental Covid-19-related support measures. A significant part of the improvement in earnings is also attributable to the sale of ÖBB-Technische Services-Gesellschaft mbH to ÖBB Personenverkehr Aktiengesellschaft.

The ÖBB-Infrastruktur subgroup also showed a slight recovery due to positive volume effects in connection with the Covid-19 pandemic.

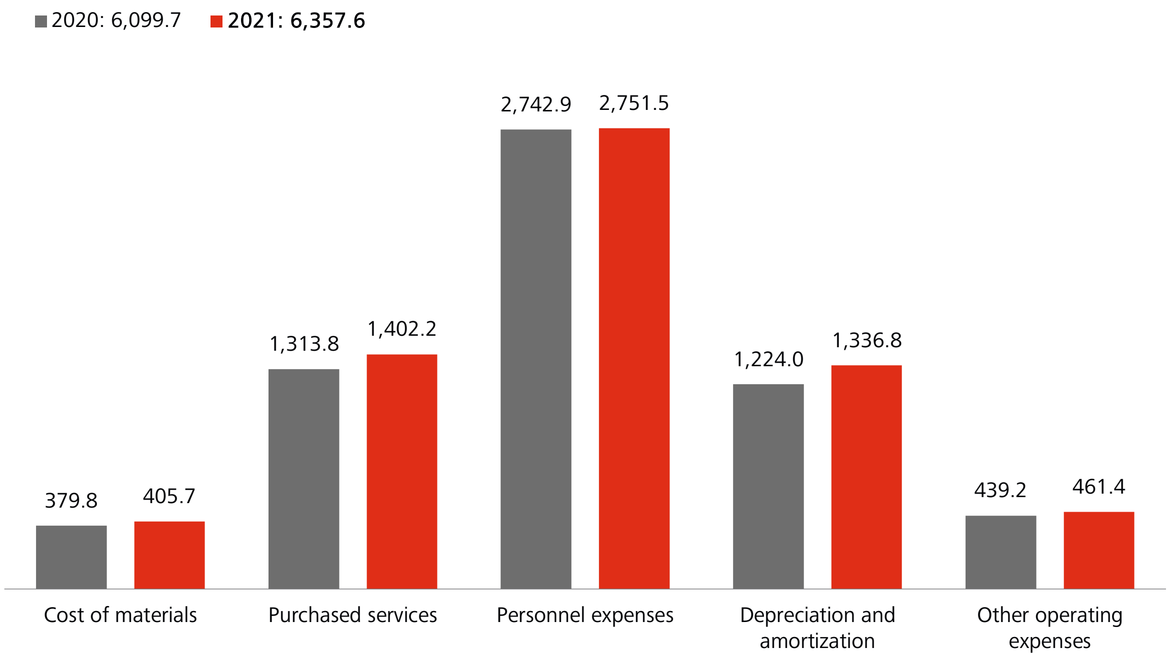
Overview	2021	2020	Change	Change in %
EBIT[68] in EUR million	628.7	624.6	4.1	1%
EBIT margin[69] in %	9.0%	9.3%	-0.3%	-3%
EBITDA[70] in EUR million	1,965.5	1,848.6	116.9	6%
EBT in EUR million	170.0	58.6	111.4	>100%
Return on equity[71] in %	5.2%	2.1%	3.1%	>100%
Return on assets[72] in %	1.8%	1.9%	-0.1%	-5%

With total revenues of approx. EUR 6,986.3 million (py: approx. EUR 6,724.3 million), a slight increase was recorded compared to the previous year. ÖBB-Konzerns EBIT increased in the reporting year to approx. EUR 628.7 million (py: approx. EUR 624.6 million). As a result, the EBIT margin decreased from 9.3% in the previous year to 9.0%. EBITDA increased in the reporting year by 6% to approx. EUR 1,965.5 million (py: approx. EUR 1,848.6 million). After a result of approx. EUR 58.6 million in the previous year, an EBT of approx. EUR 170.0 million is reported this year. This corresponds to an increase of approx. EUR 111.4 million compared to the previous year. Return on equity was 5.2% (py: 2.1%), return on assets 1.8% (py: 1.9%).

Structure of the Consolidated Income Statement in EUR million	2021	in % of total income	2020	in % of total income	Change	Change in %
Revenue	4,355.5	62%	4,083.1	61%	272.4	7%
Other own work capitalized	475.2	7%	444.3	7%	30.9	7%
Other income and increase/decrease of inventories	2,155.6	31%	2,196.9	33%	-41.3	-2%
Total income	**6,986.3**	**100%**	**6,724.3**	**100%**	**262.0**	**4%**
Cost of materials	405.7	6%	379.8	6%	25.9	7%
Purchased services	1,402.2	20%	1,313.8	20%	88.4	7%
Personnel expenses	2,751.5	39%	2,742.9	41%	8.6	0%
Amortization (incl. impairment)	1,336.8	19%	1,224.0	18%	112.8	9%
Other operating expenses	461.4	7%	439.2	7%	22.2	5%
Total expenses	**6,357.6**	**91%**	**6,099.7**	**91%**	**257.9**	**4%**
EBIT	**628.7**	**9%**	**624.6**	**9%**	**4.1**	**1%**
Financial result	-458.7	-7%	-566.0	-8%	107.3	19%
EBT	**170.0**	**2%**	**58.6**	**1%**	**111.4**	**>100%**

[68] EBIT corresponds to operating profit (not including earnings of investments accounted for using the equity method) in the consolidated income statement.
[69] EBIT margin: EBIT / Total income.
[70] EBITDA: EBIT + depreciation and amortisation.
[71] Return on equity: EBT/ shareholders' equity.
[72] Return on total assets: EBIT / total capital.

Development of operating expenses in EUR million



Total expenses increased by approx. EUR 257.9 million to approx. EUR 6,357.6 million in the financial year 2021 (py: approx. EUR 6,099.7 million).

Compared to the previous year, the personnel expenses of approx. EUR 2,751.5 million (py: approx. EUR 2,742.9 million) remained almost constant and continue to be the largest expense category. As in the previous year, average personnel expenses per employee amounted to approx. EUR 63 thousand. The personnel intensity[73] - the ratio of personnel expenses to total revenues - improved slightly to 39% (py: 41%). More detailed information on the personnel structure and the development of the number of employees is provided in Chapter D.2. Personnel Report.

The cost of materials increased to approx. EUR 405.7 million (py: approx. EUR 379.8 million). This item includes expenses for externally purchased traction current of approx. EUR 110.7 million (py: approx. EUR 92.1 million) and expenses for liquid fuels amounting to approx. EUR 71.5 million (py: approx. EUR 63.7 million).

At approx. EUR 1,402.2 million (previous year: approx. EUR 1,313.8 million), the cost of purchased services is the second largest expense category. This item mainly includes payments for vehicle rentals, transport services and infrastructure usage to third-party railways. It also includes other purchased services, which mainly consist of non-capitalisable supplies and services in connection with repairs, maintenance, cleaning and other services in the forwarding business. As in the previous year, the share of total revenues accounted for by the cost of materials and purchased services was 26%. Depreciation and amortisation expenses increased by approx. EUR 112.8 million to approx. EUR 1,336.8 million (py: approx. EUR 1,224.0 million).

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[73] Payroll ratio: Personnel expenses / total revenues.

A decrease was achieved in taxes and levies (-9% to approx.42.6 million). On the other hand, an increase in commissions (46% to approx. EUR 9.2 million), expenses for information technology and office requirements (30% to approx. EUR 39.6 million), miscellaneous other expenses (5% to approx. EUR 251.6 million), operating costs (2% to approx. EUR 103.4 million) and rental, lease, licence and leasing expenses must be reported (1% to approx. EUR 15.0 million). In total, other operating expenses increased by approx. EUR 22.2 million or 5% to approx. EUR 461.4 million (py: approx. EUR 439.2 million).

The ÖBB Group recorded a negative financial result for the 2021 financial year of approx. EUR 458.7 million (py approx.: EUR 566.0 million). The interest expense amounts to approx. EUR 503.3 million (py: approx. EUR 572.3 million).

Results of operations of the ÖBB-Personenverkehr subgroup

Overview	2021	2020	Change	Change in %
Revenue in EUR million	2,525.5	2,136.9	388.6	18%
Total income in EUR million	2,664.0	2,181.0	483.0	22%
Total expenses in EUR million	-2,527.9	-2,133.9	-394.0	-18%
EBIT in EUR million	136.1	47.1	89.0	>100%
EBIT margin in %	5.1%	2.2%	2.9%	>100%
EBITDA in EUR million	350.6	230.0	120.6	52%
Financial result in EUR million	-46.8	-40.8	-6.0	-15%
EBT in EUR million	89.3	6.3	83.0	>100%
Return on equity in %	6.6%	0.5%	6.1%	>100%
Return on assets in %	2.5%	1.0%	1.5%	>100%

In the year under review, the ÖBB-Personenverkehr Sub-Group recorded an increase in sales revenue of 18% to approx. EUR 2,525.5 million (py: approx. EUR 2,136.9 million).

The subgroup's personnel expenses in the financial year 2021 amounted to approx. EUR 652.3 million (py: approx. EUR 410.3 million), which corresponds to an increase of approx. EUR 242.0 million. Average personnel expenses per employee amount to approx. TEUR 59 (py: approx. TEUR 57). Personnel expenses account for 24% of the total income (py: 19%). The cost of materials amounted to approx. EUR 274.8 million (py: approx. EUR 110.6 million). This includes, among other things, expenses for traction current amounting to approx. EUR 43.8 million (py: approx. EUR 43.4 million) and for liquid fuels in the amount of approx. EUR 40.1 million (py: approx. EUR 36.6 million). The services purchased increased by 10% compared to the previous year to approx. EUR 1,123.4 million (py: approx. EUR 1,252.0 million). This item includes fees for vehicle rentals amounting to approx. EUR 100.1 million (py: approx. EUR 93.1 million), transport services of approx. EUR 555.5 million (py: approx. EUR 511.0 million) and infrastructure usage charges for third-party railways of approx. EUR 320.6 million (py: approx. EUR 331.5 million). The ratio of cost of materials and purchased services amounted to 52% of the total income (py: 62%).

Revenue development of the Rail Cargo Austria subgroup

Overview	2021	2020	Change	Change in %
Revenue in EUR million	1,888.7	2,196.6	-307.9	-14%
Total income in EUR million	1,933.1	2,264.8	-331.7	-15%
Total expenses in EUR million	-1,879.0	-2,230.2	351.2	16%
EBIT in EUR million	54.1	34.6	19.5	56%
EBIT margin in %	2.8%	1.5%	1.3%	87%
EBITDA in EUR million	240.0	167.3	72.7	43%
Financial result in EUR million	67.5	-27	94.5	>100%
EBT in EUR million	121.6	7.6	114.0	>100%
Return on equity in %	47.0%	3.4%	43.6%	>100%
Return on assets in %	3.3%	1.5%	1.8%	>100%

In the year under review, Rail Cargo Austria subgroup recorded an increase in EBIT to approx. EUR 54.1 million (py: approx. EUR 34.6 million). This corresponds to an improvement of approx. EUR 19.5 million. A slight decline in total income to approx. EUR 1,933.1 million (py: approx. EUR 2,264.8 million) results in an EBIT margin of 2.8% after 1.5% in the previous year. The financial result showed an increase from approx. -27.0 million in the previous year to approx. EUR 67.5 million. Consequently, an EBT is recognised for 2021 in the amount of EUR 121.6 million (py: approx. EUR 7.6 million). The return on assets was 3.3% (py: 1.5%) and EBITDA was approx. EUR 240.0 million (py: approx. EUR 167.3 million).

Total expenses of the Rail Cargo Austria subgroup amounted to approx. EUR 1,879.0 million, 16% lower than in the previous year (py: approx. EUR 2,230.2 million). The largest expense category is the cost of purchased services. In the year under review, these increased by 4% to approx. EUR 1,277.3 million (py: approx. EUR 1,229.3 million). This item includes expenses for transport services, for infrastructure usage incl. community service and staff leasing as well as rent for rail and road vehicles and other services. Personnel expenses declined in the reporting year to approx. EUR 237.9 million (py: approx. EUR 462.3 million), and the average personnel expenses per employee of approx. TEUR 49 in the previous year to approx. TEUR 42. Personnel expenses accounted for 12% of the total income (py: 20%). The total cost of materials and purchased services corresponds to 69% (py: 63%) of the total income.

Results of operations of the ÖBB-Infrastruktur subgroup

Overview	2021	2020	Change	Change in %
Revenue in EUR million	931.6	899.4	32.2	4%
Total income in EUR million	3,318.9	3,329.0	-10.1	0%
Total expenses in EUR million	-2,917.7	-2,838.2	-79.5	-3%
EBIT in EUR million	401.2	490.8	-89.6	-18%
EBIT margin in %	12.1%	14.7%	-2.6%	-18%
EBITDA in EUR million	1,262.1	1,331.2	-69.1	-5%
Financial result in EUR million	-390.3	-480.6	90.3	19%
EBT in EUR million	10.9	10.2	0.7	7%
Return on equity in %	0.6%	0.7%	-0.1%	-14%

The total income of the ÖBB-Infrastruktur subgroup in the year under review amounted to approx. EUR 3,318.9 million (py: approx. EUR 3,329.0 million). This results in a slight decrease in total income by approx. EUR 10.1 million compared to the year 2020. Given an average number of employees of 18,444 (py: 18,529 employees), this represents earnings of approx. TEUR 180) per employee, similar to the previous year.

In 2021, the ÖBB-Infrastruktur subgroup achieved EBIT of approx. EUR 401.2 million (py: approx. EUR 490.8 million) with an EBIT margin of 12.1% (py: 14.7%).

The ÖBB-Infrastruktur subgroup achieved a negative financial result in the reporting year of approx. EUR 390.3 million (py: approx. EUR 480.6 million). EBT in 2021 amounted to approx. EUR 10.9 million (py: approx. EUR 10.2 million).

Total expenses of the subgroup increased by 3% to approx. EUR 2,917.7 million (py: approx. EUR 2,838.2 million) in2021.

The largest expense item in 2021 is personnel expenses, which decreased by approx. 1% to approx. EUR 1,221.6 million) (py approx.: EUR 1,228.5 million). As in the previous year, the average personnel expenses per employee were approx. TEUR 66. This results, like in the previous year, in personnel expenses accounting for 37% of the subgroup's total income.

The second largest expense item is depreciation and amortisation due to the operational responsibility of the subgroup. The increased investment activity in previous years led to an increase in this item of 2% to approx. EUR 860.8 million (py: approx. EUR 840.5 million).

Cost of materials and purchased services accounted for 15% (py: 14%) of total income.

C.3. Net assets and financial position

Net assets and financial position of the ÖBB Group

Overview	00.01.1900	31.12.2020	Change	Change in %
Total assets in EUR million	35,554.7	33,103.2	2,451.5	7%
PP&E-to-total-assets ratio[74] in %	90%	90%	0%	0%
PP&E-to-net-worth ratio[75] in %	10%	9%	1%	11%
PP&E-to-net-worth ratio II[76] in %	93%	92%	1%	1%
Working capital[77] in EUR million	-342.1	-108.6	-233.5	>100%
Equity ratio[78] in %	9.1%	8.4%	0.7%	8%
Cash-effective change of funds in EUR million	93.5	119.6	-26.1	-22%

Structure of the Consolidated Statement of Financial Position in EUR million	Dec 31, 2019	Dec 31, 2020	Structure 2020	Dec 31, 2021	Structure 2021	Change from 2020 to 2021
Property, plant and equipment	28,245.8	29,846.7	91%	31,839.7	90%	1,993.0
Other non-current assets	1,721.3	1,808.9	5%	1,880.8	5%	71.9
Current assets	1,287.3	1,447.6	4%	1,834.2	5%	386.6
Total assets	**31,254.4**	**33,103.2**	**100%**	**35,554.7**	**100%**	**2,451.5**
Shareholders' equity	2,644.8	2,767.7	8%	3,243.6	9%	475.9
Financial liabilities	25,342.7	26,666.3	81%	28,257.7	79%	1,591.4
Other liabilities	3,266.9	3,669.2	11%	4,053.4	11%	384.2

Assets

Mainly due to investments in property, plant and equipment, the ÖBB Group's total assets increased by 7% to approx. EUR 35,554.7 million in the year under review (py: approx. EUR 33,103.2 million).

The share of property, plant and equipment in total assets (property, plant and equipment ratio) was 90% as at the balance sheet reporting date, as in the previous year. These assets were financed primarily by borrowing in the form of loans and bond issues.

The property, plant and equipment coverage ratio as of 31.12.2021 10% (PY 9%). Taking into account the non-current liabilities, the property, plant and equipment coverage ratio II is 93% (py: 92%).

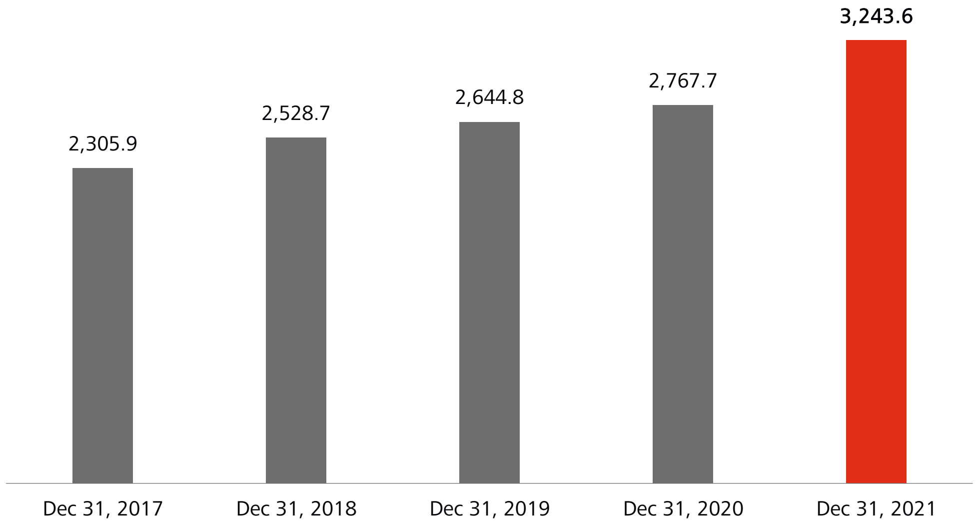
Working capital amounts to approx. EUR -342.1 million (py: approx. EUR -108.6 million).

[74] PP&E-to-total-assets ratio: Property, plant and equipment / total assets.
[75] PP&E-to-net-worth ratio: Equity / property, plant and equipment
[76] PP&E-to-net-worth ratio II: (Equity + non-current liabilities) / property, plant and equipment
[77] Working Capital: Inventories (excl. realisable objects and advance payments on orders) + trade receivables - trade payables.
[78] Equity ratio: Equity / total capital.

Liabilities and shareholders’ equity

As at 31.12.2021, the ÖBB Group has an equity ratio of 9.1% (py: 8.4%). On the liabilities side, the increase in total assets is mainly due to the rise in financial debt.

Development of shareholders' equity in EUR million

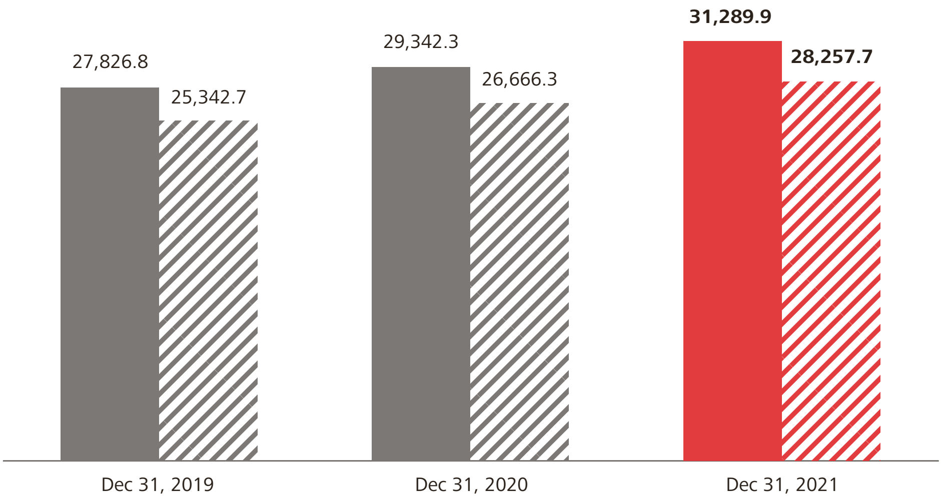


The ÖBB Group's liabilities as at 31.12.2021 amounted to approx. EUR 31,289.9 million (py: approx. EUR 29,342.3 million). Until 2015, the ÖBB Group's debt financing was provided, among other methods, through its own bond issues on the capital market. These bonds are issued by ÖBB-Infrastruktur AG in the amount of approx. EUR 10,377.5 million (py: approx. EUR 11,420.6 million).

Since 2017, the ÖBB Group has been raising the necessary financing primarily through loans from the Republic of Austria. These are handled by the Austrian Federal Financing Agency (OeBFA) instead of through its own bond issues on the capital market. The ÖBB Group AG belongs to the general government sector according to EURstat-criteria. All existing bonds of ÖBB-Infrastruktur AG and their guarantees by the Republic of Austria remain unaffected by this expansion of ÖBB-Infrastruktur AG financing instruments.

The financial liabilities of the ÖBB Group include all liabilities from bonds as well as liabilities to banks and Eurofima (Europäische Gesellschaft für die Finanzierung von Eisenbahnmaterial AG). In total, financial liabilities increased in the reporting year by 6% or approx. EUR 1,591.4 million to approx. EUR 28,257.7 million (py: approx. EUR 26,666.3 million).

Liabilities in EUR million
thereof **Financial liabilities** in EUR million



The maturities of the liabilities are shown in the following table:

Terms of the liabilities in EUR million	Total	thereof current	in %	thereof non-current	in %
Financial liabilities	28,257.7	2,569.0	9%	25,688.7	91%
Trade payables	1,154.4	1,154.4	100%	0.0	0%
Other liabilities	1,877.8	1,850.4	99%	27.4	1%

Please refer to Note 26 in the Notes to the Consolidated Financial Statements For explanations of significant provisions.

Notes to the Consolidated Statement of Cash Flow

Free cash flow[79] increased in the reporting year to approx. EUR -1,336.0 million (py: approx. EUR -1,337.9 million). The cash change in fund resources moved from approx. EUR 119.6 million to approx. EUR 93.5 million.

Abstract from the Group Cash Flow Statement in EUR million	Dec 31, 2021	Dec 31, 2020	Change
Cash flow from operating activities	1,433.1	1,294.4	138.7
Cash flow from investing activities	-2,769.1	-2,632.3	-136.8
Free cash flow	-1,336.0	-1,337.9	1.9
Cash flow from financing activities	1,429.5	1,457.5	-28.0
Cash-effective change of funds	93.5	119.6	-26.1

A detailed presentation of the consolidated cash flow statement can be found in the notes to the consolidated financial statements.

[79] Cash flow from operating activities + cash flow from investing activities

Net assets and financial position of the ÖBB-Personenverkehr subgroup

Overview	Dec 31, 2021	31.12.2020	Change	Change in %
Total assets in EUR million	5,372.7	4,525.4	847.3	19%
PP&E-to-total-assets ratio in %	71%	68%	3%	4%
PP&E-to-net-worth ratio in %	36%	38%	-2%	-5%
PP&E-to-net-worth ratio II in %	104%	120%	-16%	-13%
Equity ratio in %	25%	26%	-1%	-4%

Structure of the Consolidated Statement of Financial Position in EUR million	Dec 31, 2019	Dec 31, 2020	Structure 2020	Dec 31, 2021	Structure 2021	Change from 2020 to 2021
Non-current assets	3,437.3	3,634.5	80%	4,345.7	81%	711.2
Current assets	629.1	890.9	20%	1,027.0	19%	136.1
Total assets	**4,066.4**	**4,525.4**	**100%**	**5,372.7**	**100%**	**847.3**
Shareholders' equity	1,181.0	1,175.9	26%	1,361.6	25%	185.7
Non-current liabilities	2,334.7	2,499.9	55%	2,604.9	48%	105.0
Current liabilities	550.7	849.6	19%	1,406.2	26%	556.6

Total assets of the ÖBB-Personenverkehr subgroup increased in the reporting year by approx. EUR 847.3 million to approx. EUR 5,372.7 million (py: approx. EUR 4,525.4 million). The share of property, plant and equipment in total assets (PP&E ratio) amounted to 71% at the balance sheet reporting date (py: 68%). The property, plant and equipment coverage ratio at this time was 36% (py: 38%), the property, plant and equipment coverage ratio II was 104% (py: 120%). Working capital amounted to approx. EUR 284.7 million (py: approx. EUR 81.1 million). After an increase in equity by approx. EUR 185.7 million to approx. EUR 1,361.6 million (py: approx. EUR 1,175.9 million), the equity ratio was 25% (py: 26%).

The liabilities of the ÖBB Personenverkehr subgroup recorded a total increase of 20% to approx. EUR 3,470.4 million (py: approx. EUR 2,903.6 million). Financial liabilities in the reporting period increased by approx. EUR 174.7 million or 7% to approx. EUR 2,763.7 million (py: approx. EUR 2,589.0 million).

Net assets and financial position of the Rail Cargo Austria subgroup

Overview	Dec 31, 2021	Dec 31, 2020	Change	Change in %
Total assets in EUR million	1,635.8	2,337.9	-702.1	-30%
PP&E-to-total-assets ratio in %	35 %	26%	9%	35 %
PP&E-to-net-worth ratio in %	45%	36%	9%	25%
Equity ratio in %	16%	9%	7%	78%

Structure of the Consolidated Statement of Financial Position in EUR million	Dec 31, 2019	Dec 31, 2020	Structure 2020	Dec 31, 2021	Structure 2021	Change from 2020 to 2021
Non-current assets	1,346.3	1,056.3	45%	1,042.6	64%	-13.7
Current assets	826.6	1,281.6	55%	593.2	36%	-688.4
Total assets	**2,172.9**	**2,337.9**	**100%**	**1,635.8**	**100%**	**-702.1**
Shareholders' equity	171.9	220.8	9%	258.8	16%	38.0
Non-current liabilities	1,123.7	929.8	40%	830.1	51%	-99.7
Current liabilities	877.3	1,187.3	51%	546.9	33%	-640.4

The subgroup's total assets decreased by approx. EUR 702.1 million or 30% to approx. EUR 1,635.8 million (py: approx. EUR 2,337.9 million). The share of property, plant and equipment in total assets (PP&E ratio) amounted to 35% on the reporting date (py: 26%). The PP&E-to-net-worth ratio was 45% (py: 36%). Working capital amounted to approx. EUR 54.6 million (py: approx. EUR 83.8 million). After an increase in equity by approx. EUR 38.0 million to approx. EUR 258.8 million (py: approx. EUR 220.8 million), the equity ratio is calculated at 16% as at 31.12. (py: 9%).

Liabilities of the subgroup reduced in total by approx. EUR 226.2 million or 15% to approx. EUR 1,301.8 million (py: approx. EUR 1,528.0 million). Financial liabilities reduced to approx. EUR 1,007.6 million (py: approx. EUR 1,293.6 million).

Net assets and financial position of the ÖBB-Infrastruktur subgroup

Overview	Dec 31, 2021	Dec 31, 2020	Change	Change in %
Total assets in EUR million	28,901.8	26,816.9	2,084.9	8%
PP&E-to-total-assets ratio in %	92%	93%	-1%	-1%
PP&E-to-net-worth ratio in %	7%	6%	1%	17%
PP&E-to-net-worth ratio II in %	91%	88%	3%	3%
Equity ratio in %	6%	5%	1%	20%

Structure of the Consolidated Statement of Financial Position in EUR million	Dec 31, 2019	Dec 31, 2020	Structure 2020	Dec 31, 2021	Structure 2021	Change from 2020 to 2021
Non-current assets	24,730.0	26,170.2	98%	27,894.0	97%	1,723.8
Current assets	566.7	646.7	2%	1,007.8	4%	361.1
Total assets	**25,296.7**	**26,816.9**	**100%**	**28,901.8**	**100%**	**2,084.9**
Shareholders' equity	1,420.4	1,440.2	5%	1,737.3	6%	297.1
Non-current liabilities	19,564.7	20,424.2	76%	22,362.3	77%	1,938.1
Current liabilities	4,311.6	4,952.5	19%	4,802.2	17%	-150.3

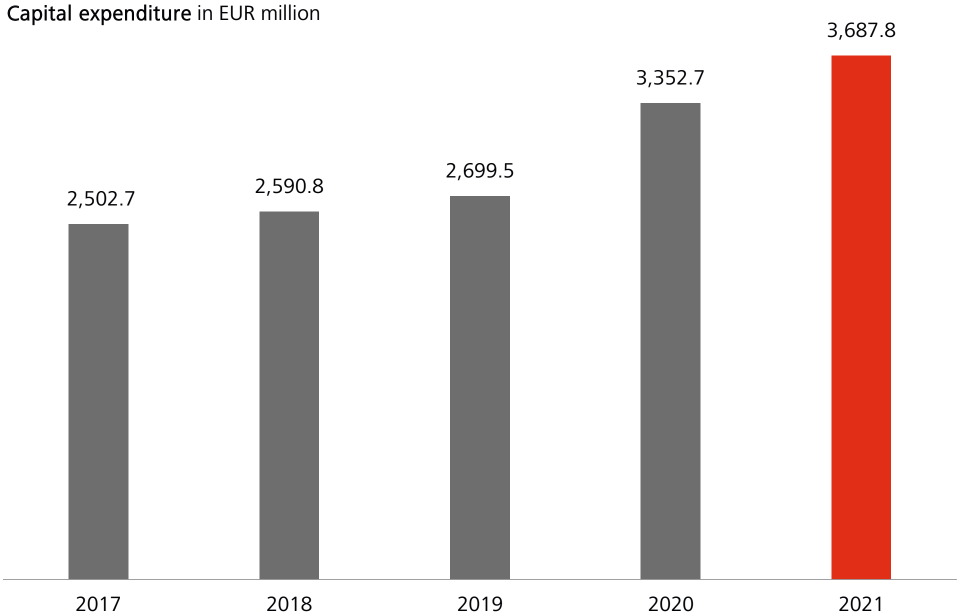
Total assets of the ÖBB-Infrastruktur subgroup increased as at 31.12.2021 by 8% to approx. EUR 28,901.8 million (py approx.: EUR 26,816.9 million). The ratio of property, plant and equipment to total assets is 92% (py: 93%). The property, plant and equipment coverage ratio as of the balance sheet date is 7% (py: 6%). Taking into account the non-current liabilities, the property, plant and equipment coverage ratio II is 91% (py: 88%). Working capital was approx. EUR -634.6 million (py: approx. EUR -519.7 million). After an increase in equity by approx. EUR 297.1 million to approx. EUR 1,737.3 million (py: approx. EUR 1,440.2 million), the equity ratio is calculated at 6% as at 31.12. (py: 5%).

The liabilities of the ÖBB-Infrastruktur subgroup increased by a total of 7% to approx. EUR 26,697.4 million (py: approx. EUR 24,963.9 million). After an increase in financial liabilities by 8% to approx. EUR 24,529.0 million (py: approx. EUR 22,787.3 million), 92% (py: 91%) of all liabilities fall into this category.

C.4. Capital expenditure and financing measures

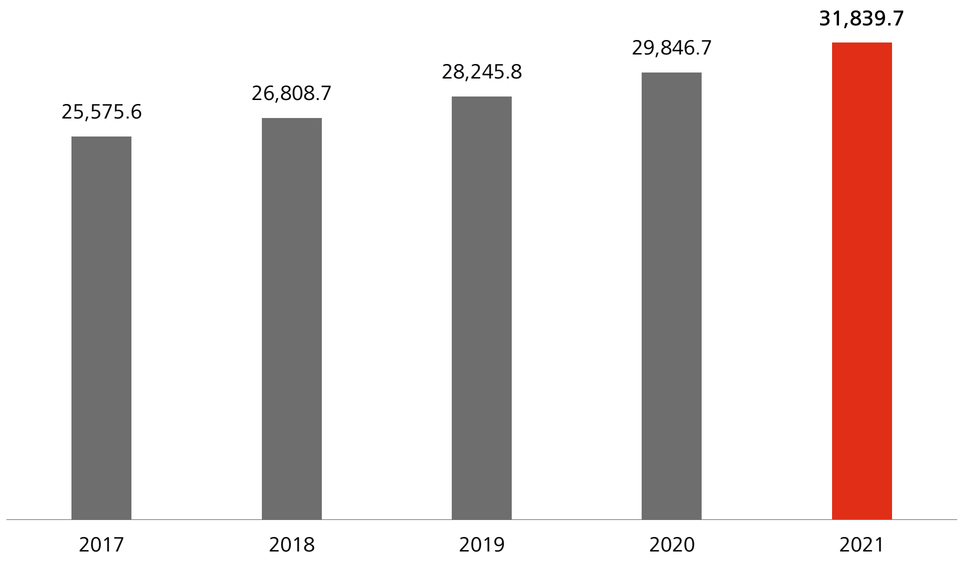
Overview	2021	2020	Change	Change in %
Capital expenditure in EUR million	3,687.8	3,352.7	335.1	10%
Capital expenditure ratio of total income in %	51%	46%	5%	11%
Capital expenditure ratio of carrying amounts in %	12%	11%	1%	9%

Capital expenditure in EUR million



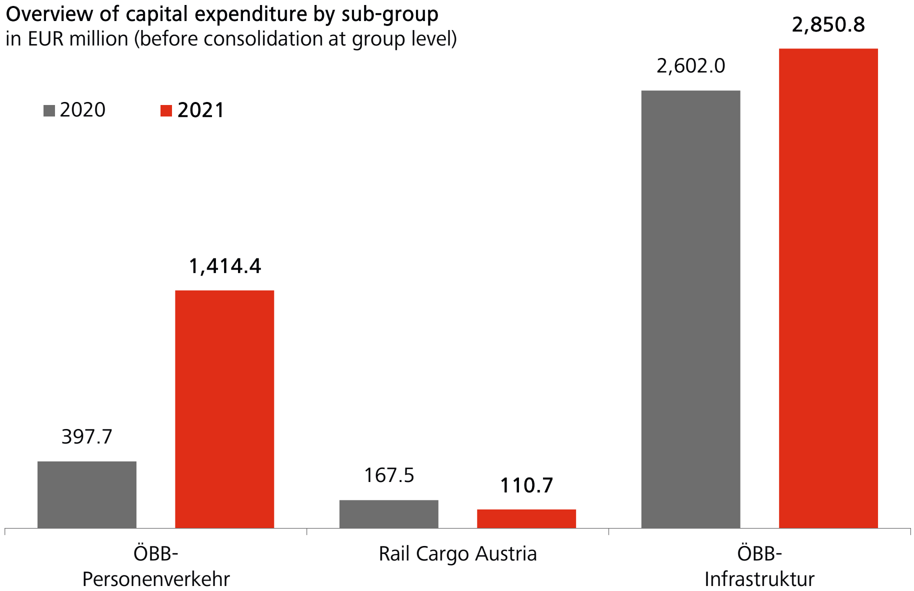
In the year under review, the ÖBB Group made investments in property, plant and equipment and in intangible assets with a total volume of approx. EUR 3,687.8 million (py: approx. EUR 3,352.7 million). They are defined as additions to fixed assets at acquisition cost. The aforementioned value was determined taking into account investments in the context of company acquisitions and corresponds to an investment ratio of 51% (py: 46%) of total income or 12% (py: 11%) measured against the carrying amounts as at 01.01. The calculation is made from the gross investments before deduction of the investment grants.

Tangible assets in EUR million



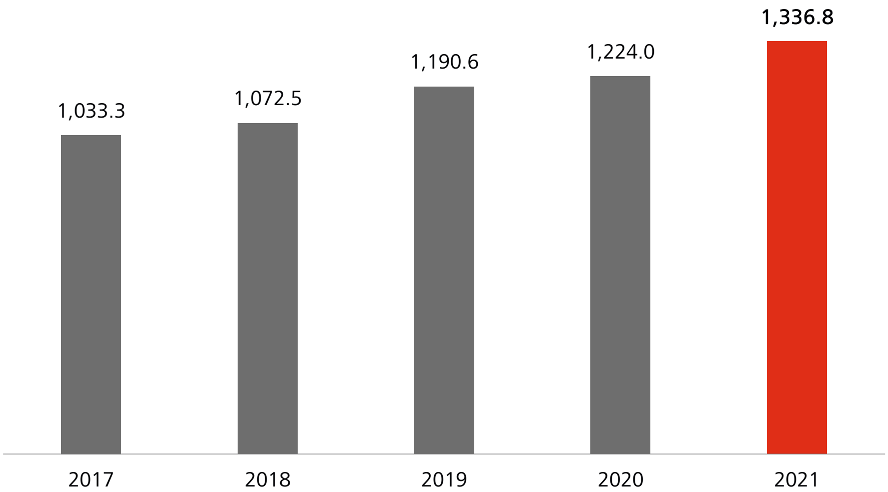
Of the investments of approx. EUR 3,687.8 million (py: approx. EUR 3,352.7 million), approx. EUR 2,850.8 million (py: approx. EUR 2,602.0 million) of the main volume of investment and financing measures was attributable to the ÖBB-Infrastruktur subgroup. The property, plant and equipment of this subgroup with its book values of approx. EUR 26,478.8 million (py approx.: EUR 24,893.1 million) amounts to approx. 83% of the ÖBB Group's total property, plant and equipment, as in the previous year. This in turn amounts to a total of approx. EUR 31,839.7 million (py: approx. EUR 29,846.7 million).

Overview of capital expenditure by sub-group
in EUR million (before consolidation at group level)



Depreciation and amortisation expenses increased by approx. EUR 112.8 million to approx. EUR 1,336.8 million (py: approx. EUR 1,224.0 million).

Development of depreciation and amortization of ÖBB Group in EUR million



Investments of the ÖBB Personenverkehr subgroup

Overview	2021	2020	Change	Change in %
Capital expenditure in EUR million	1,414.4	397.7	1,016.7	>100%
Capital expenditure ratio of total income in %	52%	18%	34%	>100%
Capital expenditure ratio of carrying amounts in %	36%	14%	22%	>100%

In the reporting year, the ÖBB-Personenverkehr subgroup invested an amount in intangible assets and property of approx. EUR 1,414.4 million (py: approx. EUR 397.7 million). This represents a capital expenditure ratio of 52% (py: 18%) of total income or 36% (py: 14%) of the carrying amounts as of 01.01.

Capital expenditure	Amount in EUR million
Additions to scope of consolidation	690.6
Short-distance traffic investments	508.3
Long-distance traffic investments	122.6
Workshop performance	52.1
Other investments	8.0
Property, plant and equipment	**1,381.6**
Additions to scope of consolidation	28.6
Other investments	4.2
Intangible assets	**32.8**
Total capital expenditure	**1,414.4**

Capital expenditure of the Rail Cargo Austria sub-group

Overview	2021	2020	Change	Change in %
Capital expenditure in EUR million	110.7	167.5	-56.8	-34%
Capital expenditure ratio of total income in %	6%	7%	-1%	-14%
Capital expenditure ratio of carrying amounts in %	18%	19%	-1%	-5%

In the year under review, the Rail Cargo Austria subgroup made investments in intangible assets and property, plant and equipment amounting to approx. EUR 110.7 million (py: approx. EUR 167.5 million). This volume represents a capital expenditure ratio of 6% (py: 7%) of total income or 18% (py: 19%) of the carrying amounts as of 01.01.

Capital expenditure	Amount in EUR million
Rolling stock	75.4
Other property, plant and equipment	35.1
Property, plant and equipment	**110.5**
Intangible assets	**0.2**
Total	**110.7**

Capital expenditure of the ÖBB-Infrastruktur sub-group

Overview	2021	2020	Change	Change in %
Capital expenditure in EUR million	2,850.8	2,602.0	248.8	10%
Capital expenditure ratio of total income in %	82%	71%	11%	15%
Capital expenditure ratio of carrying amounts in %	11%	10%	1%	10%

In total, the ÖBB-Infrastruktur subgroup invested approx. EUR 2,850.8 million (py: approx. 2,602.0 million), resulting in an investment ratio of 82% (py: 71%) of total income and 11% (py: 10%) of carrying amounts as at 01.01.

Inventories attributable to ÖBB-Infrastruktur subgroup with a carrying amount of approx. EUR 26,478.8 million (py: approx. EUR 24,893.1 million) amounting to approx. 83% of the ÖBB Group's total property, plant and equipment, as in the previous year.

Focus of capital expenditure 2021

The ÖBB-Infrastruktur Group set the following investment priorities in 2021:
- Expansion of the major main lines such as the southern and western lines
- Attractiveness and electrification of regional railways
- Numerous mass transit projects to provide capacity, especially in metropolitan areas
- Construction and modernisation of stations and Park & Ride facilities
- Expansion of infrastructure facilities for freight transport.
- Enhancement of tunnel safety on existing lines
- Modernisation of training facilities
- Establishment of infrastructure for own supply of green traction current
- Extensive reinvestment, e.g. new track and switch installations
- Noise protection measures
- Safety measures (abandonment of railway crossings, train protection systems, etc.)

Milestones (selection)

Modernisation Karavanke Tunnel

The cross-border work in the Karavanke Tunnel was completed on time after a construction period of just under ten months. Trains have been running again between Rosenbach and Jesenice since 10.07.2021. A great milestone: Thanks to professional cross-border cooperation between Austria and Slovenia, a historic structure from the early 20th century was transformed into a modern tunnel - and in record time. The result was a modernised tunnel that meets the highest technical standards and increases performance. The Karavanke Tunnel represents an important link between the southern German and Austrian economic areas and the ports in Slovenia, Croatia and Greece. The revitalisation is expected to make it grow in importance over the next few years.

Commissioning of Spullersee power station

With the commissioning of the revitalised ÖBB Spullersee power plant in October 2021, another important step was taken in the direction of sustainability and energy transition. This modernised plant ensures the long-term supply of traction current from 100% renewable sources. The Spullersee power station was built by ÖBB between 1919 and 1925 as a traction power station. After almost 100 years of reliable, sustainable and environmentally friendly power generation, major parts of the plant had reached the end of their technical and economic life. Now, over the past two years, the hydropower plant has been brought up to the latest state of the art as part of the largest rebuild in its history. This has created the conditions to ensure efficient energy generation for sustainable train propulsion in the future. ÖBB's energy self-sufficiency was further accelerated in 2021 with additional projects - such as the start of construction of the Höflein wind power plant (Lower Austria) and the commissioning of the photovoltaic plants in Kottingneusiedl (Lower Austria), Hall/Tyrol (Tyrol) and Rankweil (Vbg.)

Linz city port marshalling yard

The Stadthafen marshalling station is a central freight handling point in the industrial area of the city of Linz. The station was extensively modernised in a construction period of about two years and made fit for the requirements of the future by electrification - an important step to be able to carry out operations even more efficiently and environmentally friendly in the future. In addition to electrification, track rebuilding and rerouting will also contribute to reduced shunting requirements. The construction of a so-called track loop - i.e. an additional track in the track triangle on the Mühlkreis autobahn - created a direct route between Linz Central Station and Linz Stadthafen marshalling station.

Opening of Innsbruck training workshop

The railway of the future needs trained specialists. As the clear Nr. 1 in technical apprenticeships, ÖBB takes this challenge very seriously. The modern training workshop at the Innsbruck site heralds a new era in apprentice training. In 2021, the talent factory was opened with state-of-the-art facilities and more space for the highest standard of training.

Granitztal

ÖBB has been awarded the "Golden Unke" for the implementation of the accompanying ecological measures in the course of the construction of the new Koralm railway in the Granitztal. The award recognises companies that stand out for their particularly innovative and well thought-out concepts for the careful use of nature in the implementation of construction projects. ÖBB submitted a total of five projects on eco-measures and was awarded first place for the initiatives in Granitztal.

In the Granitztal, ecologically sensitive areas were also touched in the course of the construction measures for the Koralm railway. Accordingly, ÖBB-Infrastruktur AG has implemented an extensive accompanying landscape ecology plan. The aim was not only to compensate for the interventions, but ultimately to achieve a positive ecological balance. Thus, 5,400 m² more biotope area was created than was affected by the construction. Now some ecologically valuable animal species have also settled in the Granitztal, which were not native there before the construction measures. Finally, during construction, valuable structures that had formed in the construction area (e.g., reeds in sedimentation basins) were continuously protected or transplanted, so that a positive environment for nature to flourish could be created here.

Pottendorfer Line

The double-track expansion of the rd. 50-kilometer-long Pottendorf Line between Vienna Meidling and Wiener Neustadt is an important measure for increasing capacity on the southern line. This will create the conditions for better services for thousands of commuters in the south of Vienna. By the end of 2023, the continuous two-track system will be in place. The management of the ecological areas created as part of the expansion will also continue until 2023. By this time, vegetation development should have progressed to the point where maintenance can be taken over by third parties. Subsequently, intensive ecological monitoring will be carried out on the land until the tenth year after the second track is put into operation.

A key objective is to increase biodiversity along the line through special design of the railway embankments and slopes. The planning and construction of the facilities have already been coordinated with this. The spread of different vegetation types along the railway embankment is promoted by their orientation to the sun and by unevenly applied humus layers.

Particularly important was the use of a high-quality seed with more than 10% herb content. From it grow the flowers that give an attractive picture for recreationists who cycle or walk along the railway. In addition, herbs are a food source for many insects - bee species, butterflies, and beetles - and bloom almost year-round when well mixed. The seeds on the Pottendorf line were REWISA-certified - the seeds are typical for the region and were obtained in Austria.

In order to increase biodiversity, a total of over seven hectares of newly planted forest areas were surrounded by a strip of meadow - similar to the railway embankment. On this strip, there are repeated cairns of various sizes, as well as piles of dead wood from rootstocks. Depressions have also been formed on the surfaces where rainwater or melt water is able to collect. This created conditions for temporary small water bodies to form.

Obervellach II power plant

The construction of the Obervellach II power plant is a significant contribution by ÖBB-Infrastruktur to achieving the climate targets. In the course of the construction work for the Obervellach II power plant, an area of about 2.3 hectares was created on the Möll River as a hydraulic engineering and ecological replacement and compensation measure. This included, for example, the widening of the right bank of the Möll, the structuring of the banks, and the uncovering of a silted-up tributary. Furthermore, a still water body of several hundred square meters was created and an overgrown floodplain forest was renaturalised. Precise planting plans and a variety of accompanying ecological measures ensured that a magnificent natural area has already been able to develop, providing valuable habitat for flora and fauna. The riverbank and adjacent areas form a versatile natural area after only one year. Due to the close interlocking of different habitats (water bodies, forest and open land), a diverse habitat for water-related animal species has formed here.

In addition, a balancing basin will be created in the immediate vicinity of the newly constructed power plant as part of the construction work. This is to ensure the environmentally compatible discharge of the waters used for traction power generation into the Möll River. The majority of the construction materials (dam fills) required for the equalisation basin will be extracted from the underground sections of the power plant project and recycled directly on site.

Jenbach parking deck

The new Jenbach parking deck was opened during the reporting period. Its 450 parking spaces for cars and 226 for bicycles make it easy for passengers to transfer to the environmentally friendly train. During construction, rd. 4,000^{m2} of roof was greened and the outdoor areas cultivated with plants typical of the location, thus creating valuable green space. The greenery is an effective contribution to support the well-being of people in the station area.

Wood as building material

ÖBB Infrastruktur AG is increasingly relying on the use of wood as building material, among other things. The company checks at an early stage of planning whether the use of natural building materials - viewed over their useful life - makes sense and is sustainable. In particular, wood is increasingly being used for facades, temporary buildings (construction offices, info boxes), hall buildings, office buildings and transport stations - for example, for the wooden soffits of platform roofs (e.g. at Kirchstetten station and at stations and stops as part of the Vienna - Bratislava extension, e.g. Glinzendorf stop, Marchegg station). The Mürzzuschlag Facility Service Center, which will be used in the future for the maintenance of the Semmering Base Tunnel, was also completed in the reporting period with a partially wooden track hall. Work was also completed on the St. Pölten Bildungscampus stop with a technical building constructed in wood. At the Obervellach II power plant, the roof of the new power plant was built entirely of wood.

The office building of the Werndorf Facility Service Center is to be partly constructed in wood. ÖBB-Infrastruktur AG was awarded a planning certificate for the highest standard by the Austrian Sustainable Building Council (ÖGNB) for these plans in 2021. The Werndorf Facility Service Center will be used for the future maintenance of the Koralm railway.

The Brenner Base Tunnel

In 2021, the construction work of the shell structures for the Brenner Base Tunnel was continued by Galleria di Base del Brennero - Brenner Base Tunnel BBT SE. More than 150 km of the total tunnel system of 230 km have already been excavated (as of 31.12. 2021).

In the construction area "H21 Sillschlucht", where construction work started at the beginning of August 2020, slope stabilisation work could be completed and the north portal could be struck at the end of 2021. The short "Silltal" tunnel (length rd. 150 m) will be constructed using the cut-and-cover method. The removal work there is progressing rapidly.

The tender for the construction works for the section "H41 Sillschlucht-Pfons" was published at the end of January 2021. The contract was awarded in November 2021. Construction is scheduled to begin in early 2022.

Construction work in the section between Pfons and Brenner was stopped on 27.10.2020 as a result of the termination of the construction contract for good cause. This was followed by a fundamental revision of the construction program with the aim of being able to resume work as quickly as possible. Thus, in this section, it was planned to construct the structures still to be built in two construction lots. The invitation to tender for the construction work for the first construction lot "H52 Hochstegen" was published at the end of April 2021. The contract was awarded at the end of 2021 and construction started at the beginning of 2022. Work on the tender design for the second construction lot "H53 Pfons-Brenner" was started in the 2nd quarter of 2021. The preparation of the tender could be completed in 2021, so that the publication of the tender can take place at the beginning of 2022.

On Italian territory, the construction lots "H61 Mauls 2-3" and "H71 Eisackunterquerung" are in progress. In the Mauls construction lot, the first of the three continuous drivages, namely that of the exploratory tunnel, will reach the contractual end of driving at the Brenner border in the fall of 2021. In the "Eisack Unterquerung" construction lot, the second tunnel tube under the Eisack River could be excavated in April 2021 using a ground freezing method. This work is scheduled to be completed with the excavation of the fourth and final tunnel tube under the Eisack River in the first half of 2022. Work in the Franzensfeste station area also continued after an interruption in 2021.

Presentation of the entire framework plan and other investment projects

Project		Capital expenditure 2021 in EUR million	Projected or effected completion
Modification and new construction of stations	Station Altach	2.7	2021
	Station Arnoldstein	9.9	2020/2022/2025
	Stations Bad Goisern and Goisern Jodschwefelbad	4.3	2021
	Station Böheimkirchen	1.0	2021
	Station Fehring	4.4	2022
	Station Kainisch	5.1	2021
	Station Kapfenberg	0.5	2021
	Station Kirchberg in Tirol	5.5	2021
	Station Kirchstetten	3.9	2021
	Station Langenzersdorf	7.0	2022
	Station Leoben Lerchenfeld	6.2	2021
	Station Lienz	14.3	2021
	Station Rum	6.4	2022
	Station Schwaz	5.3	2021
	Station Telfs-Pfaffenhofen	20.2	2022
	Station Ternitz	23.5	2022
	Station Thal	4.7	2022
	Station Tullnerbach-Pressbaum	7.0	2024
	Station Unter Purkersdorf	20.0	2022
	Station Retz	3.3	2021
	Station Wartberg im Mürztal	3.5	2024
	Station Vienna Grillgasse	9.5	2021
	Station Vienna Matzleinsdorfer Platz	12.9	2022/2025
	Station Vienna Praterstern; extension entrance hall	1.6	2021
	Haltestelle Vienna Strebersdorf	6.2	2021
Parking garages	Jenbach; construction of parking garage	6.5	2021
	Hollabrunn; construction of parking garage	7.4	2022
Greater Vienna	Inzersdorf; construction terminal (Cargo Center Vienna)1)	4.6	2016/2021/20251)
	Expansion Marchegger branch2)	114.2	2018/2025/2035
	Vienna Meidling – Branch Altmannsdorf; two-track expansion	3.2	2023
	Vienna Hütteldorf – Vienna Meidling; connecting railway	2.4	2028
	Vienna metropolitan area; quality assurance local transport	4.4	2027
	Vienna Meidling – Mödling; four-track expansion	2.5	2034
Western line	Salzburg Hbf; extension of sidings facility (Phase 1); construction	3.1	2021
	Linz city harbour marshalling yard; remodelling and construction of an ESTW (electronic interlocking system)	8.6	2021
	Attnang-Puchheim - Salzburg Central Station; expansion of existing line3)	23.0	2025
	Linz – Wels; four-track expansion	65.2	2028
	Neumarkt-Köstendorf – Salzburg; new line	5.5	Planning
Southern line	Vienna Blumental - Wampersdorf; two-track expansion of the Pottendorf line4)	36.1	2023
	Graz – Weitendorf, needs-based upgrade	14.3	2023
	Graz – Klagenfurt; Koralm Railway	335.3	2025
	Feldkirchen – Weitendorf; full extension of the Koralm railway line	63.1	2025
	Wampersdorf – Wiener Neustadt; improvement of line	3.6	2027
	Bruck a.d. Mur – Graz; station conversation	17.8	2027
	Gloggnitz –Mürzzuschlag; new line (Semmering Base Tunnel)	351.3	2028
	Süßenbrunn –Bernhardsthal; expansion of existing line	11.4	2030
Pyhrn-Schober route	Linz Central Station – Summerau; beautification5)	16.4	2023
	Linz – Selzthal; selective two-track expansion and station conversations	2.9	2034
Tauern route	Karavanke Tunnel; safety measures	38.7	2021
	Golling-Abtenau - Sulzau; line improvement in the Pass Lueg area	9.1	2022

Brenner route	Innsbruck metropolitan area; new construction of railway stations[6]	8.5	2026
	Brenner Base Tunnel	126.6	2028
	State border near Kufstein – Radfeld junction; four-track upgrade Unterinntal	8.8	Planning
Arlberg route	St. Margrethen – Lauterach; development for local transport and beautification	35.7	2022
	Arlberg line; measures for timetable stability	8.9	2027
	Bregenz – Bludenz; expansion of local transport (Rhine valley concept)	0.9	2029
Programs	Noise protection	5.6	
	Park & Ride	10.3	
	Electrification	31.6	
	Regional rail network concept; line upgrades	19.0	
	Safety and operation management systems	131.8	
	Measures for customer satisfaction (mobile communications, data networks, wireless network)	2.0	
Reinvestments in the railway network		597.1	
Others (incl. intangible assets)		524.5	
Total master plan and other investment projects		2,850.8	

1) Commissioning of the service tracks, KLV and WLV facility took place in 2016. WLV2 as well as KLV2 facilities were commissioned in 2021. Phase 2 will be implemented by 2025.

[2] Commissioning of the Vienna section took place in 2018 (Erzherzog-Karl-Straße - Vienna Aspern). The full expansion in the Stadlau to Marchegg area will be commissioned by 2025 and in the Marchegg to state border area by 2035.

[3] Commissioning of Neumarkt am Wallersee station reconstruction already completed.

[4] Commissioning of the Hennersdorf - Münchendorf section took place in 2019. Expansion in the Ebreichsdorf section will be implemented by 2023.

[5] Commissioning of the Steyregg, Lungitz and Katsdorf station conversions took place in 2021.

[6] Commissioning of the new Innsbruck-Messe stop took place in 2021.

C.5. Corporate Strategy

Market environment

The 2021 financial year has been thoroughly positive

As an integrated group with a solid status quo,ÖBB is the market leader in passenger and freight transport in Austria. Thus, the company is the most punctual railway in the EU, one of the leading freight railways in Europe with modern infrastructure and strong backing from the owner. The 2021 business year has been quite positive, taking into account the COVID-19 restrictions that continue to apply.

Compared to the previous year, a slight increase in passenger volume was recorded. A look back at the summer of 2021 shows that the desire for a holiday in Austria was great. Accordingly, ÖBB services were gladly and often used. International passenger transport, including the expansion of Nightjet services, also contributed to the positive development. RCG's net ton-miles are slightly above last year's level and approaching pre-crisis levels. A stable update of the approved framework plan maps the objectives of the current government program: The focus is on pushing ahead with planning projects to avoid capacity bottlenecks and disruptions to operations, as well as further modernisation of stations and stops, but also measures for networking, digitisation and automation.

One focus of the company's activities is the efficient management of sustainability issues within the Group and the further raising of awareness in all areas of the Group. The KlimaTicket, which has been valid throughout Austria since 26.10.2021, is a strong sign of sustainable mobility. It is an annual ticket and allows the use of all ÖBB trains as well as all other means of public transit in Austria. The KlimaTicket is an uncomplicated and affordable solution for promoting a climate-friendly alternative to motorised private transport. As such, it serves as a political and social measure to sustainably support the achievement of the Paris climate goals. Furthermore, ÖBB offers its customers additional products to the KlimaTicket: At the start of sales, there was a 1st class upgrade for all variants as well as so-called "favourite seat and business seat subscriptions" (seat reservation packages).

Profitable growth, both nationally and internationally, is an integral part of the strategy for maintaining and expanding the market position. The ÖBB aim to win back former customers and attract new ones with our sales offensive in traditional stores. ÖBB is growing as a total mobility and logistics provider; by expanding its markets, it remains the market leader in its home markets and is consolidating our position as a major international player. In return, ÖBB will be even more aggressive in the marketplace vis-à-vis its competitors.

Safety and quality remain the foundation and basis for the success of the ÖBB Group. This will be all the more challenging as we expand our supply while at the same time increasing construction activity. The fact that our system is the future is also shown by the course set for CO_2 pricing - because without rail and bus, there is no climate protection.

In 2022, corona-related sector aid will be phased out and austerity measures are expected in the public budget. The cost optimisation measures required in the production process were therefore also driven forward in 2021 in order to remain competitive as a company. The focus here is on increased utilisation of "new" technologies/innovations. Nevertheless, until all these innovations are effective, the forced and consistent implementation of the identified improvement measures is essential. In doing so, we can take advantage of the generational change by recruiting future colleagues according to the new requirements for the new processes and competencies. ÖBB's own contributions to increasing efficiency/productivity are the focus here.

A Group-wide employee survey was conducted again in 2021. By switching to an online survey, it was possible to achieve the highest response rate compared to all previous surveys, resulting in a significant increase in identification and satisfaction.

The delta Covid-19 variant required special care and the implementation of a 3-G rule in the group. The 3-G rule as an absolute access requirement for entering ÖBB workplaces (also applies to external parties). In doing so, the rules for 3-G detection followed federal legal requirements. This is a prerequisite for a cautious return from the home office and for avoiding clusters.

We will also be accompanied by corona in the coming months. The health of our employees is not negotiable. Contemporary forms of cooperation "ÖBB Arbeitswelt - New Ways of Work" and successful generation management will support both the requirements of economic efficiency and attractiveness of ÖBB as an employer.

Challenges within the ÖBB Group

Despite the tense economic situation, a positive development is to be accomplished. This is to be achieved through the long-term environment (e.g. sustainability) for ÖBB as a mobility and logistics service provider and by using "new" technologies as quickly as possible as a joint effort by the Group companies in the network. In order to fulfill the target claim, joint high efforts and consequences are necessary:

- In the meantime, the Covid-19 pandemic has greatly changed the framework conditions and customer behaviour. What effects can be expected here in the longer term is one of the many new challenges facing ÖBB and its companies.
- Customer focus must be refined further.
- Preparing for liberalisation in local passenger transport.
- Economic consolidation remains critical, in part because potential budget tightening from federal corona austerity measures must be anticipated.
- Efficient implementation of infrastructure projects while maintaining quality levels; the key value propositions must be maintained - also to ensure the top image in the market.
- Lack of resources can lead to supply bottlenecks and increased costs, difficult supplier situation, e.g. in the area of energy, safety technology, etc.
- Maintain quality and create additional capacity - in combination with supply bottlenecks and price increases: Projects must not be delayed, project planning must take this into account now and assess impacts so that demand can be met.
- New technologies and new legislation are fundamentally changing the market. New players are joining.
- The intensity of competition is also increasing due to new innovative business models. Maintaining an overview, focusing on key areas and recognising dependencies is important for success.
- Digitisation is ushering in a new age of opportunity in all areas here. We do not want to react to market changes, but actively shape them.
- Job profiles are changing and posing new challenges for the operating business - the situation on the labour market will continue to worsen. The shortage of skilled workers remains a major challenge
- Sustainability as an engine for growth: The topic of "climate change" continues to be a great opportunity for the ÖBB Group to position itself as a nationwide logistics and mobility service provider. In particular, full coverage of the first and last mile will become a key issue to attract more passengers to public transit.

Passenger transport: Recovering passengers and preparing for liberalisation

The increase in demand for mobility services, a heightened awareness of climate protection, changing customer needs, and the pending liberalisation of rail transport all call for a clear strategic focus. In its new subgroup strategy "We connect the future", the ÖBB-Personenverkehr subgroup addresses new trends and challenges in the mobility market and pursues a clear vision: ÖBB-Personenverkehr stands for quality from Austria and, with its comprehensive mobility services for all customers, is the central pillar of public transit in Austria and a strong player in Europe.

The ÖBB-Personenverkehr subgroup is focusing on three strategic lines of action to implement this vision: developing new services, increasing competitiveness, ensuring operational excellence, and further developing our strong team:

- **Competitive bus and rail company in Austria and Europe.** Consistent improvement of competitiveness is the basic prerequisite for a comprehensive range of mobility services by rail and road. As an international quality carrier, the ÖBB-Personenverkehr Sub-Group is increasingly focusing on opportunities outside its home market and, together with its cooperation partners, is enabling a connected Europe. Reliability and quality leadership are the cornerstones of success. In the future, too, the subgroup aims to offer a high level of travel comfort with its own modern fleet of vehicles.
- **Intermodal Mobility Manager.** Door-to-door connections from the first to the last mile are enabling more and more customers to switch to sustainable mobility options in public transit. For this purpose, the ÖBB-Personenverkehr Sub-Group designs integrated, multimodal mobility concepts for regions, cities, communities and companies - based on individual customer needs.
- **Central mobility platform for Austria.** Uncomplicated booking processes for mobility services, reinforced by customised and digital solutions, ensure the uniformly high service standard of the central sales and information platforms. Rd. the clock and across all channels and touchpoints, physically as well as digitally. The ÖBB-Personenverkehr subgroup feels responsible for the needs of all guests along the mobility chain - whether by bus, train or e-scooter.

Further successes as a comprehensive mobility service provider were achieved in 2021 in the promotion of sustainable mobility. In particular, the contributions of the ÖBB-Personenverkehr subgroup, such as the distribution solution of the Klimaticket Austria and the expansion of ÖBB 360° services, promote broad-based, affordable and environmentally friendly solutions for optimised first and last mile connectivity. This makes it much easier to switch from private motorised transport to public transit and makes a valuable contribution to climate protection.

Rail passenger traffic has stabilised again since the 2nd quarter of 2021 and demand has picked up. With four new Nightjet connections in 2021 (Vienna-Amsterdam, Innsbruck-Amsterdam, Vienna-Paris, Zurich-Amsterdam) and a new Euronight connection (Vienna-Split), the expansion of the night train network was continued and cooperation with international partner railways was strengthened. The Austrian bus market has remained stable in recent years despite the declining number of students. The regular bus service has only been expanded by about 2% in recent years. A significant expansion of bus transport is important for the greatest and best possible effect of the Climate Ticket.

The likely long-term effects of the Covid-19 pandemic on the mobility and consumption behaviour of customers are particularly evident among commuters and business and leisure travellers, but also in local and long-distance tourist traffic. In many places, a hybrid working environment is establishing itself, i.e. a mixture of office presence and home office, coupled with the ongoing use of digital communication solutions, it facilitates location-independent and, in some cases, time-independent working across national borders. While some commuters and business travellers were on the move again in 2021, these segments are nevertheless declining in the medium term. In all passenger segments, the relevance of safety and hygiene measures remains a central element in customer communication. In 2021, the ÖBB-Personenverkehr subgroup was again able to position itself as a trustworthy partner with a clear service orientation by taking clear measures to win back customers and shift traffic:

- **Resumption and expansion of supply.** International long-distance passenger rail services were resumed in response to demand. Scheduled cross-border train service has picked up since mid-2021 with the reduction of domestic and international travel restrictions. In addition, further new local and long-distance transport services as well as an expansion of the post-train service are in the planning stage. After a successful start in several communities in Austria, the expansion of the Postbus Shuttle service will further strengthen regional, demand-oriented on-demand transport in the future.

- **Increased safety and hygiene.** To maintain safety and hygiene, numerous prevention and communication measures are implemented on an ongoing basis, such as: notices about the obligation to keep distance and wear masks, disinfectant dispensers in all Railjets and Nightjets, private compartments in the Nightjet, graphic seat reservations, special cleaning in all trains and buses as well as stations.
- **New mobility solutions.** The ÖBB-Personenverkehr subgroup is a pioneer in integrated, sustainable mobility solutions with modern, customer-centric mobility solutions to complement local public transit. Especially on a local and regional level, customers can use individual door-to-door connections within the scope of ÖBB 360° .

New forecasts for passenger traffic suggest that passenger numbers will reach pre-crisis levels across all customer segments in the next four to five years. Results of initial scenario analyses of a mobility world after the "end" of the Covid-19 pandemic show that there will be a high potential demand for public transit in the future, even in the more pessimistic scenarios. The further development of the ambitions set out in the Mobility Master Plan 2030 to achieve climate neutrality in the transport sector, as well as the sustainability aspect in the context of the climate crisis, indicate a greater impact on modal shift to public transit in the longer term here than the Covid-19 pandemic.

The tense economic situation caused by the pandemic eased somewhat in 2021. However, there is still volatility in passenger volumes, as demand trends continue to be dependent on international regulations and travel requirements, as well as the further course of the pandemic. It is therefore all the more important for the ÖBB-Personenverkehr subgroup to focus even more strongly on its customers in the future and to develop new individual mobility solutions that take into account Covid-19-related changes in mobility behavior, offers.

Goods transport: Increasing volumes in freight traffic

The positive development of the economy is also clearly noticeable in freight transport. RCG was thus able to report a clearly positive result and gradually recover from the volume slump of the previous year. In addition to better-than-expected market development, this is mainly due to good operating performance, intensive countermeasures, and government (sector) support measures related to Covid-19.

RCG also continues to pursue a clear growth strategy in all target markets with its entire rail logistics product range. This applies equally to intermodal transport as well as to conventional rail freight transport. The RCG is above all pursuing one goal with its digitalisation initiatives: To make access to the rail system easier and thus shift traffic to rail.

Improvement of the product management

The expansion of TransFER connections is a central pillar of the RCG strategy. They allow efficient and competitive transport of small consignment sizes - from one wagon or intermodal loading unit throughout Europe. Currently, the network comprises rd. 60 TransFER connections. A particular focus is on the single-unit wagon network with sales of approx. EUR 450.0 million. What has been missing, however, is centralised product management. It is intended to ensure close involvement of the sales department in dimensioning and capacity utilisation in addition to a through-going responsibility for results. RCG covers the entire supply chain of various types of goods through customised end-to-end logistics solutions. It conducts door-to-door deliveries throughout Europe and, with products such as the Mobiler, also opens up industrial centers without direct rail connections. One of the possible solutions: A new product management system was therefore set up to increase capacity utilisation and thus profitability on these three products with capacity utilisation responsibility. It includes the introduction of the following managers: TransFER Managers are responsible for all conventional and intermodal TransFER connections. Central product managers have process responsibility for the introduction of new products and support all operational TransFER managers. The product managers for the single-car network are responsible for the profitability and development of the entire network. The Mobile Product Managers continue to be located in Service Delivery to avoid dissynergies by splitting the existing, compact team.

Updates from the business units

In the MACE BU (Mineral Oil, Agricultur, Chemicals, Environmental), mineral oil volumes improved significantly and are approaching pre-COVID levels. The other MACE segments are already performing again at a stable volume level pre-COVID. The WPBC BU (Wood, Building Materials, Paper, Consumer) is also currently recording a good order situation, due to strong existing transports and the acquisition of new customers following the convincing handling of trial transports. The Business Unit STEA (Steal, Energy, Automotive) is reporting strong volume growth in all segments. It is further expanding the partnership with voestalpine RailTechnology by means of innovative improvements in loading technology. This has resulted in increased train load factors of up to 8% already being implemented on some routes. There are also positive reports from Business Unit IM (Intermodal): increased volumes in the low floor wagon (ROLA) segment (+30% vs. py), a new TransFER Budapest-Brno and various increases in round trips.

450 underframes for the Intermodal business unit and corresponding portfolio optimisation of RCG

A successful shift of road volumes to rail is particularly dependent on intermodal transport solutions. This investment enables RCG to increase the proportion of its own vehicles, reduce provisioning costs and modernise its fleet.

Cargo 1492 - Phase 2 with a focus on Service Design and Service Delivery (from 2022)

Phase 2 was approved with a budget of 22.8 mil. EUR. This has in particular the continuation of service design topics as well as service delivery processes as a new focus. Internally, this relates to integrated processing, discrepancy management and accounting and complaints. The first direct interfaces for RCG customers are already being implemented. Plans still include expansion to multimodal tracking, real-time collaboration, especially in processing, and an overview of inquiries/agreements, complaints, and invoices.

Transfer of 26% of the shares in ÖBB-Technische Services-Gesellschaft mbH from Rail Cargo Austria Aktiengesellschaft to ÖBB-Personenverkehr Aktiengesellschaft

By transferring the shares, the RCG pursues its strategic position as a rail logistics specialist consistently and in future will retain 25% of the shares in ÖBB-Technische Services-Gesellschaft mbH.

New Board of Directors

Executive board spokesperson Clemens Först is appointed for a further period and is focussing on finances, digitalisation and transformation. New to the team is rail logistics professional Gottfried Eymer. He took over the Market and Sales division at the beginning of 2022. Gottfried Eymer has long-term experience in the structuring and restructuring of international rail logistics companies as well as in marketing control and network optimisation. Imre Kovács is focussed on the production area and will be intensively driving forward the restructuring of the Hungarian daughter company Rail Cargo Hungaria. Thomas Kargl, whose contract ended in late 2021, has left his role on the RCG executive board and is dedicating himself to new tasks.

Impacts of corona

Rail freight transport is not only relevant to the climate, but above all to supply and the system. Despite volumes still below pre-Covid levels, there is a 1.4% increase in tons compared to 2020, characterised mainly by intermodal and Voest business. In 2020, the Federal Ministry for Climate Protection, Environment, Energy, Mobility, Innovation and Technology initiated a support package for the sector, which will have a positive impact in 2021 through the reduction of the road charge and the increase in subsidies in Austria. In addition, the higher subsidy in Hungary, the increased train path subsidy in Germany, and the countermeasures taken to reduce fixed costs will more than compensate for the negative effect of the impairment and enable us to come through the crisis with a profit in 2021. The result of Rail Cargo Group in 2021 is also influenced by the sale of shares in ÖBB-Technische Services-Gesellschaft mbH, which has a positive impact on the financial result.

Infrastructure: General conditions and strategic challenges

The ÖBB infrastructure forms the basis for transporting people and goods in a sustainable manner, thus actively contributing to increasing the quality of life as well as Austria's competitiveness.

In order to be able to continue to fulfill the main tasks - the provision of infrastructure capacity and the planning, construction, maintenance and operation of rail infrastructure as well as the provision of rail services - with a high level of quality despite changing framework conditions, various challenges must be met:

- **Create capacities for the changeover.** ÖBB is the mainstay of the mobility transition in Austria. ÖBB-Infrastruktur AG is being challenged to create the appropriate capacities to make the modal shift in passenger and goods transport possible.
- **Safety and punctuality.** It must be possible to handle the expected increase in train density safely and reliably. Optimised and digitalised operating processes as well as a practised safety culture are the basis for the high future requirements.
- **Liberalisation.** The increasing number of RUs in our rail network requires a further development of the "rules of the game on the network". Dedication of train path capacities for specific modes of transport and a reliable legal framework for the conditions of use of the rail network are necessary.
- **Stabilise finances.** Complexity and thus (absolute) costs are increasing due to the growth of the facilities and increasing technology development. It is necessary to curb cost growth by optimising the depth of value creation, innovation, increasing labour productivity and strategic alliances, in addition to revenue management that is suitable for transport policy and regulation.

- **Promote climate protection and sustainability.** The "Green New Deal" and the decarbonisation of the economy pose serious challenges for the transport sector. We at ÖBB-Infrastruktur AG see our task as further expanding the ecological competitive advantage of the railway system. Energy and climate protection are therefore to be placed at the centre of our actions.
- **Shaping a multimodal future.** The mobility market is undergoing profound change. Transport systems are growing together or developing more and more into networked mobility ecosystems, in which the rail system will continue to gain in importance. We support this future by providing multimodal station and terminal infrastructure as well as facility and operational data.
- **Use digitalisation to become better.** Digitalisation offers us opportunities to create added value for our clients and our organisation. A targeted use of digitalisation opens up the opportunity to connect people more easily and to further optimise our processes.
- **Mastering generation management and increasing diversity.** We need to continue to be an attractive employer with an inspiring and motivating culture of cooperation in order to remain successful in the future. Targeted generation management safeguards the know-how in the company. Innovative forms of cooperation, diversity and equal career opportunities for all employees must distinguish us as an employer in the future.

C.6. Other important events and outlook

Trend.Radar - Analyse trends and invest in the right ones

The Trend.Radar is used for systematic trend processing within ÖBB in order to find new growth markets and shape the future. It helps to reach or even exceed the set goals by developing forward-looking markets early enough and by trading. It provides answers to the following questions: What trends are we facing and what opportunities or risks do they present for ÖBB? Does this result in new business models or are existing ones at risk? To this end, trends are extensively analysed and evaluated, and specific fields of action are derived for ÖBB.

Five global megatrends show the direction in which the world will develop over the next 30 years: demographic change, climate change, urbanisation, economic change and technological progress. These megatrends will permanently and irrevocably change the world, the economy, our everyday lives, and thus also ÖBB. ÖBB, like all companies, will face massive challenges. It is becoming apparent that the next decades will be volatile, uncertain and complex. For this reason, it is imperative to correctly assess new technologies and their possible adaptations for the future now, thus ensuring sustainable and successful planning and decision-making. The Trend.Radar institutionalises this process with structured analyses of the future and forms an opportunity to position ÖBB as a shaper of the future and pioneer of mobility.

Goals of the Trend.Radar and benefits for the Group

The objectives of the Trend.Radar are based on two core variables: the identification of growth markets and the development of a competitive advantage for each trend.

Studying trends offers many opportunities to understand the market and its dynamics and to make future developments transparent and understandable. In addition, there are other advantages:
- Knowledge about the essential future fields of action
- Setting the course for future topics at an early stage
- Strengthening competitiveness
- Positioning as a future-oriented company with strategic vision
- Development of internal expertise through trend managers and trend team
- Creation of awareness among employees and promotion of employees
- Acquisition of external talent

Trend overview

ÖBB has created a "Trend.Bild", which depicts the most significant focus trends of the future from the ÖBB point of view. Based on the five megatrends, 20 focus trends were identified. This process of trend scouting and identifying focus trends is conducted at regular intervals. Focus trends indicate a high significance for ÖBB and are therefore the subject of further analysis. In the following, seven selected focus trends are briefly explained, which are analysed immediately next.

Autonomous mobility on the road: in 2015, it was still assumed that autonomous cars would be widely available by the early 2020s. In the meantime, disillusionment has set in and media interest has declined again. Nevertheless, a closer look reveals that autonomous driving is making enormous progress on the road. The competition between Waymo (Google subsidiary) and Tesla should be highlighted here. The two companies are pursuing different technical approaches to enable autonomous driving. In addition, Germany has paved the way for autonomous driving in regular operation with a recent change in the law. Autonomous driving will probably soon become a reality - not widespread, but intensively in selected areas.

Artificial intelligence describes the ability of digital technologies to perform human tasks, such as thinking or learning from past experiences. Artificial Intelligence is used to solve complex problems in specific use cases. Technologies are implemented in systems (machines, devices, software) so that they can reasonably handle tasks and situations. Here, the two technologies "Machine Learning" and "Deep Learning" play a decisive role. While "Machine Learning" is based on statistical methods to recognise patterns within data sets, "Deep Learning" uses neural networks, which are especially applied to unstructured data.

Blockchain is a manifestation of "distributed ledger technology" (DLT). It stores transactions in sequential "blocks", without any middleman at all. Unlike a money transfer, no bank is necessary for this. Everything happens directly between the transmitter and receiver. Blocks (contain many transactions) can only be added using cryptography, but cannot be changed retroactively. Accordingly, they are as good as forgery-proof. Blockchain is also referred to as Web3 (Internet = Web2). While information is sent via the internet, values (e.g. money) are sent via Web3; entirely without third parties.

The **Data Economy (& Monetarisation)** is a global digital ecosystem in which data is collected, organised and exchanged by a network of providers. The aim is to create value from the information collected. This involves collecting data from a variety of actors, including search engines, social media sites, online vendors, brick-and-mortar providers, or software-as-a-service (SaaS) providers. An increasing number of companies are also collecting data by means of networked devices in the Internet of Things (IoT) sector. The data collected is then in turn passed on to individuals or companies for a fee.

3D printing is an additive manufacturing process that applies material layer by layer to create three-dimensional objects. Three-dimensional models, which are designed on the computer, serve as a template for the 3D printer. This creates the corresponding object layer by layer by applying material, which can be in liquid, solid or powder form. Currently, 3D printing is mainly used in prototyping and special components in aerospace or medical technology.

The **Platform Economy** describes the business model based on digital platforms. Platforms, in turn, are a software-based digital environment with an open infrastructure. This environment makes it possible to manage a multi-industry ecosystem. Many of the world's most valuable companies, like Amazon, primarily offer platforms. However, the function and nature of digital platforms can differ significantly. While some platforms offer services (e.g. Uber), others offer products (e.g. Amazon), payments (e.g. Paypal) or other software developments (e.g. Salesforce).

Big Data (Analytics) describes data sets whose size or nature exceeds the ability of traditional databases to capture, manage, and process the data with low response time (latency). The characteristics of Big Data include high volume, high velocity, and high variety. Big Data Analytics is the application of advanced analytics techniques to very large, diverse Big Data datasets. These include structured, semi-structured and unstructured data from various sources and in different sizes ranging from terabytes (1 terabyte = 1000 gigabytes) to zettabytes (1 zettabyte = 1,000,000,000,000 gigabytes).

These trends are analysed and evaluated step by step in order to ultimately derive possible courses of action that complement or reinforce the current portfolio.

Trend analysis

The detailed analysis and evaluation of the trends are performed jointly within the Group. An internal expert team works together across the Group to look at the issues from a wide variety of perspectives and to become active in the ÖBB subdivisions. The aim is to pool the Group's entire expertise with the aim of actively shaping the mobility market. Trend analyses highlight aspects such as technical feasibility, regulatory progress, ecosystem and competitors. The findings are incorporated into the assessment of the impact on ÖBB and provide an outlook on the extent to which ÖBB is affected by the trend. The trend potential initiates a strategic discourse and discusses the strategic positioning that ÖBB will adopt in relation to the trend. Advantage here is: We already know today how we want to participate in the trend and are taking the right steps to remain competitive and profitable in the future.

Our work mandate

As ÖBB, we ourselves need to know the content of the trends that move our business and our industry or could influence them in the future. If we lack this knowledge, we automatically lack the basis for professional management. In order to grow, we need a sound picture of the future. The discovery, analysis and evaluation of trends cannot be outsourced, but must take place within the Group.

The transformation process in which our economy and society find themselves requires us to deal proactively with trends today, without pressure from outside. Because these open up the business opportunities of tomorrow. The trend world created by the Trend.Radar forms the basis for this and at the same time the foundation for our future success. The motto is: Investing today in the future of tomorrow.

Earnings outlook

Budget- and medium-term planning are based on the strategic Group goals. Specific initiatives and measures - supported by the Nordstern program - map the path to achieving the Group's strategic goals in the medium-term planning cycle for the next six years.

In doing so, ÖBB is guided by standards of customer centricity, competitiveness, operational excellence and innovative strength in its products and services. With these aspects in mind, ÖBB set itself the goal of remaining the clear number one inAustria as amobility and logistics provider and ofbeing one of the major players in Europe. Inaddition,ÖBB makes a significant contribution to the implementation of the stipulated objectives of the energy and climate targets in Austria, as set out in the #mission 2030 in 2018.

The 2022 budget and the following years are mainly characterised by the expansion of services in the ÖBB Personenverkehr subgroup, sustainable investments in the ÖBB-Infrastruktur subgroup and the turnaround efforts in the Rail Cargo Austria subgroup. The current available budget and medium-term planning is based on the knowledge and economic forecasts available during the planning period regarding Covid-19, and no further lockdown has currently been considered. In the planning, the sustained management of the negative effects of the Covid-19 pandemic will continue up to and including 2023 and, from 2024, the earnings level of the medium-term planning before Covid-19 will be achieved.

The budgeted Group EBT for 2022 is approx. EUR 186.6 million and, influenced by the positive development of the Covid-19 pandemic, is approx. EUR 51.1 million above the previous year's medium-term planning for 2022. The market-related business sectors are recovering better in 2022 than assumed in the previous year's medium-term planning. In the ÖBB Personenverkehr subgroup, the budgeted EBT in 2022 is approx. EUR 157.8 million, which is an increase of EUR 58.2 million above the previous year's medium-term planning. In the Rail Cargo Austria subgroup, EBT of approx. EUR 22.2 million is budgeted for 2022, which represents an increase of approx. EUR 4.1 million compared to the previous year's MFP 2022. Due to the transfer of shares of the TS Group from Rail Cargo Austria AG to ÖBB Personenverkehr AG, the previous year's medium-term plans are only comparable to a limited extent.

Development of EBT in EUR million	2020	2021	BUDGET 2022	Medium-Term Planning 2027
ÖBB-Personenverkehr sub-group	6.3	89.3	157.8	308.4
Rail Cargo Austria sub-group	7.6	121.6	22.2	71.7
ÖBB-Infrastruktur sub-group	10.2	10.8	10.8	13.7
ÖBB Group	58.6	170.0	186.6	404.5

No additional Covid-19 implications in terms of further lockdowns were assumed in the 2022 budget assumptions. Should there nevertheless be further restrictions in 2022, the present result forecast will be adjusted within the framework of the first forecast in 2022 and the resulting findings will be processed in the planning premises for the budget and medium-term planning 2023 - 2028. An assessment of the impact of the Ukraine crisis is provided in Note 35 “Subsequent events to the balance sheet reporting date" in the Notes to the Consolidated Financial Statements.

D. Non-financial performance indicators

D.1. Real estate management

ÖBB is one of the largest property owners in Austria with approx. 23,000 properties. ÖBB-Immobilienmanagement Gesellschaft mbH is a wholly owned subsidiary of ÖBB-Infrastruktur AG. It acts as a comprehensive real estate service provider primarily within the ÖBB Group.

It develops and disposes of non-operating properties and manages a comprehensive portfolio over its entire life cycle. This includes approx. 3,786 buildings and 1,038 passenger stations and stops. The range of services includes commercial and technical property management. This also includes responsibility for all building construction facilities of the ÖBB Group, including railway stations. Their area of responsibility also includes the creation of quality standards and testing systems relevant to building construction. Around 800 employees throughout Austria ensure the professional and efficient handling of the comprehensive service portfolio.

In the 2021 financial year, the ÖBB-Infrastruktur subgroup generated earnings contributions (proceeds less carrying amounts and provisions) of approx. EUR 71.3 million (py: approx. EUR 60.4 million).

D.2. Personnel Report

The ÖBB Group is one of the largest employers in Austria with a wide range of job profiles. As at 31.12.2021, there were 41,898 (py: 41,872) active employees (excluding apprentices) throughout the Group. This is a slight decrease in the number of staff compared to the previous year. The ÖBB Group is also one of the largest training institutions in Austria. At the end of the year 2021 there were 1,775 (py: 1,787) apprentices in training. In addition, 222 (py: 227) apprentices were trained via the General Private Foundation for Vocational Training in the reporting year. The average age of employees nationally (not including apprentices) was approx. 45.4 (py: approx. 45.7) years. The percentage of women (including apprentices) was approx. 14.2% (py: approx. 13.5%).

The employee structure in the ÖBB Group

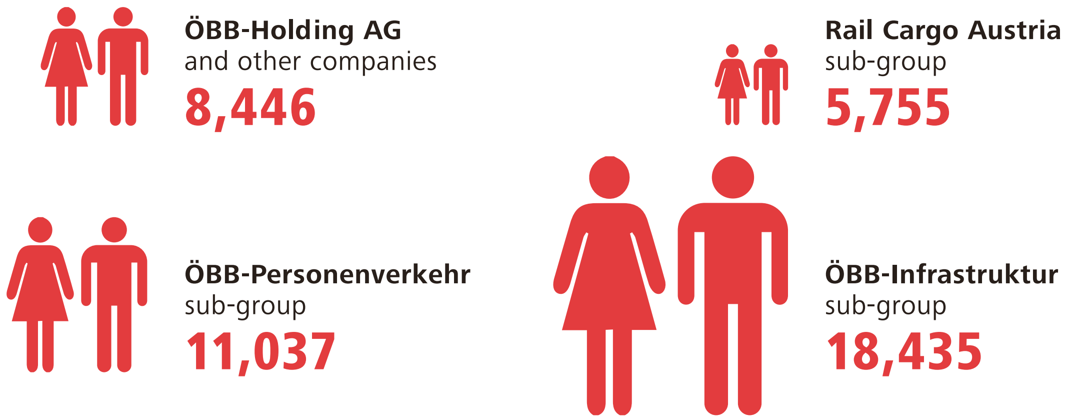
Number of employees (headcount)	Dec 31, 2021	Dec 31, 2020	Change Reporting date	Change in %	Average 2021	Average 2020
Employees	14,847	13,972	875	6%	14,454	13,709
Workers	10,495	9,759	736	8%	10,128	9,380
Tenured employees	16,556	18,141	-1,585	-9%	17,337	18,845
Total (excl. apprentices)	**41,898**	**41,872**	**26**	**0%**	**41,919**	**41,934**
Apprentices *)	1,775	1,787	-12	-1%	1,614	1,630
Total (incl. apprentices)	**43,673**	**43,659**	**14**	**0%**	**43,533**	**43,564**
thereof abroad	***4.417***	***4,326***	***91***	***2%***	***4.366***	***4,317***

*) In addition, 222 apprentices were employed in the 2021 financial year via the General Private Foundation for Vocational Training.

Number of employees (FTE)	Dec 31, 2021	Dec 31, 2020	Change Reporting date	Change in %	Average 2021	Average 2020
Employees	14,488.5	13,652.2	836.3	6%	14,105.4	13,393.5
Workers	*10,353.9*	*9,638.4*	*715.5*	*7%*	*9,996.5*	*9,266.8*
Tenured employees	16,115.5	17,655.9	-1,540.4	-9%	16,876.5	18,284.6
Total (excl. apprentices)	**40,957.9**	**40,946.5**	**11.4**	**0%**	**40,978.4**	**40,944.9**
Apprentices *)	1,775.0	1,787.0	-12.0	-1%	1,613.6	1,629.6
Total (incl. apprentices)	**42,732.9**	**42,733.5**	**-0.6**	**0%**	**42,592.0**	**42,574.5**
thereof abroad	***4,383.7***	***4,298.4***	***85.3***	***2%***	***4,334.8***	***4,289.5***

*) In addition, 222 apprentices were employed in the 2021 financial year via the General Private Foundation for Vocational Training.

Tenured employees are ÖBB employees who are subject to the "General Contractual Conditions for Employment Contracts with Austrian Federal Railways" (AVB). They joined before 01.01.1995 and may not be dismissed on the basis of the provisions of the AVB. In the sense used here, the term is also understood to include the former postal workers at the Postbus. This category of employees will shrink over the next few years due to an impending wave of retirements.



The division with the highest personnel intensity as at 31.12.2021 was the ÖBB-Infrastruktur subgroup. This group accounted for 42% of all employees, including apprentices.

Strategic direction

Strategic HR Management, together with all sub-Groups of the ÖBB Group, sees itself as a generalist strategic consultant and sparring partner for Board members and executives. Furthermore, Strategic HR Management is a professional service provider for our employees in cooperation with the HR experts from ÖBB-Business Competence Center GmbH (BCC). In line with the ÖBB principle of “We before me”, it acts as the shared HR management team for the ÖBB Group rather than as the total sum of the individual companies.

The transformation to a unified, lean HR management involves radically questioning the service portfolio. The use of digital technologies allows administrative tasks to be reduced. This opens up scope to work more creatively and proactively.

Personnel development and recruiting as well as personnel management cover all specialist topics of HR management. Along these two pillars, Strategic HR Management is preparing for the future and the upcoming generation change. Levers for this are lean administration, simplification of governance rules, employee and management self-services and digitalisation/automation.

Strategic HR Management makes a significant contribution to the internal and external perception of the ÖBB Group through its work - among employees and potential applicants - and makes ÖBB an attractive employer.

Covid-19

In 2021, the successful work of the Group-wide Covid-19 task force continued. The ÖBB corona traffic light continues to be an important instrument for setting measures within the ÖBB Group. It provides for comprehensive Covid-19 protections such as hygiene and distance rules and home offices. As a particularly effective prevention measure, ÖBB also organised in-house vaccination channels in the summer of 2021 to provide vaccinations against the corona virus to all staff in an unbureaucratic manner. These vaccination channels have proven to be a great success and have been very well received by our staff.

In September 2021, the employer also introduced the 3G rule for staff and external visitors. This will be continued as a legal "3G at work". This measure creates safety and is based on the relevant legal rules. As a responsible employer, it is also a matter of great concern to the ÖBB Group to make a comprehensive Covid-19 test offer available to all employees. This includes extensive PCR tests including so-called Gurgle tests as well as antigen tests. ÖBB operates several Covid-19 test centres throughout Austria.

Teleworking and flexitime

Teleworking and flexitime represent a way to modernise the organisation of work. In the Group, the new company agreement on teleworking came into force on 01.07.2021.

By making the organisation of work more flexible in terms of time and space, the quality and productivity of work should be improved, thereby increasing the company's competitiveness.

The actual distribution of working time between the workplaces (home office/office) is agreed in advance between the supervisor and the employee - the number of home office days is no longer subject to any specifications and is left to the agreement between the employee and the manager.

The distribution of working hours was made more flexible by the new flexitime agreement. Employees may decide and determine the distribution of normal working hours at the teleworking workplace and the company workplace within the established and applicable working time regulations.

HR 2025

Human Resources is one of the fields of the future that will determine which companies are to enjoy sustained success in the competitive environment. ÖBB faces the major task of successfully managing the generational shift, making the leap into a world of high digital penetration and (thereby) making itself fit for a fully liberalised market. As part of the Group's "Nordstern" program, HR is also undergoing a comprehensive transformation. This is on the content level, on the process level and on the organisational level. "HR 2025" serves to powerfully initiate this transformation process.

HR trends and challenges

Demographic change
Against the backdrop of demographic changes, the long-term safeguarding of knowledge is a key issue for continuous corporate development. Workforce and labour supply are ageing. Age-related departures are changing large parts of the Group. The arrival of thousands of employees from younger generations is changing our workforce. The "handover of the baton" must go well in order to ensure ÖBB's continued success. Whether we can be a reliable, competitive and agile mobility provider in the future depends on the right mix of experienced specialists on the one hand and young employees on the other.

New life concepts
The previous life plan of employees, which centered on stable and regular work, is changing. It is being replaced by new concepts of life that seek to balance gainful employment, family and leisure. The desire for more flexibility in everyday working life is a reality today. The integration of work and leisure are standard. Rigid role models of men and women are breaking down, spontaneous career changes are no longer considered a risk. For the youngest generation, money is no longer the primary incentive, working without a fixed place of work is taken for granted in a digitalised world of work, and career breaks and breaks in the working life are seen as a matter of course. Being among the most attractive employers in Austria, offering modern and flexible working conditions, tips the scales in the competition for the greatest talents.

Increasing diversity
While our employees and job recruiters were relatively homogeneous in the past, we are now seeing a trend toward diversity. The share of women in the labour market increased sharply. People with special needs are coming more into focus. People seeking protection, as well as people from the EU and third countries, are becoming increasingly relevant in terms of labour market policy. We regard the diverse experience and broad knowledge of our employees as strengths. We want to develop it further for the benefit of each individual. There is no doubt that gender and diversity competence will play a major role in the future as characteristics of a modern, forward-looking and attractive employer.

In order to master the challenges described, modern, fast HR management, efficient processes, digital solutions and contemporary management tools are needed, as well as a modern corporate culture. The path to the goal was defined in the 2017 HR strategy. Derived from this, the mission of "HR 2025" is to further advance the implementation of the 2017 HR strategy and to rethink the HR organisation.

Four fields of action (projects) and 12 initiatives were identified for "HR 2025":
- The project **HR Organisation and Processes** deals with the realignment of the HR organisation of the ÖBB Group according to the business partner model according to Dave Ulrich as well as with the digitalisation of HR processes.
- The project **Work Ability and Sustainability** addresses the central question of how ÖBB employees can be enabled to pursue their work in good health for as long as possible. The realignment of the healthcare organisation is the focus here.
- The **Sourcing, Recruiting and Onboarding** project addresses the question of how we can attract the right employees to the company in good time. The bundling of recruiting in the solution center(s) is part of this.

- The **Attractive Employer and Diversity** project addresses the question of how ÖBB can always offer attractive working conditions for both young families and older colleagues. The development of promotional measures for women and other diversity groups forms another component of this project.

In this form, the "HR 2025" program is designed for 2021 as a "kick-start program" to initiate a transformation process lasting several years.

Employee survey 2021

The Group-wide employee survey was conducted for the fifth time from 06. to 26.09.2021. This time it was conducted exclusively on a digital basis and, with a 55% response, recorded the highest participation to date.

The three central themes of the questionnaire were
- Identification: How connected do you feel to ÖBB as an employer?
- Job satisfaction: What is the working atmosphere like and how do you cooperate with your colleagues and managers?
- Ability to work (new since 2021): To what extent do resources and stresses affect employees' ability to work?

Both categories, which have been polled since 2013, were able to increase again this year. The new "work ability" index began immediately with a "very good" rating.

Identification: Improvement from 69 to 73 points

Employees' identification with ÖBB has risen sharply. Colleagues are particularly proud to be part of the company and show a high willingness to recommend ÖBB as an employer. The Group's image among employees has improved further - the scores for "future orientation" and "employee friendliness" in particular have risen sharply. The top category is safety awareness, which has increased even further in the pandemic. Incidentally, this is also shown by the feedback on the ÖBB corona protection measures - with around 70% satisfaction.

Job satisfaction: increased from 68 to 72 points

The overall job satisfaction in the company has risen further and is within the very good value range for the first time. There are still opportunities for improvement, especially in the area of bureaucracy/organisation. The greatest increase was recorded in satisfaction with leadership and information. Rapid and comprehensive information is rated significantly better, especially in such times of the pandemic (with further potential for improvement). It was possible to significantly increase the feeling of transparent and honest communication. This high communication performance is also reflected in a further improvement in the assessment of the company's managers.

Working capacity: NEW and directly rated at 76 points

What is particularly gratifying are the positive results in the area of work ability - especially in the areas of health and quality of life, collaboration, and finding meaning and self-worth. Employees see improvements above all in the way they manage their workload. The results are then used to develop Group-wide and company-specific measures.

HR-European and Labour Relations

In the reporting year, a binding European agreement was concluded in the Sectoral Social Dialogue on Railways to increase the proportion of women. The agreement "Women in the railway sector" was concluded between the Community of European Railway and Infrastructure Companies (CER) for the employers and the European Transport Workers' Federation (ETF) for the employees. It aims to attract more women to work in the rail sector and guarantee equal opportunities in the workplace. The targets are: attracting more women to the sector, work-life balance, promotion and career development, and equal pay for women and men, health and safety at work, but also preventing sexual harassment and sexism. This is the first joint agreement in 15 years that commits both CER members and those of the ETF. In this way, the rail sector is taking on a pioneering role and providing impetus for other industries.

STAFFER provides the framework for a Europe-wide "Blueprint". STAFFER is a project within the EU funding of "Sector Skill Alliances" 2020. It is one of the largest projects funded by the European Commission (approx. EUR 4.0 million) for skills alliances and includes 32 full partners and 14 associated partners from 13 countries. The goal of the project is to develop and validate appropriate education and training pathways and curricula for the entire rail sector to effectively increase employability and career opportunities. The starting point for this is the identification of current and future qualification and competence needs. Accordingly, Europe-wide mobility programs and work-based internships for students, trainees and employees are implemented. The project was launched on 01.11.2020 and has a duration of 48 months (until 31.10.2024). Various working groups have started their work and ÖBB has already actively contributed to the research phase.

Equality and diversity management in the ÖBB Group

An institutionalised system of regional equal opportunities officers operates within the ÖBB Group. It is entrusted with compliance with the Equal Treatment Act and ensures equal treatment of all employees.

In 2021, gender equality management focused on raising awareness/awareness among executives (including implementing a guide for executives and holding events such as "10 Years of Equality Work in the ÖBB Group") and apprentices (including the creation of a booklet for apprentices and the holding of workshops with regional equality officers).

Diversity management also adds strategic emphases to increase diversity in the Group. In 2019, the ÖBB Group was presented with the Diversity Award. This was followed in 2020 by the "equalitA" seal of approval for ÖBB's internal promotion of women, and in 2021 by the "SHEconomy Minerva Award" for the cross-mentoring program and the "Diversity Leader" award (Financial Times).

Diversity Charta 2026

A strategic goal throughout the Group is to increase the proportion of women to 17% by 2026. Further strategic goals are: at least 20% share of women in new hires, successive increase in the share of women in management positions, increase in the share of women in apprenticeship training throughout the Group to at least 20%, 25% share of women in the further training programs of the ÖBB akademie and at least 30% share of women in the Supervisory Boards of ÖBB AGs and GmbHs in Austria.

Numerous measures are planned for this purpose, e.g. cooperation and training programs (with AMS and NPOs, among others), qualification offers in diversity management and seminars on the Equal Treatment Act. The majority of training and seminars were suspended due to Covid-19. The existing career development programs were offered in digitalised form and were used more frequently than average. These include online coaching for women, the cross-sectoral cross-mentoring program and the ÖBB networking events. In addition, the Women's Career Index (FKi) is being implemented and enforced throughout the Group.

Other lighthouse projects: New gender guidelines, adaptation of HR IT systems and "women's and men's health" campaign

The legal recognition of the third gender is followed in several respects. As of 01.06.2021, the new guidelines on corporate language provide for the colon (e.g. employees) for the linguistic marking of the genders. The HR IT systems are continuously adapted so that when applications are submitted via the karriere.oebb.at site, not only male/female, but also diverse or inter are displayed and queried. This also applies to the entire personnel records in SAP.

In addition, the year 2021 in the ÖBB Group was dominated by awareness-raising measures on the topic of "Health and Gender Medicine". Symptoms in many diseases show up differently in women and men, women and men have different disease courses and are susceptible to specific diseases differently. These differences were addressed and widely communicated as part of our health campaign with online events, podcasts, webinars and the Group-wide "No Shave Movember & Red Lips November" campaign.

The overall percentage of women has increased by 0.7% compared to the previous year's reporting date and now stands at 14.2%. The share of apprentices decreased by 0.3% and is currently 17.3% (excluding foundation apprentices). 42.6% (58.1% excluding employee representatives) of the Supervisory Board mandates for the joint stock corporations were held by women, as of the reporting date. There has also been a 1.6% increase in managerial positions to 15.4% from 13.8% in the previous year. Women account for 30.1% of participants at the ÖBB academy training programs in 2021.

An important factor of employer attractiveness is the compatibility of work and private life. This topic is also part of the ÖBB Equal Opportunities Policy 2011. Among other things, it provides for concrete measures to promote reconciliation (such as company kindergartens, Nannies4ÖBBKids, and the RailMap*Reconciliation Work & Private, an information portal on maternity leave, care, and ÖBB's reconciliation offers). Weekend childcare for colleagues on shift and weekend duty will be implemented as a pilot starting in November 2021.

Program Employees with Disabilities (Disability Management)

Another initiative to further increase diversity and make the best use of company resources is the successful introduction of the program "Employees with disabilities." The implementation of disability management in the holding company marks a fundamental step towards the successful implementation of the program. This is accompanied by disability awareness training for managers as well as training on accessible communication. 726 employees in the ÖBB Group have health-related limitations with a degree of disability of more than 50%. They are assisted by a specialist in disability management and accessibility in the workplace, as well as personally by the group disability liaison officers. The focus in 2021 was once again placed on competence development in the field of communication accessibility. The practical transfer of knowledge took place by means of webinars and the design of an e-learning program. In addition, the Diversity-Charter 2026 also sets a target of increasing the proportion of employees with disabilities to 4%.

The further steps set out in the Charter for Inclusion have been successfully completed. On 03.12.2021, the Action Plan 2026 was presented and with it the implementation of fundamental measures to increase the proportion of employees with disabilities in the Group in Germany. Basic measures include the checklist for evaluating accessible workplaces or cooperation with the my ability-jobbörse so that as many people with disabilities as possible apply for suitable jobs.

Intercultural competencies

ÖBB is facing a generational change in the company and Austria in the midst of a socio-demographic population trend. In this context, tapping the potential of the labour force with a multicultural background is a key challenge and economic goal. This applies equally to the composition of the workforce and to the handling of the mobility market. Improvements to our intercultural fitness are being addressed at various different levels. This includes cooperations such as with Volkshilfe, but also internal discussion events such as "Come to Stay" or the ÖBB language learning exchange. The apprenticeship training of unaccompanied refugee youths with asylum status is also particularly noteworthy. This initiative has already been driven forward since 2012 with the Lobby.16 association and since 2016 also with the support of the AMS. The focus is also placed on female young people with asylum status.

Active community building (pilot project in cooperation with Volkshilfe)
Employees and travelers from different cultures are a great enrichment for ÖBB: The discussion among the passengers and with the staff of the ÖBB are the motivation to start the program "Safe & Respectful - Together on the Road". This program aims to engage with gatekeepers in the individual communities and promote dialogue among them. More than 2,600 colleagues from more than 80 countries work in the ÖBB Group, with these numbers set to grow. This diversity of cultures and languages is now to be actively used. The language learning exchange makes it possible to find language learning partners and organise a free language exchange (tandem) with them in their free time.

Social work (info campaign and member of the Corona Task Force of ÖBB)
The Diversity Officer has represented the interests of those colleagues for whom the situation represents a particularly significant change (including older employees, single parents, employees with disabilities) in the Corona Task Force. Relevant information was regularly communicated on the intranet and events were linked to relevant topics, such as network meetings on the topic of "Surviving the corona crisis well, even financially".

Performance Management - Leadership Competence

More than ever, leadership behaviour and management culture are decisive parameters for further developing ÖBB and ensuring joint success. In addition to ÖBB's values, leadership work at ÖBB is primarily based on ÖBB's leadership principles. These represent the guiding principles for leadership work, so that leadership is practised in harmony throughout the Group. Leadership work is measured every two years using the 360° Leadership Feedback.

The month of October 2021 was all about the 360° leadership feedback survey. 631 managers in Germany and abroad - a good 200 more than in 2019 - received their individual results reports at the beginning of November. These included feedback on their own leadership behaviour from an all-round perspective and form the basis for the design of targeted, individual development measures.

The results summarised across the Group show that our managers actively exemplify both the corporate values and the leadership principles.

Among the top ratings by feedback givers are:
– Exemplify diversity / variety
– High customer orientation
– Reliability
– Show commitment
– Promote and challenge employees

Personnel Development

ÖBB lives by the maxim "An employer is only attractive if it offers its employees professional and personal development opportunities". Accordingly, ÖBB attaches great importance to challenging and promoting employees. This includes apprenticeship programs as well as strategically relevant and target group-specific training and development measures by the ÖBB Academy as well as the ÖBB training catalogue. Human resource development has experienced an additional boost in the direction of digitalisation as a result of the corona pandemic: Since 2020, offers from ÖBB akademie and ÖBB Bildung were converted to other virtual learning formats such as webinars or apps in addition to e-learning. This conversion remains sustainable: In future, classroom training will be offered as digital concepts or concepts known as blended learning. Attendance units are combined with digital learning, depending on the target group and didactic criteria.

Apprenticeship program in the ÖBB Group

The ÖBB Group is one of the largest technical apprentice instructors in Austria and offers 27 apprenticeship professions nationwide. ÖBB is currently training more than 2,050 young people in the aim of becoming highly qualified professionals. The ÖBB-Personenverkehr and Rail Cargo Austria subgroups primarily offer apprenticeships in commercial occupations, while ÖBB-Infrastruktur AG and Österreichische Postbus AG primarily train apprentices in technical occupations.

The training program is recognised by the state. For example, ÖBB has already had the Vienna "TOP-Lehrbetrieb" (TOP Apprenticeship Training Provider) quality seal since 2015 and holds the "Ausgezeichneter Lehrbetrieb" (Excellent Apprenticeship Training Provider) designation in Tyrol and Vorarlberg. The graduates regularly win numerous prizes and awards at vocational competitions each year. Thus, the apprentices of the Vienna training workshop were able to position themselves very well at the WKO Coding Day 2020 with a 3rd place in the category "Experts" and improve again compared to the previous year. The jury was impressed by an application programmed by the apprentices to avoid CO_2 by using rail-based transport. The apprenticeships in the ÖBB portfolio are also becoming "greener" and more digital. In the future lab of the apprenticeship training at the Vienna site, a virtual reality training designed by apprentices and trainers was implemented. It reproduces Vienna's main railway station and enables virtual training on railway technology there. In addition, augmented reality is also used in apprenticeship training. For example, instructors at the Graz training workshop have programmed an application in which ÖBB train components and facilities can be displayed virtually in real size or on a scale independent of location. Young skilled workers at ÖBB are also currently being introduced to new manufacturing technologies in a forward-looking manner, e.g. in the area of additive manufacturing. The first apprentice groups are currently producing their own 3D printer, making themselves fit for the future and able to take advantage of cost-saving and more flexible options in the future, particularly in maintenance and repair.

ÖBB also promotes the "Apprenticeship with Matura" and opens up an opportunity for its apprentices to gain further qualifications. In addition to professional training, the promotion of social competence is also of great importance. Under the motto "Women & Girls into Technology!" the apprenticeship training is committed to making technical training even more attractive for women and girls. It is showing an effect. The proportion of women among new apprentices reached 20.7% for the first time in 2021. The new "Next Level Apprenticeship" apprenticeship campaign and the accompanying redesigned website www.nasicher.at are designed to get young people excited about ÖBB. A newly structured application process enables online-based applications for apprenticeships at ÖBB-Infrastruktur AG. Currently, investments are also being made in new buildings and conversions in the area of apprenticeship training: In 2020, the new training workshops in Bludenz and Knittelfeld were opened. The Innsbruck training workshop was renovated and extended by an additional building. In St. Pölten, the local apprentice residence was also newly built and opened in 2021. At present, the Attnang-Puchheim training workshop is still being renovated and extended by an annex. Approx. EUR 44.0 million was made available for this purpose.

ÖBB academy and ÖBB training catalogue

Human Resources Development bundles strategically relevant development and training activities for (future) managers, experts and employees. It therefore helps to build up expertise and encourage networking across the Group. The guiding principles are the Group-wide human resources strategy and the defined priority topics. On this basis, ÖBB akademie in ÖBB-Business Center GmbH develops and implements needs-based and target group-specific learning and development offers for the Group.

2021 has accelerated the use of digital learning formats in HR development. The already running courses of the ÖBB akademie as well as individual trainings were transferred to the virtual learning space as far as reasonable and possible or sustainably transferred to blended learning concepts. In addition to 106 new e-learning courses, webinars ("live online training") and learning apps were added to the portfolio. For example, managers were accompanied by webinars on (virtual/hybrid) leadership in a crisis. An online series of events on how to conduct webinars was well received by trainers and interested staff and managers. In line with the digitisation of the education sector and to promote self-directed learning, an e-campus was designed and piloted, which will be fully implemented throughout the Group in 2022.

Furthermore, based on the new regulatory framework for team coordinators as specialist managers in the ÖBB Group, a basic training concept for team coordinators was designed, which will be implemented from 2022.

The comprehension of work is in a state of transformation. Not only the form of work, but also the form of collaboration is increasingly changing. Digitalisation, customer requirements, competition and generational change demand new ways of working. These are becoming increasingly flexible and digital. "New Work at ÖBB - experiencing and shaping new work" was conceived in 2021 and added to the range of services offered in order to support and accompany employees and managers in these developments. The program is an innovative, comprehensive and flexible offer, which aims on the one hand to make the mindset behind the new way of working understandable and on the other hand to teach methods and techniques of agile working. In addition, it pursues the vision of increasingly contributing to cross-interface working. We are curious to see what feedback the 2022 pilot will receive.

D.3. Research and development report

The ongoing further development of the overall system of mobility, logistics and infrastructure and the associated research and development activities are of central importance in the ÖBB Group. The strategic framework for the F&E activities is the ÖBB technology strategy in the area of asset technologies adopted in spring 2020. In it, ÖBB defined its technological priorities as well as its R&E role understanding. ÖBB applies a stringent demand-oriented approach with the aim of implementing projects that make a significant contribution to strategic goals or to increasing capacity, quality and productivity. The prerequisite is a high degree of maturity of the applied technology. To achieve the goals set, ÖBB participated in numerous national and international R&E programs and projects. For example, ÖBB has been a founding member of "Europe's Rail Joint Undertaking", the successor program to Shift2Rail, since December 2021. "Europe's Rail Joint Undertaking" is the world's largest R&D program for the railway sector with a total budget of approx. EUR 1.2 billion, of which approx. EUR 600.0 million is funded by the European Union. ÖBB played a key role in shaping the content of this multi-year European program during its preparation. Numerous large-volume F&E projects that deliver positive added value for the entire European rail system are to be implemented in the coming years. These include, for example, projects in the field of digital automatic couplers, regional railways and automated rail operations. The individual projects are scheduled to start in the second half of 2022.

In addition, (lighthouse) projects in various areas were pursued or newly started in 2021 in line with ÖBB's technology strategy. The following are examples of some of these projects.

The Group-wide "TARO" (Towards Automated Railway Operation) project, which was successfully launched in 2020, was able to deliver initial results in 2021. Examples include the digital mapping of vehicles and fault patterns, the basics of a 3D representation of the infrastructure, measures to digitise the dispatching of empty wagons, but also concepts for the self-sufficient, decentralised energy supply of infrastructure facilities. The contents of the project are funded by the Federal Ministry for Climate Protection, Environment, Energy, Mobility, Innovation and Technology (BMK) and the Austrian Research Promotion Agency (FFG). They are also embedded in other national and international projects with ÖBB participation, such as the "European DAC Delivery Programme" (EDDP) and "Rail4Future". As such, a substantive basis for ÖBB's participation in "Europe's Rail Joint Undertaking" is in place.

Since 2020, ÖBB has been an active and leading participant in the "European DAC Delivery Program". Digital Automatic Coupling (DAC) is a basic prerequisite for making freight transport by rail more competitive in Europe. The aim of this European program is to define a uniform European standard for a digital automatic coupler in freight transport. This is because an integrated power and data line from DAC enables largely automated coupling in rail freight transport for the first time. Furthermore, it also creates the conditions for the automation and digitisation of rail operations and thus makes a significant contribution to the goals of the Green Deal. At the end of 2021, after an intensive test phase lasting just under a year, the EDDP took the first decision on the future standardised Europe-wide coupler head design for European rail freight traffic. The EDDP is a broad and open platform with more than 60 companies from freight rail operators, railway infrastructure, wagon keepers, industry as well as the European Railway Agency under the auspices of the European Commission. The program is implemented within ÖBB in close cooperation between several Group companies and coordinated by ÖBB-Holding AG. In addition, RCG is participating in the "DAC4EU" test program, which aims to test the DAK with regard to technical and operational requirements.

The topic of alternative drives - and the associated opportunities for ÖBB - also continues to play an important role in the ÖBB Group. In the "H2Tube" project, which is funded by the BMK, Rail Cargo Austria AG, for example, is dealing with the topic of hydrogen transport by rail as well as refueling module solutions.

In June 2020, ÖBB-Infrastruktur AG submitted the project "Rail4Future - Resilient Digital Railway Systems to enhance Performance" as part of the national funding program "COMET - Competence Centers for Excellent Technologies". The focus of the research priorities was directed towards the components of the track as well as the components of the bridge and tunnel. Here the instruments of digitalisation and simulation were once again at the centre of attention in order to cope with the challenges to be expected in the future. Other F&E projects of ÖBB-Infrastruktur AG are: The creation of a digital image of the infrastructure ("digital twin") should make it possible to answer questions regarding the control and planning of capacities in real time and to carry out simulations. In the area of train positioning and train integrity, further progress was made with the F&E Greenlight initiative. The Greenlight applications open up the vision of denser train traffic by eliminating block-based driving, thus forming a basis for future rail operations. Furthermore, ÖBB-Infrastruktur AG is carrying out F&E projects in the area of intelligent maintenance (e.g., through the use of robotics), train preparation and shunting (increasing productivity), as well as projects in the area of track components (e.g., bridges, tunnels, noise barriers).

Another contribution to the focal points of ÖBB's technology strategy is provided by the "AM4Rail" project of ÖBB-Technische Services-Gesellschaft mbH, which was launched in 2021. The aim of this project is to detect and push the sensible use of additive manufacturing in the provision of spare parts for rail vehicle operators together with industrial partners and F&E institutions.

In the area of service innovation, the Group-wide project "ÖBB 360°" focuses on integrated mobility services for municipalities, tourist regions and companies. The first projects have now been successfully implemented. It is already possible to access the ÖBB car sharing program "Rail&Drive" via the "Wegfinder" app and to search for and book e-scooters, rental bicycles and electric bikes. Since September 2020, a first pilot test has been running in Korneuburg, where various mobility services for the last mile are available for rent directly at the train station. This mobility solution will be successively developed further and rolled out in Austria.

The "DOMINO" project has now completed the second year of its three-year term. It plans and works to, develop a continuous, publicly accessible mobility service while supporting public sector climate goals. Intermodal mobility management is being tested together with new mobility offers in three pilot regions. The project is funded by the BMK and the FFG and implemented together with 15 partners. The project is supported by the consortium partners ÖBB-Holding AG and iMobility GmbH, as well as ÖBB-Personenverkehr AG, ÖBB-Infrastruktur AG and Österreichische Postbus Aktiengesellschaft. ÖBB-Personenverkehr AG is working on another project with a focus on customer orientation. In the future, Smart Journey will offer customers the option of automatic ticketing without the obligatory purchase of tickets prior to departure. Invoicing is based on the distance traveled, whereby the means of public transit used is automatically identified by smartphone sensors during the customer's journey (tracking). The increased convenience should lead to more trips by existing and new customers and inspire more people to use public transit.

In the field of automated driving on the road, Österreichische Postbus AG and ÖBB-Holding AG are involved in the "Digibus Austria" project. The goal is to research and test methods, technologies and models that enable reliable and safe operation of automated passenger shuttles on public roads. This is to be demonstrated for mixed traffic in a regional driving environment at automation level 3 ("conditional automation"). Furthermore, the foundations are to be laid for achieving automation level 4 ("high automation").

The importance of ÖBB F&E projects was also underlined by winning numerous awards for F&E activities. For example, RCG was awarded the Consulting 2020 State Prize and the Constantius Award for the use of artificial intelligence for rail logistics for the area of locomotive turnaround planning. in 2021, the Rail Industry Award was presented for the first time for outstanding innovations and forward-looking projects as well as companies with a special commitment to women in the rail industry. The individual prize went to Michaela Haberler-Weber (ÖBB-Infrastruktur AG) for the project "Greenlight", which deals with the highly accurate and safe positioning of trains. The second individual prize also went to an ÖBB employee; Vera-Valerie Capek-Krautgartner (Rail Cargo Austria AG) received it for her achievements in the field of digital automatic coupling.

In order to further increase the visibility of F&E within the ÖBB Group, the foundations were laid for a tool to improve project presentation and communication. Starting in 2022, the tool will provide interested parties throughout the Group with an overview of ÖBB's 112 F&E projects in 2021 with a total volume of approx. EUR 25.0 million (py: approx. EUR 23.0 million), make them more visible over the term and subsequently strengthen synergies.

D.4. Environmental report

ÖBB bears responsibility in many respects as the largest mobility provider and as one of the largest employers in Austria. In order to live up to this broad responsibility, especially towards future generations, and in the spirit of long-term economic orientation, ÖBB has made sustainability and climate protection one of the key maxims for action throughout the company. The focus of considerations and actions is on ecological and economic issues as well as social aspects.

Climate change and Covid-19 as a constant challenge

The pandemic will continue to accompany ÖBB in 2021 with an unpredictable, uncertain development. Nevertheless: ÖBB made good progress on the road to a strong railway even during the corona pandemic. Just how great the demand is in society for environmentally friendly mobility has already become clear from the renewed growth in occupancy and booking figures.

The external conditions remain challenging. Devastating floods as well as heat waves in Central Europe have once again made us aware of how serious the effects of climate change already are. More stable than ever is the course and the conviction: Rail is needed - for society, for the economy in Austria and Europe, and above all for the climate. Environmentally friendly mobility for current and future generations is only possible by rail.

Sustainability and climate protection were also prominent on the ÖBB agenda in 2021. In this way, ÖBB is already doing everything it can for a tomorrow worth living. As one aspect is clear: The Austrian and European climate targets can only be achieved through a massive modal shift to environmentally friendly rail. As the most environmentally friendly provider of mobility and logistics services, ÖBB is the key to the mobility turnaround.

In the wake of the Covid-19 crisis, ÖBB has positively subjected its long-distance and local trains to hygiene certification. This certification, performed by TÜV Austria, demonstrates the high quality of the cleaning service on ÖBB trains.

The European Green Deal

The European Green Deal is the European Commission roadmap for a sustainable, climate-driven economy. As part of the European Green Deal, the Commission sets a goal of climate neutrality for Europe by 2050 (zero emissions). A key building block is a European climate law, which the EU institutions agreed on politically on 21.04.2021. This also defines and raises the interim emissions reduction target for 2030 - to reduce CO_2 emissions to at least 55% of 1990 levels by 2030. The Commission presented a comprehensive legislative package on 14.07.2021 that includes key proposals to achieve the new 55% target. This package designated "Fit for 55" concerns energy and transport policy in particular. It includes proposals for new EU emissions trading on road transport and buildings, stricter CO_2 emissions targets for newly registered cars and light commercial vehicles, and a CO_2 limit tax. Furthermore, free emission certificates and the kerosene tax exemption for air traffic are to be phased out.

On the way to climate-neutral mobility, ÖBB is seeking dialogue with society and stakeholders. ÖBB is convinced that a reduction of CO_2 emissions within the framework of the EU Green Deal of at least 55% by 2030 compared to 1990 is achievable if appropriate measures are implemented across all sectors and together.

EU Action Plan on Financing Sustainable Growth (Sustainable Finance)

In March 2018, the European Commission published an Action Plan for Sustainable Change in the EU, substantiating the role of the financial sector to ensure a sustainable transformation. The action plan is part of a long-term Sustainable Finance strategy to steer financial and capital flows toward green investments and to promote financing needs to achieve climate and sustainability goals.

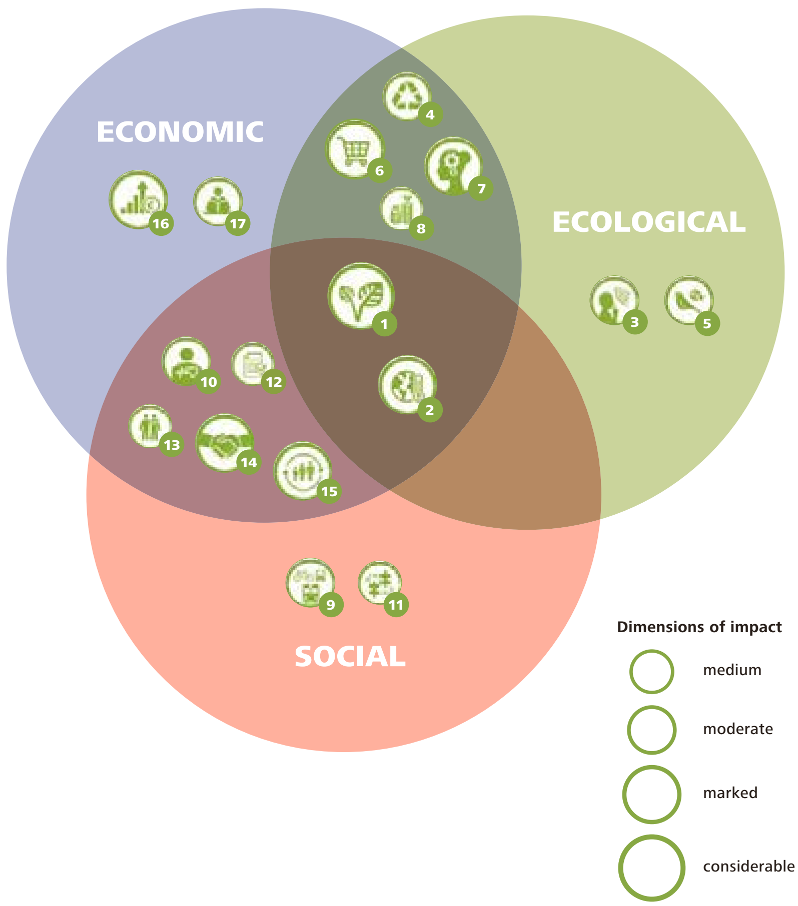
Players in the financial market are therefore showing an increasing sensitivity to sustainable issues. They increasingly include the performance of companies in this area in their assessments using ratings and rankings. Sustainable financing is also playing an increasingly important role for ÖBB in increasing the value of the company. This is taken into account by anchoring Green Finance as a key component of ÖBB current sustainability strategy. In 2021, ÖBB performed its first proactive ESG rating. The sustainability performance of the Passenger Transportation, Production, Technical Services, Postbus, and Rail Cargo Austria companies was rated as "very good" in each case by the German sustainability rating agency imug | rating.

Integrated ÖBB sustainability strategy: a foundation for the future

As Austria's leading company, ÖBB assumes responsibility for the environment, because it wants to leave future generations a planet worth living on. ÖBB is strengthening rail in Austria - for the climate, for people and for the economy. We have anchored this understanding in our current ÖBB sustainability strategy. The figure on the ÖBB sustainability strategy provides an overview of the interlinking of the 17 sustainability modules within the "3-pillar model". The different sizes of the circles show the impact dimensions of the building blocks for ÖBB and illustrate the current materiality of the respective sustainability topics for the ÖBB Group.

17 building blocks of ÖBB sustainability strategy

1. Climate protection
2. Adaptation to climate change
3. Emissions incl. noise (excl. CO_2)
4. Resource management, waste, land / soil
5. Biodiversity & species diversity
6. Sustainable procurement
7. Innovation & technology
8. Sustainable finance
9. Affordable and accessible mobility services (PV)
10. Health / safety / security
11. Diversity & equal opportunities
12. Compliance / transparent reports and data protection
13. Social responsibility & collaborations
14. Reliable & attractive employer
15. Generational change
16. Economic driver, value-adding investments & sustainable financing
17. Training and development



Decarbonisation path mobility

In its responsibility for effective climate protection, ÖBB has defined the decarbonisation of the company and its products as a focus area. The ambition is: Climate neutrality of the ÖBB Mobility division from 2030. For concrete implementation, the development of a decarbonisation path for the mobility sector was launched in 2021 to describe the path to 2030 with concrete measures. In addition to the presentation of the current situation, the focus was on the first planned or fixed steps to reduce GHG emissions (strategies, programs, measures) as well as the forecast of the respective CO_2 savings. In this context, possible measures for compensation and their costs (incl. CO_2 price developments) are described. By the end of 2021, nine focal points with a savings potential of more than 55,000 t CO_2 had been defined in the first stage of the decarbonisation path "Mobility". The implementation of the decarbonisation path is continuously evaluated (monitoring) and further measures are added or updated annually. ÖBB's entry into the Klimaaktiv Pakt in 2021 underscores its commitment to climate protection.

Circular Economy

The finite nature of natural resources and the social and ecological consequences of raw material extraction make decoupling economic growth from resource consumption and developing a circular economy a key sustainability issue. As one of Austria's largest contractors, ÖBB aims to be a pioneer in the circular economy and support Austria's transformation to a sustainable economy. ÖBB wants to systematically implement the circularity of products and services in its procurement and investment decisions. In the reporting year 2021, ÖBB started to develop a circular economy strategy with the involvement of all relevant business areas. Key priorities are the reduction of primary raw materials, active material conservation and the extension of service life The application of Circular Economy economic principles enables ÖBB to reduce costs, secure resources in the long term, and promote its contribution to sustainability.

CO_2 Balance for the ÖBB Mobility division

The CO_2 balance for the mobility sector is calculated annually by the Federal Environment Agency. The total greenhouse gas emissions (GHG emissions) of the ÖBB mobility sector in Austria increased slightly to approx. 277,000 t in 2021 (2020: approx. 270,000 t). Compared to 2019 (before the corona pandemic), GHG emissions could be reduced in 2021. The reduction in GHG emissions in 2020 was primarily due to lower traffic volumes resulting from the corona crisis. The slight increase in CO_2eq emissions in rail transport in 2021 results from an increase in train kilometers in ÖBB passenger transport and from increased shunting services in ÖBB freight transport. At Postbus and for internal transport, GHG emissions are at the previous year level.

The total CO_2 savings effect of ÖBB transport services (rail and bus) in Austria amounts to approx. 3.0 million t in 2021 (2020: approx. 2.8 million t). This figure could be slightly improved again due to the increase in ÖBB transport services in the reporting year 2021. The pre-corona level in 2019, with a CO_2 savings effect of approx. 4.2 million t, was still not reached in 2021 due to the effects of the pandemic.

Please note: The present GHG balance was calculated by the Federal Environment Agency using ÖBB consumption and performance data from 2021 as well as emission factors from 2020, as these emission factors (e.g. from the ÖBB electricity mix) are only available in the 2nd quarter of a year or can be transmitted by energy suppliers.

Total GHG emissions of the mobility sector (Scope 1, 2 and 3)

(CO_2eq in tons, values Austria; consideration: market based)	2019	2020	2021
Rail passenger transport	67,275	63,487	68,457
Rail cargo transport	43,343	41,822	43,460
Refrigerant losses rail	8,378	7,289	8,665
Postbus	144,204	133,949	132,829
Refrigerant losses Postbus	6,681	5,290	5,346
Own trucks	180	131	127
Intra-company transport	19,454	17,789	18,061
ÖBB total	**289,515**	**269,757**	**276,945**

CO_2 footprint of the Mobility division in 2021 (by scope)

Total GHG emissions of the mobility sector (CO_2eq in tons, values Austria; consideration: market based)	Scope 1	Scope 2	Scope 3	Total
Rail passenger transport	47,681	324	20,452	68,457
Rail cargo transport	30,905	174	12,381	43,460
Refrigerant losses rail	8,578		87	8,665
Postbus	104,935		27,894	132,829
Refrigerant losses Postbus	5,293		53	5,346
Own trucks	100		27	127
Intra-company transport	14,268		3,793	18,061
ÖBB total	**211,760**	**498**	**64,687**	**276,945**

Specific CO_2 footprint of ÖBB rail and bus

Specific CO_2eq emissions in the area of mobility (values AT, incl. shunting)	2019	2020	2021
Rail passenger transport (CO_2eq in g/Pkm)	5.8	9.5	9.5
Rail cargo transport (CO_2eq in g/tkm)	2.8	2.9	2.9
Postbus (CO_2eq in g/Pkm)	53.9	85.3	76.7

Specific emission factors (CO_2 equivalent emissions) in comparison (Federal Environment Agency 2019 values): Passenger car 217.5 g/km, aircraft: 418.2 g/km, truck: 89.1 g/tkm. According to the Federal Environment Agency, comparative values from the current Austrian Air Pollution Inventory (OLI) will probably not be available until May 2022.

Further information on ÖBB GHG balances (GHG balances for areas buildings, for Scope 3 subcategories...) are available in the ÖBB Sustainability Report.

D.5. Accessibility

Inclusive travel by train and bus requires convenient access to trains and buses. Accessibility is an important goal. It facilitates access to mobility for people with disabilities as well as for people with prams and for older people and for travellers with luggage or bicycles.

In 2006, ÖBB-Holding AG developed a multi-stage plan. It was developed on the basis of § 19 of the Federal Disability Equality Act (Bundes-Behindertengleichstellungsgesetz, BGStG) together with the responsible persons of the subgroups and experts of the disability organisations and presents measures of the ÖBB Group as a whole. In 2016, the Group companies reviewed their strategic considerations. Consequently, new implementation plans were prepared for additional stations and for the vehicle fleet until 2025. This implementation plan was presented to ÖBB stakeholders in different discussion formats. At the end of 2019, the interim targets of the 2025 Implementation Plan were evaluated again. The results were presented in the report ÖBB Implementation Plan 2020 to 2025+ for Rolling Stock and Infrastructure and also published online in January 2020. in 2021, five state-specific stakeholder dialogues were held with experts from institutions and organisations. The lessons learned from these dialogues are incorporated into the work on barrier-free mobility.

Ticket purchasing

Many individual steps have been implemented to allow customers to purchase tickets for their journeys easily and quickly. These improvements include both online and mobile sales on cell phones and tablets. Furthermore, the sale of tickets at ticket machines has been made easier and virtually free of barriers. In the travel centre at the station, the accessible sales desks are designed in such a way that customers in wheelchairs can easily access them and people with hearing disabilities can communicate via inductive hearing systems. A guidance system makes it easier for people with visual impairments to find the sales counter.

Local and long-distance transport[80]

New rolling stock continues to make trains more accessible. When designing the new local transport ÖBB Cityjet, for example, special importance was placed on convenient low-floor entrances, wide doors, open transitions as well as stronger colour contrasts for people with visual impairment. In 2021, 197 Cityjet railcars, 187 Talent railcars, 60 Desiro railcars and 67 bi-level push-pull trains were in use on local transport routes as barrier-free low-floor railcars. 60 Railjet railcars were in operation on long-distance transport. These are equipped with an installed lift and three spaces for people in wheelchairs, each equipped with sockets for recharging wheelchair batteries. Tactile elements are provided for visually impaired travellers. There is also a separate space for guide dogs. The 22 ÖBB multifunctional coaches enable customers in wheelchairs to travel in a couchette compartment with an accompanying person during night travel.

Postbus

All new low-floor vehicles are equipped with mechanical and electrical folding ramps. The high-floor buses are fitted with a lifting device. This allows customers in wheelchairs to access the bus. The designated special-purpose area is fitted with a restraint system. The provision of seats for passengers with reduced mobility is already standard practice. A total of 99% of the bus fleet was accessible to people with disabilities in 2021.

Intercity buses

ÖBB offers long-distance bus connections in southern Austria to supplement the top trains in long-distance transport to Italy. Five ÖBB Intercity buses (ICB) have been in use for several years. The double-decker buses offer generous seating comfort in 1st and 2nd class and are equipped with WC, air conditioning and WLAN. In 1st class, passengers can expect elegant leather seats, work surfaces and sockets as well as free newspapers and drinks. In addition, the ICBs are free of barriers. The buses are equipped with a low-floor entrance as well as a wheelchair space and have seats for passengers with restricted mobility, which can be booked separately on request.

Infrastructure

By the end of 2021, 85%[81] of all ÖBB passengers will already benefit from 400 modern, barrier-free stations and stops. The offer of barrier-free mobility is being successively expanded and improved. In 2027, according to the implementation plan, more than 90% of passengers on the ÖBB-Infrastruktur AG network will be able to travel without barriers to accessibility.

More stations and stops are being designed to be barrier-free every year. As in the previous year, more than 20 stations were comprehensively modernised or completely rebuilt in the 2021 reporting year. Examples include Altach (Vbg.), Innsbruck Messe (Neu), Kirchberg in Tirol, Lienz, Schwaz (all Tyrol), Leoben, Lerchenfeld (Neu, Stmk.), Neumarkt am Wallersee (Sbg.), Bad Goisern, Goisern Jod Schwefelbad (both Upper Austria), Böheimkirchen, Lanzendorf-Rannersdorf, Pitten (all Lower Austria), Krumpendorf (Ktn.) and Wien Grillgasse (Vienna).

This process of modernising stations and stops will, of course, be consistently continued in 2022. ÖBB is particularly committed to the construction and expansion of Park & Ride facilities, including parking spaces for disabled persons in the vicinity of the access points, as well as the connection to local modes of transport (especially bus connections).

In 2021, there was also active direct exchange with people with disabilities, interest groups and experts - increasingly via digital communication channels. The Stakeholder Dialogues on Accessible Travel took place online on four dates in 2021 with regional representatives from disability associations and political representatives. In these online dialogues with experts and customers, ÖBB's Equality / Diversity Management invited them to digital meetings to present lighthouse projects and to look together into the future of barrier-free travel.

Products and innovations in information and wayfinding as well as station equipment with regional relevance were discussed and highlighted. Experts from the ÖBB infrastructure, as well as travelers, colleagues and experts (including Hilfsgemeinschaft, Österreichischer Behindertenrat, Bundesministerium für Inneres, Bundesministerium für Klimaschutz, Österreichischer Gehörlosenbund, Bizeps, Vida, TU Wien, myAbility, Verein Blickkontakt) participated in the discussion.

[80] Figures of the vehicles refer to the status as of 12.12.2021

[81] Calculated on the basis of the average daily passenger frequencies 2018 for the ÖBB-Infrastruktur AG network. These represent a coordinated strategic planning variable with corresponding planning stability.

Participants in the stakeholder dialogues were invited to take part in a survey on the topic of "customer information" in order to better address current and future requirements. The results will be available in 2022.

These practical experiences are valuable suggestions for ÖBB-Infrastruktur AG to find even better solutions in the future. Every detail is important in this regard. Often it is small, additional assistance that leads to relief and relief for people with and without disabilities when using the railway. In addition, we are in close exchange with other railways in the EU area, as the challenges in the area of accessibility have to be mastered across borders and in constructive cooperation. ÖBB bases its implementation on the legal and technical regulations of the EU, in particular the TSI-PRM (Regulation [EU] No. 1300/2014), as well as on national specifications and standards, e.g. ÖNORM B 1600 (Barrier-free construction - planning principles).

D.6. Safety

Safety as the foundation of all activities

Safety forms the foundation for all activities within the ÖBB Group. It is a daily promise to all customers, to all employees and their families as well as to our service providers and other third parties.

The ÖBB Group safety strategy was integrated into the Group strategy. New safety targets were defined in the course of this process. By 2024, key safety indicators (for example, train accidents, shunting accidents, occupational accidents...) are to be improved even further. This should ensure that ÖBB remains one of the top five safest railways in Europe. A sharper focus on the safety strategy, the strengthening of cooperation across the Group and the ambition to further develop the safety culture in a positive way set the course for achieving the 2024 safety targets. The focus in the coming years will be on simplifying the reporting processes of unsafe acts and situations, but also on deeper analysis of the underlying causes of (near) accidents in the area of operational safety and occupational health. The ambition is to systematically learn from safety-threatening events and incidents and to proactively take countermeasures.

Group-wide showcase project to support train drivers in the compliance with the observance of signals: Warning app is being further developed

Safety is always an investment in the future. Accordingly, safety performance in the ÖBB Group is consistently developed in the strategic priorities of technology, organisation and people. For example, the warning app has now been rolled out and has become an important safety component that can be implemented in the short term and is designed to reduce incidents related to signal crossing (train running) as a precursor to train collisions. The support system also draws the train driver's attention when starting against a signal indicating a stop. It is already having a positive effect. Based on the experience, the framework for further development of the warning app was created in 2021. In the future, train drivers will also be supported during the journey.

As further measures, cross-group cooperation is to be strengthened and a further expansion of technology is to be pushed - especially with regard to a perfect interaction between man and technology.

Safety culture as the backbone of safety performance in the ÖBB Group

At ÖBB, safety means reducing occupational hazards for all employees as far as possible, ensuring safe rail operations and taking care to protect against criminal activities. Safety culture plays a crucial role in this. The safety culture describes the way in which safety is organised and lived in the workplace. It reflects subjective attitudes, beliefs, perceptions and values of managers and employees with regard to safety. A practice-oriented safety culture is thus the mainstay of safety performance. In recent years, the corporate value of "Living Safety" has been anchored in the team goal dialogue process as well as in personnel development tools (e.g., employee interviews and surveys).

In order to further improve safety in the European railway system, a transnational survey on safety perception was conducted by the European Railway Agency in 2021. ÖBB also took part, along with many other European railways. The survey results generated a comprehensive picture of how safety culture is practiced within the ÖBB Group and where the potential for further development exists.

Corona crisis as a challenge

Last year's outcome of the corona crisis shows that the ÖBB Group reacted correctly and in a timely manner in order to protect our customers and employees as best as possible. Building on the existing Covid-19 evaluation documents, a Group-wide Covid-19 prevention concept was developed in 2021. It was to map group-wide regulations for hygiene, spacing, wearing masks, but also testing and finally the vaccination strategies. All measures and tasks were set according to the STOP principle (substitution of risk, technical, organisational and personal protective measures). The focus was always on the safety of the people.

D.7. Punctuality

Safe, punctual and reliable rail operations are the foundation of the ÖBB Group's performance promise. ÖBB is one of the most punctual railways in Europe. In 2021, 87.8% of ÖBB's long-distance transport and 97.1% of ÖBB's local services were on time. Rail Cargo Austria trains operated on the ÖBB network with a punctuality rate of 81.5%.

The impact of the Covid-19 pandemic continued to affect on-time performance in 2021. In addition to the decline in passengers in long-distance and local traffic compared with 2019, the partially sharp reduction in cross-border traffic in the first half of the year had a positive impact on punctuality. In contrast, in the second half of the year, cross-border traffic operated almost without restrictions again and passenger numbers also rose to a higher level from the summer months onwards. Here, we succeeded in keeping punctuality largely stable in the 2nd half of the year compared with the planned figures.

The unsatisfactory performance in border management of individual neighboring railways continues to affect the punctuality of long-distance lines on the main national axes. Cooperation and performance dialogs with neighboring railways should remedy this situation. The aim is to minimise the impact of unpunctual trains on the ÖBB network through joint measures. Successes were achieved here, particularly in the 2nd half of the year, through targeted measures and changes to the timetable during the year. Compared with previous years, it stands out positively that the situation of the important east-west Railjet Xpress line was largely stabilised at the Deutschen Eck in 2021. This underscores that dialogue for joint action across borders can have a positive impact on the overall network.

An additional challenge was construction sites in both the summer and fall months, which had a negative impact on punctuality. Targeted measures will also be necessary here in the coming years - such as the even more effective bundling of construction sites - in order to be able to mitigate the effects on punctuality accordingly. The bundling of construction sites has already been successfully implemented in 2021 for construction work on the western axis and on the S-Bahn in Vienna, among others. In addition, the use of deviation schedules has kept the impact on punctuality at a stable level. The aim here is to continue along this path consistently in the future and to implement this best-practice model in the context of further construction sites.

Upcoming challenges include increasing construction work, such as for the four-track expansion Linz - Wels. Forward-looking measures must be taken here to keep operations stable. This includes, for example, high availability of facilities and vehicles as well as precise operations management. This will be one of the core tasks in punctuality management in the coming year.

E. Opportunity and Risk Report

The opportunity and risk management procedure applies to all relevant business processes and key financial indicators in the main Group companies, and therefore is considered to be an important instrument of corporate governance. The objective is to promptly identify and proactively manage opportunities and risks through appropriate measures. The objective is to protect existing and future success and growth potential. All identified opportunities and risks are continuously subjected to qualitative and quantitative measurement, particularly with respect to the possible impacts and likelihood of occurrence. The basis for this are the updated valuations or empirical values.

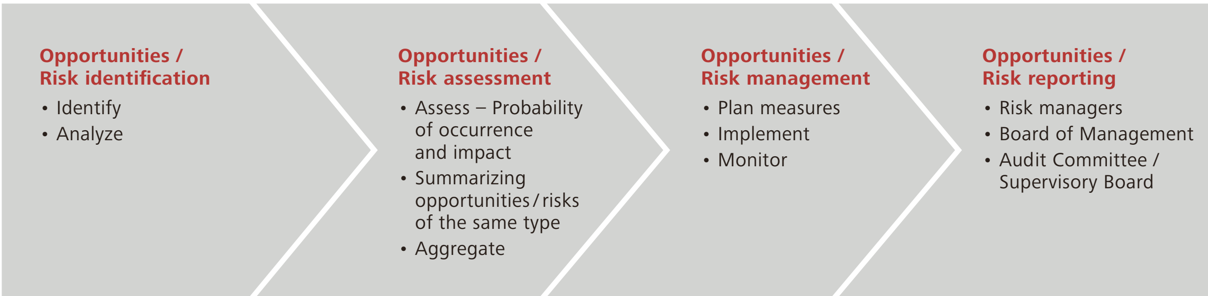
The ÖBB Group defines opportunities and risks generally as events or developments that might cause a positive or negative deviation of results from the assumptions made during planning. Consequently, the revision of the opportunity and risk portfolio is conducted in sync with the planning processes.

This ensures that the Supervisory Board and Audit Committee of ÖBB-Holding AG and of the Group companies are provided with detailed information regarding the current opportunity and risk situation. The primary objective of the risk policy is to ensure the unrestricted safeguarding of the company activities. Consequently, risks may only be taken if they are calculable and associated with an increase in income and in the company value.

Ukraine crisis

For an assessment of the impact of the Ukraine crisis, please refer to Note 35 in the notes to the consolidated financial statements as of 31.12.2021.

Opportunity and risk management process



This process is supported by risk management software. Individual risks and opportunities are reviewed in the group-wide opportunity and risk platform. Subsequently, a report is prepared for the Board of Management of ÖBB-Holding AG, which depicts the most important risks and the corresponding countermeasures or opportunities. This ensures that the Supervisory Board and Audit Committee of ÖBB-Holding AG and of the Group companies are provided with detailed information regarding the current opportunity and risk situation.

The most important opportunities and risks for the year 2022, none of which pose a threat to the company's continued existence, are distributed among the individual opportunity and risk areas as follows:

Strategy

Possible consequences from the partial lockdown measures due to the Covid-19 situation are taken into account as risks with regard to a possible deterioration in earnings and liquidity. In this context, the experience and knowledge gained from the previous handling of the pandemic have a risk-reducing effect.

The "Nordstern" program continues to be a major factor in preparing the ÖBB Group for changes in competition as well as in the technical and human resources sectors. At the same time, the generational shift acts as an opportunity to successfully prepare the organisation for the future.

This transformation program was drawn up with the involvement of all Group companies to prepare the company for the major challenges and risks that will arise in particular from intensified competitive pressure and technological change over the next ten years. Defined measures for implementing the concept are taken into account in budget and medium-term planning. Regular monitoring of the strategic measures are performed.

Operating business

Regular inspections of facilities are performed as measures to reduce the risk of a decline in revenue and additional expenses due to quality problems with facilities (e.g. rolling stock and locomotives). Training programs and information events are regularly organised to mitigate the risk of accidents caused by ÖBB employees. The risk of terrorist attacks is reduced both by targeted measures and instructions (behavioural recommendations) and through close cooperation with the Federal Ministry of the Interior. Existing emergency and contingency plans are regularly evaluated and reviewed as part of appropriate exercises.

The risk of not implementing or partially implementing planned measures to increase productivity is reduced by monitoring and minimising the measures.

Sales and distribution

The main risks are reduced economic growth and the associated lower passenger numbers and transport volumes, as well as through increasing competition. This has been and will be reinforced by the corona pandemic. These risks are mitigated by observing and analysing customer behaviour and making targeted adaptations to our portfolio of products and services. This measure also increases the opportunity to attract new customers and to further exploit the market potential of existing customers.

Personnel, management and organisation

The infection of staff with the corona virus may result in material shortages. Strict hygiene and distance regulations as well as organisational measures, depending on the traffic light, have a risk-mitigating effect.

Furthermore, there is a risk that additional personnel expenses may arise as a result of non-implementation or partial implementation of planned measures, such as efficiency enhancements or recruiting and knowledge transfer. Rigorous monitoring procedures mitigate this risk.

Law and liability

The “Code of Conduct” contains the ethical principles and general principles that guide the Group’s business activity. This code mitigates, among other things, the risk of costs arising from penalties for violations of antitrust regulations.

The existing compliance team works primarily in this risk area as a key part of the early risk detection and monitoring system. This ultimately serves to avoid risks and thus to prevent damage. Changes in legislation and regulations - both at national and international level - can lead to increased system costs, for example, due to new technical or organisational requirements. Accordingly, developments are carefully monitored and examined for possible effects in order to be able to react at an early stage.

In accordance with the Association Responsibility Act, a company can be held responsible and punished for acts of its employees or decision-makers that are punishable by law. This risk needs to be addressed. The legal risk management system of the Group addresses this risk by identifying offences under criminal law. Furthermore, in the areas of negligence, the environment and corruption, for example, the current status is assessed and measures are taken to avoid risks. Preventive measures have also been taken with the introduction of control and reporting systems, as well as with the issuing of general behavioural instructions through the "Code of Conduct". Appropriate training and the creation of clear areas of responsibility also serve to minimise risk.

Purchasing and procurement

On the procurement side, risks include the price increases for various materials and services caused by the corona pandemic, although price fluctuations may also offer potential opportunities. The observation and analysis of the markets and derived selective procurement decisions, as well as appropriate contract design, enable a reduction of the risk situation. The price issue can be accompanied by delivery delays that make operations more difficult. These risks are mitigated through intensive contacts with suppliers and service providers.

Data processing

System failures can cause additional costs and loss of revenue in the operating business divisions. This risk is mitigated by ongoing measures to increase the availability of IT (e.g. equipping the server rooms), as well as confidentiality (e.g. awareness training for staff) and data integrity (e.g. back-ups). In addition to the technical safeguards, the Group Chief Information Security Officer, together with the contact persons in the subgroups and companies, ensures uniform Group-wide control and monitoring (security governance) of information security. Security Governance is responsible for minimising damage resulting from, e.g. malicious software or identified risks, by regular monitoring of the measures implemented.

The "Information Security Next Level" program was launched on 01.04.2021. The Group's "PROTECT" and "Target Operating Model (TOM)" projects are also covered. The goal is to create a central InfoSec team and establish a Security Operation Center (SOC) for critical infrastructure IT applications.

Subsidiaries and investments

Subsidiaries and investments are considered within this risk area. There is a risk here that budgeted figures will not be achieved and that fixed assets will have to be written down in the course of impairment tests or that impairment losses will have to be recognised on investments. To mitigate risks, developments are monitored and analysed on an ongoing basis as part of the controlling process allowing countermeasures to be taken in good time.

Risks related to financial instruments

Original financial instruments

The ÖBB Group holdings of original financial instruments are shown in the balance sheet. These are receivables and liabilities from financing activities, trade receivables and payables as well as financial assets and securities. Detailed information is provided in the respective statements in the Notes to the Consolidated Financial Statements.

Derivative financial instruments

ÖBB Group employs derivative financial instruments to hedge against risks associated with currencies, interest rate changes and raw material prices. Furthermore, a derivative exists to compensate for mismatches in payment flows from former CBL transactions. The Group directives prohibit the issue or holding of derivative financial instruments for speculative purposes. Derivative financial instruments are concluded only with reference to a hedged item. Derivative financial instruments are concluded only with reference to a hedged item. Derivative financial instruments are measured in accordance with the applicable accounting standards.

The majority of derivatives used by the Group (approx. 92% [py: approx. 92%] by nominal value) are non-structured standard hedging transactions suitable for hedge accounting (plain vanilla interest rate swaps and plain vanilla commodity swaps).

A share of approx. 8% (approx.: rd. 8%) by nominal value is attributable to a structured derivative that is not eligible for hedge accounting. This one structured derivative has a nominal value of approx. EUR 20.0 million and a term until 2022.

In 2021, commodity swaps with a nominal value of altogether approx. EUR 18.7 million were concluded for the delivery year 2022.

Risk definition and risk management with respect to financial instruments

ÖBB-Holding AG conducts financial transactions, with the exception of commodity hedging instruments, in the name and for the account of Group companies - on the basis of their mandate and only with their consent. ÖBB-Holding AG has established a risk-oriented control environment. It includes, among other elements, policies and procedures for the assessment of risks, approval, reporting and monitoring of financial instruments. The top priority in all financial activities is to protect the assets of the Group companies. An important task of the Group Finance department, which is responsible for this, is the identification, measurement, and limitation of financial risks. Risk limitation does not mean absolute elimination of financial risks. It means the reasonable and transparent control of quantifiable risk items within a specific framework for activities that has to be agreed with the respective Group companies. The most important financial risks are described in more detail below.

Liquidity risk

The primary aim of ÖBB Group in financial terms is to secure the necessary liquidity. Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations arising from financial liabilities. These may be settled by payment in cash or delivery of another financial asset. A consistent safeguarding of the liquidity of all Group companies is one of the main tasks of the Group Finance department of the ÖBB Group. This task is accomplished through liquidity planning, the agreement of sufficient credit lines and the adequate diversification of lenders. Financing activities in 2021 have again run according to plan as per budget, there have been no corona-related additional borrowings.

Interest rate risk

Risks arising from changes in market interest rates may affect the financial result of the ÖBB Group due to the structure of its Consolidated Statement of Financial Position. The Group therefore strives to limit the influence of possible market interest rate fluctuations on results to a level agreed with all Group companies.

Derivative financial instruments for managing interest rate risks are transacted on the basis of portfolio analyses and recommendations by Group Finance, and of corresponding decisions by Group companies. No further derivatives have been used for interest rate hedging since 2019. This is due to the fact that the majority of the financial assets and financial liabilities are at fixed interest rates. Please refer to item 29.2.a. of the notes to the consolidated financial statements for more information on cross-border leasing contracts.

Currency risk

ÖBB Group companies are not exposed to any material currency risks. Most finance agreements are denominated in Euro. Only the companies in Hungary and the Czech Republic account for a very small proportion of the borrowings in local currency.

There are no relevant exchange rate risks from cross-border leasing transactions, as the contractual liabilities in foreign currencies are matched by corresponding assets and receivables with matching volumes and maturity in the same amounts.

Derivative instruments that are suitable for the management of exchange rate risks (currency swaps) are concluded based on portfolio analyses and recommendations by the Group Finance department and on corresponding decisions of the Group companies.

Credit risk

Credit risk describes the potential for losses due to non-fulfilment of financial obligations by business partners. The risks mainly relate to money market transactions, trade receivables, investments, positive present value swap transactions. Counterparty risk management is subject to limits that are assigned individually for each financial partner and checked daily for compliance.

Apart from the original transactions with ÖBB finance partners, counterparty risk also exists in connection with cross-border leases. Security deposits, payment underwriting agreements and swaps were concluded with financial partners for cross-border leasing transactions in order to pay leasing instalments during the term and the purchase price at the end of the term. Cross-border leasing management handles the administration, execution, risk management, and economic termination of existing cross-border leases. The aim of cross-border leasing management is specifically to monitor all rights and obligations arising from the transactions. This includes ensuring contractual settlement, avoiding risks and guaranteeing the profitability of the entire portfolio.

In recent years, it has been possible to significantly reduce the original volume of existing cross-border leasing transactions without losing the net present value advantage gained at the time. The ÖBB strategy remains to actively manage the risk associated with the transactions and take advantage of opportunities to terminate transactions under economically acceptable conditions. This strategy will also be pursued in the future. Please refer to item 30.3. of the notes to the consolidated financial statements for more information on cross-border leasing contracts.

Since 2020, all guarantees received from commercial banks have also been accounted in the weekly limit distribution.

Commodity risk

Electricity

ÖBB-Infrastruktur AG operates its own hydropower plants. It assumes the technical, commercial and legal responsibility for power installations and equipment and includes the energy efficiency competence center for energy procurement at ÖBB. Energy facilities are power plants, frequency shapers, substations as well as main supply facilities and control centres. Risk management in the energy area is provided by ÖBB-Infrastruktur AG.

Around two thirds of the required traction current and all the electricity to supply the operating facilities (stations, etc.) are procured from the electricity market. The ÖBB-Infrastruktur subgroup is therefore strongly affected by electricity price volatility. The risk management strategy therefore provides for price hedging.

It is especially relevant for the ÖBB-Infrastruktur subgroup that the prices are already secured and fixed in advance. Price hedging takes place by concluding forwards for the planned purchase quantities of traction current, loss energy and operating equipment as well as for emission certificates. In addition to price hedging, hedging also serves to increase planning security, which is necessary as a basis for price calculation. Further information can be found in Note 29.4 to the consolidated financial statements.

Diesel

Corresponding diesel volumes are applied in principle at two companies in the ÖBB Group: Österreichische Postbus Aktiengesellschaft and ÖBB-Produktion Gesellschaft mbH.

Österreichische Postbus AG is the market leader in regional public road services. The strategic Group purchasing department concludes framework agreements with several suppliers on the basis of information provided by Österreichische Postbus AG in order to procure the required quantities of diesel. The term of the framework agreements is usually nine to twelve months. Fuel purchases are made on the basis of the conditions set down in the contracts plus a transport logistics premium as defined in the contract. The transport premium may vary depending on the point of delivery. This surcharge is fixed contractually in each case.

There is also the option for Österreichische Postbus AG to arrange for external fuel supply. There are framework agreements for fuel cards with various providers for this purpose. The conditions are regulated in the respective contract between the providers and Österreichische Postbus AG. The discounts vary depending on the supplier.

The raw material diesel represents a financial risk for Österreichische Postbus AG and thus also for the ÖBB Group due to the fluctuations in diesel prices. Price fluctuations have an impact on the cost of materials and thus on the result of Österreichische Postbus AG and subsequently on that of the ÖBB Group.

In light of the potential procurement strategies and to diversify risk, diesel price hedging was approved and implemented for up to a maximum of 24,663 metric tons of diesel for the 2022 delivery year. The aforementioned 24,663 metric tonnes correspond to 70% of the annual fuel requirements.

ÖBB-Produktion Gesellschaft mbH provides its services mainly for its ÖBB Group parent companies ÖBB-Personenverkehr AG and Rail Cargo Austria AG. The strategic group purchasing department concludes framework agreements with several suppliers in order to procure the required quantities of diesel on the basis of information provided by ÖBB-Produktion Gesellschaft mbH. The term of the framework agreements is usually nine to twelve months. Fuel purchases are made on the basis of the conditions set down in the contracts plus a transport logistics premium as defined in the contract. The transport premium may vary depending on the point of delivery. This surcharge is fixed contractually in each case.

Due to fluctuating diesel prices, the raw material diesel represents a financial risk for ÖBB-Produktion Gesellschaft mbH and thus subsequently for the ÖBB Group, as price fluctuations affect the cost of materials and thus the result of ÖBB-Produktion Gesellschaft mbH and the ÖBB Group.

In light of the potential procurement strategies and to diversify risk, diesel price hedging for up to a maximum of 17,125 metric tons of diesel for the 2022 delivery year was approved and implemented. The aforementioned 17,125 metric tons correspond to 60% of the annual fuel requirements.

The aim of the hedging policy pursued is to stabilise the cost of materials and to achieve a reduction in earnings and cash flow volatility for Österreichische Postbus Aktiengesellschaft and ÖBB-Produktion Gesellschaft mbH and thus for the ÖBB Group for the budget period. The benchmark for the success of hedging activities for the raw material "diesel" is the respective budget rate and not to achieve the highest possible compensation of the purchase price at the monthly level.

Derivative financial instruments are used exclusively for hedging purposes. That means they are only used in connection with corresponding underlying transactions from the original business activity and if the derivative financial instruments have a risk profile that is opposite to the hedging transaction with the highest possible correlation. Measures of a speculative nature are not permitted.

Internal control system

The members of the Boards of Management and Managing Directors of the Group companies are aware of, and embrace their responsibility to establish an appropriate internal control system (ICS). For the ICS, the minimum standard to be implemented by the subgroups has been formulated.

A project on the "Further development of the internal control system in the ÖBB Group" was completed in 2017 as part of the continuous improvement process. The focus was on the maturity of the ICS in comparison to well-known benchmark companies in Austria. The further development measures that were identified were then implemented over the next few years. Started in 2019, the ICS concept was reassessed in 2020 with the help of external expertise. Its ability to meet the legal requirements, and the content of individual aspects was subject to further examination.

Scope of control

The ICS in the ÖBB Group is an essential component of company-wide risk management. It contributes to the achievement of the company aims by systematically managing process-related risks. The main objective of the ICS, derived from the legal obligations (compliance), is to safeguard and protect the existing assets of the company. That implies ensuring the reliability of the accounting system as the basis for correct, meaningful financial reporting and - building on this - the promotion of operational efficiency (operations).

It is based on the internationally acknowledged COSO framework (Committee of Sponsoring Organisations of the Treadway Commission). The ICS therefore provides management with a recognised basis for analysis and control tasks.

The ICS is based on the principle that audit measures regarding identifiable risks in essential/critical business processes are documented in a comprehensible form. It requires that the organisational structure is documented in a comprehensible form (organisational chart, job description, functional description, etc.), that it is regularly adapted and that the applicable regulations and internal guidelines are comprehensively known and available. Specific requirements were derived from the aforementioned ongoing development project. The business processes based on existing process maps are to be directly linked to defined ICS key categories and within these categories in turn to the relevant ICS key risks.

Risk assessment and control activities

Key risks are identified and captured at regular intervals, based on the process documentation. Suitable control activities are determined in order to reduce the risk to an appropriate level. The effectiveness of the controls and monitoring is reviewed and documented through regular self-assessment with rotating areas of key focus.

Here, also, reference should be made to the approach established as part of the ongoing development project. A set of generic key risks has been formulated for the identified ICS key categories. All Group companies are required to address directly and bindingly through adequate controls.

The ÖBB Group has set up its own internal audit office owing to the size of the company. The Internal Audit function verifies the existence of an efficient ICS in the Group companies. It audits certain ICS elements on the basis of an approved annual audit plan. The findings are reported to the audit committee of the respective Supervisory Board in the form of an activity report.

A compliance staff office has also been established. It is not subject to directives in its ad hoc monitoring activities and is supported by compliance officers from all subgroups. Putting preventive measures in place is a further essential aspect of compliance.

Information and communication

Regardless of the group-wide harmonisation, in accordance with the Group's decentralised structure, each subgroup has an appropriate, effective ICP. The installation and maintenance is therefore performed on their own authority.

A Group-wide minimum standard for the implementation of the ICS has been published. It is regularly evaluated and adjusted if necessary. Furthermore, the organisational units of the Group are obliged to provide software-supported, standardised documentation. It records the key controls defined within the process with their risk fields and the associated test steps. Reports to management and the audit committees of the respective Group companies are also based on this non-editable, annotated and verifiable data.

Accounting

When the auditors audit the annual financial statements, the ICS as regards to the financial reporting process also forms part of the auditing mandate.

As far as the pre-accounting processes are concerned, broad standardisation was achieved. For this purpose, the relevant processes have been transferred since 2005 to a Group-wide unit for accounting services within ÖBB-Business Competence Center GmbH.

ÖBB-Business Competence Center GmbH provides operational support to ÖBB-Holding AG in its harmonisation activities through appropriately coordinated auditing, evaluation and commenting tasks.

SAP software is used to account for all business transactions within ÖBB Group. Some foreign subsidiaries also use other software solutions. As a result, data transmission within the group is largely automated. Upload files are delivered to ÖBB-Holding AG, so that the data can be processed centrally in the SAP Netweaver BI consolidation system.

Corporate accounting is based on an IFRS Group manual, published and regularly updated by the Accounting Department of ÖBB-Holding AG. As a result, significant IFRS-based accounting requirements are specified and communicated throughout the Group. The Accounting team is regularly trained on new developments in accounting to avoid any risk of accidental misstatement.

From 2016 to 2018, the ÖBB Group designed and implemented a modern accounting system within the ÖBB Group with the "MORE!" project. This created the prerequisites for the changeover to SAP S/4. The SAP2S4 Conversion project started in April 2020. The aim is the complete technical conversion of the existing ERP landscape (5 systems, 1 instance, 2 clients) to SAP S/4 with go-live on 01.04.2022.

The information provided in the Notes to the Consolidated Financial Statements is compiled using software purchased by ÖBB-Holding AG specifically for this purpose. All subsidiaries provide comprehensive reporting packages with all relevant accounting data (income statement, balance sheet, cash flow statement, notes to the consolidated financial statements) for the preparation of the consolidated financial statements. These are audited by local auditors in accordance with International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB) and the International Federation of Accountants (IFAC) and the General Conditions of Engagement for Professional Accountants. The audit is confirmed by a "Report on the IFRS Group Reporting Package". This submission of the report is the prerequisite for the processing of the Reporting Package. This external control system constitutes a supporting element of the ICP.

The Supervisory Board is informed about the economic development of the Group in regular intervals, in particular within the framework of the mandatory audit committee of ÖBB-Holding AG, by means of consolidated presentations.

F. Notes on the Management Report

This Management Report contains statements and forecasts referring to the future development of the Group and the operational economic environment. Any and all forecasts were based on the information available at the time of consolidation. Actual developments may therefore differ from the expectations described in the Management Report.

Vienna, dated 29.03.2022

The Board of Management

Ing. Mag. (FH) Andreas Matthä mp

Mag. Arnold Schiefer mp

Passing the baton at the ÖBB-Produktion Gmbh

Wagon master Gerhard Hackl hands over the wagon master's hammer to his colleague Danijela Gold

Consolidated Financial Statements

Consolidated Financial Statements

Consolidated Income Statement 2021

Consolidated Income Statement 2021

	Note	2021 in TEUR	2020 in TEUR
Revenue	4	4,355,525.6	4,083,095.0
Change in finished goods, work in progress and services not yet chargeable		1,512.0	5,843.4
Other own work capitalized	5	475,232.3	444,338.5
Other operating income	6	2,154,011.6	2,191,040.1
Total income		**6,986,281.5**	**6,724,316.9**
Cost of materials and purchased services	7	-1,807,959.4	-1,693,601.8
Personnel expenses	8	-2,751,465.2	-2,742,899.8
Depreciation and amortization	9	-1,336,822.7	-1,224,008.8
Other operating expenses	10	-461,335.4	-439,235.5
Earnings before interest and taxes (EBIT excluding investments accounted for using the equity method)		**628,698.8**	**624,571.0**
Earnings of investments accounted for using the equity method	17	947.6	994.2
Interest income	11	24,418.9	19,963.2
Interest expenses	11	-503,265.2	-572,261.5
Other financial income	12	39,168.9	16,078.8
Other financial expenses	12	-19,940.2	-30,703.5
Financial result (incl. earnings of investments accounted for using the equity method)		**-458,670.0**	**-565,928.9**
Earnings before income taxes (EBT)		**170,028.8**	**58,642.1**
Income taxes	13	75,435.8	4,467.6
Net income		**245,464.6**	**63,109.7**
Consolidated net income attributable on a pro rata basis:			
to the shareholder of the parent company		241,772.2	60,379.3
to non-controlling interests		3,692.4	2,730.4

Consolidated Statement of Comprehensive Income 2021

Other comprehensive income 2021

	Note	2021 in TEUR	2020 in TEUR
Net income		**245,464.6**	**63,109.7**
Remeasurement gains (losses) on defined benefit plans		-246.0	-2,470.9
Income taxes		3.5	-19.7
Items that will never be reclassified ("recycled") subsequently to the income statement		**-242.5**	**-2,490.6**
Unrealised income from cash flow hedges (power derivatives)	24	330,249.6	7,055.9
Reclassification unrealised income from cash flow hedges (power derivatives)	24	-49,856.0	-1,452.0
Unrealised income from cash flow hedges (others)	24	14,858.0	-4,766.0
Reclassification unrealised income from cash flow hedges (others)	24	9,941.7	18,810.3
Income tax effects from cash flow hedges	24	-72,690.8	-2,464.0
Unrealised income from currency translation	24	-129.5	-18,414.4
Items that are or may be reclassified ("recycled") subsequently to the income statement		**232,373.0**	**-1,230.2**
Other comprehensive income		**232,130.5**	**-3,720.8**
Comprehensive income		**477,595.1**	**59,388.9**
Comprehensive income attributable on a pro rata basis:			
to the shareholder of the parent company		473,902.7	56,658.5
to non-controlling interests		3,692.4	2,730.4

Consolidated Balance Sheet as of 31.12.2021

Assets	Note	Dec 31, 2021 in TEUR	Dec 31, 2020 in TEUR
Non-current assets			
Property, plant and equipment	14	31,839,703.5	29,846,661.2
Intangible assets	15	1,011,208.4	1,031,590.9
Investment property	16	191,722.8	166,185.2
Investments recorded at equity	17	66,435.2	69,456.5
Other financial assets	18	305,009.4	227,650.0
Other receivables and assets	20	95,907.7	114,225.7
Deferred tax assets	13	210,500.8	199,786.7
		33,720,487.8	**31,655,556.1**
Current assets			
Inventories	21	314,215.3	294,586.8
Trade receivables	20	549,801.8	631,337.9
Other receivables and assets	20	390,294.7	392,588.1
Income tax receivables	13	2,313.4	1,263.5
Other financial assets	18	401,830.1	86,884.2
Non-current assets held for sale	19	35,596.7	110.3
Cash and cash equivalents	22	140,163.6	40,825.0
		1,834,215.6	**1,447,596.0**
		35,554,703.4	**33,103,152.1**

Shareholders' equity and liabilities	Note	Dec 31, 2021 in TEUR	Dec 31, 2020 in kEUR
Shareholders' equity			
Share capital	23	1,900,000.0	1,900,000.0
Additional paid-in capital	24	141,812.2	141,812.2
Other reserves	24	117,350.0	-115,023.0
Retained earnings	24	1,069,485.6	827,515.1
Equity attributable to the shareholder of the parent company		**3,228,647.9**	**2,754,304.2**
Non-controlling interests	23	14,918.2	13,348.4
		3,243,566.1	**2,767,652.6**
Non-current liabilities			
Financial liabilities	25	25,688,717.0	24,001,498.8
Provisions	26	587,932.4	582,855.5
Other liabilities	27	27,400.8	34,473.6
Deferred tax liabilities	13	6,146.9	6,721.2
		26,310,197.1	**24,625,549.1**
Current liabilities			
Financial liabilities	25	2,568,970.1	2,664,798.1
Provisions	26	420,766.3	397,201.6
Trade payables	27	1,154,380.4	994,049.6
Other liabilities	27	1,850,417.4	1,647,501.1
Non-current liabilities held for sale	19	6,406.1	6,400.0
		6,000,940.3	**5,709,950.4**
		35,554,703.4	**33,103,152.1**

Consolidated Statement of Cash Flow 2021

	Note	2021 in TEUR	2020 in TEUR
Net income		245,465	63,110
Non-cash expenses and income			
+ Depreciation and amortization on property, plant and equipment, intangible assets and investment property	9	1,495,750	1,392,234
- Write-up of property, plant and equipment and intangible assets		-31,126	-350
+ Depreciation / - appreciation on non-current financial assets		505	304
- Amortization of investment grants	9	-158,927	-168,225
+ Losses / - gains on disposal of property, plant and equipment, intangible assets and investment property		-25,494	-33,259
+ Losses / - gains on disposal of financial assets		0	58
- Gains on exchange rates / + losses on exchange rates		-2,679	5,079
- Other non-cash income / + other non-cash expenses		5,140	6,537
+ Interest expenses	11	503,265	572,262
- Interest income	11	-24,419	-19,964
+ Tax income		-75,436	-4,468
Changes in assets and liabilities			
- Increase / + decrease in inventories	21	550	-16,146
- Increase / + decrease in trade receivables and other assets		-339,759	-91,537
+ Increase / - decrease in trade payables and other liabilities and deferrals		411,351	46,908
+ Increase / - decrease in provisions	26	28,825	209,280
- Interest paid		-607,815	-669,195
+ Interest received		15,917	9,734
- Income tax paid	13	-7,996	-7,913
Cash flow from operating activities a)		**1,433,117**	**1,294,449**
+ Proceeds from disposal of property, plant and equipment and intangible assets		105,797	46,830
- Expenditures for property, plant and equipment and intangible assets	14, 15	-3,326,170	-2,827,712
+ Proceeds from disposal of financial assets		351	0
- Expenditures for investments in financial assets		-618	-5,490
+ Proceeds / - Repayments of investment grants	14, 15	190,952	153,724
- Expenditures for the acquisition of consolidated companies and other business units		-129	0
+ Dividends received		15,017	240
+ Redemption of loans granted / - grant of loans (from investing activities)		-76	107
+ Proceeds from advance payments made in previous years for investments in property, plant and equipment		245,755	0
Cash flow from investing activities b)		**-2,769,121**	**-2,632,301**
+ Cash inflows from equity contributions from controlling shareholders		0	61,000
- Payments to non-controlling interests		-1,883	-2,444
+ Proceeds from issue of bonds and loans	25	487,863	1,112,398
- Redemption of bonds and loans		-1,944,125	-1,829,143
- Cash payments from lease liabilities		-133,800	-103,918
+ Proceeds from other borrowings (from financing activities)		3,426,878	2,338,687
- Payments for the repayment of other loans		-405,404	-119,100
Cash flow from financing activities c)		**1,429,530**	**1,457,480**
Funds at the beginning of the period		22,592	-96,593
Change resulting from the basis of consolidation		-5,654	0
Foreign currency translation		533	-443
Change in the funds resulting from cash flows (a+b+c)		93,526	119,628
Funds at the end of the period		**110,998**	**22,592**

Information on the composition of cash and cash equivalents is provided in Notes 22 and 33.

Consolidated Statement of Changes in Equity 2021

in TEUR	Share capital	Additional paid-in capital	Cash flow hedge reserve	Foreign currency translation	Retained earnings	Total equity	Non-controlling interests	Total shareholders' equity
	Equity attributable to the shareholder of the parent company							
			Other reserves					
As of Jan 01, 2020	*1,900,000.0*	*80,812.2*	*-57,753.7*	*-56,039.0*	*765,085.3*	*2,632,104.7*	*12,658.1*	*2,644,762.8*
Net income					60,379.3	60,379.3	2,730.4	63,109.7
Other comprehensive income			17,184.2	-18,414.4	-2,490.6	-3,720.8		-3,720.8
Comprehensive income			**17,184.2**	**-18,414.4**	**57,888.7**	**56,658.5**	**2,730.4**	**59,388.9**
Capital contribution		61,000.0				61,000.0		61,000.0
Dividends distributed to non-controlling shareholders							-2,838.7	-2,838.7
Transactions with non-controlling shareholders					4,541.1	4,541.1	798.7	5,339.8
As of Dec 31, 2020	**1,900,000.0**	**141,812.2**	**-40,569.6**	**-74,453.5**	**827,515.1**	**2,754,304.3**	**13,348.4**	**2,767,652.6**

in TEUR	Share capital	Additional paid-in capital	Cash flow hedge reserve	Foreign currency translation	Retained earnings	Total equity	Non-controlling interests	Total shareholders' equity
	Equity attributable to the shareholder of the parent company							
			Other reserves					
As of Jan 01, 2021	*1,900,000.0*	*141,812.2*	*-40,569.6*	*-74,453.5*	*827,515.1*	*2,754,304.3*	*13,348.4*	*2,767,652.6*
Net income					241,772.2	241,772.2	3,692.4	245,464.6
Other comprehensive income			232,502.5	-129.5	-242.5	232,130.5		232,130.5
Comprehensive income			**232,502.5**	**-129.5**	**241,529.7**	**473,902.7**	**3,692.4**	**477,595.1**
Dividends distributed to non-controlling shareholders							-2,122.0	-2,122.0
Transactions with non-controlling shareholders					440.8	440.8	-0.5	440.3
As of Dec 31, 2021	**1,900,000.0**	**141,812.2**	**191,933.0**	**-74,582.9**	**1,069,485.6**	**3,228,647.8**	**14,918.2**	**3,243,566.1**

The number of shares remains unchanged at 190,000.

Further details on the Statement of Changes in Shareholders’ Equity are available in Notes 23 and 24.

Notes to the Consolidated Financial Statements as of 31.12.2021

A. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Österreichische Bundesbahnen-Holding Aktiengesellschaft (hereinafter ÖBB-Holding AG for short) and its subsidiaries form the Österreichische Bundesbahnen-Holding Aktiengesellschaft Group (hereinafter ÖBB Group).

ÖBB-Holding AG is a joint-stock company founded in 2004 in accordance with § 2 (1) of the Federal Railways Act (Bundesbahngesetz) as amended by the Federal Railways Structure Act (Bundesbahnstrukturgesetz BGBl. I No. 138/2003) as the supreme group company of the ÖBB Group, has its registered office in Vienna and 100% of its shares are reserved for the Federal Government. The shares are managed by the Federal Ministry for Climate Protection, Environment, Energy, Mobility, Innovation and Technology. The address of the registered office is: Am Hauptbahnhof 2, 1100 Vienna, Austria. The ÖBB Group is registered in the commercial register under FN 247642 f at the Vienna Commercial Court. The consolidated financial statements are also filed there.

The ÖBB Group presents itself with ÖBB-Holding AG as the strategic lead company, which holds all shares in the three joint stock companies (subgroups) ÖBB-Personenverkehr Aktiengesellschaft, Rail Cargo Austria Aktiengesellschaft and ÖBB-Infrastruktur Aktiengesellschaft (henceforth AG instead of Aktiengesellschaft). The subgroups are now to be named the ÖBB-Personenverkehr subgroup, Rail Cargo Group and the ÖBB-Infrastruktur subgroup.

A subsidiary of ÖBB-Holding AG, ÖBB-Infrastruktur AG, is a public interest entity pursuant to § 189a Z 1 lit a of the Austrian Commercial Code (UGB) and is therefore required to prepare subgroup financial statements in accordance with IFRS, as bonds issued by it are admitted to trading on the regulated market of the Vienna Stock Exchange. The sub-group financial statements of ÖBB-Infrastruktur AG are filed in the commercial register under FN 71396 w at the Vienna Commercial Court.

1. Accounting principles

ÖBB-Holding AG is required to prepare consolidated financial statements in accordance with § 244 of the Austrian Commercial Code (UGB). The consolidated financial statements as at 31.12.2021 were prepared in accordance with § 245a (2) UGB in conjunction with the "IFRS Regulation" in compliance with the International Financial Reporting Standards ("IFRS", "IAS") adopted by the International Accounting Standards Board ("IASB") and the interpretations of the International Financial Reporting Interpretation Committee ("IFRIC", "SIC"), which were in force and adopted by the European Union as at 31.12.2021 and adopted by the European Union, as well as the additional requirements of § 245a UGB. ÖBB-Holding AG presents these consolidated financial statements in accordance with IFRS as exempting consolidated financial statements in accordance with internationally recognised accounting principles pursuant to § 245a of the Austrian Commercial Code (UGB).

The consolidated financial statements are prepared in Euro (EUR). All amounts indicated in these Notes are presented in EUR millions (EUR million) or thousands (TEUR), unless another currency unit is indicated. Rounding differences may occur as the rounded presentation includes figures not shown that are subject to precise internal calculation. In the interest of being reader-friendly, explicit gender-specific spelling has been omitted in some cases.

Disclosures on amended and new IFRS regulations

The following standards and interpretations were amended or became mandatory for the first time compared to the consolidated financial statements as at 31.12.2020 due to their adoption into EU law or their coming into effect.

Revised and amended standards/interpretations		Effective as of[1]	Impact on the Consolidated Financial Statements
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	IBOR Reform (Phase 2)	01.01.2021	no
IFRS 16	COVID-19 conditional rent concessions after 30.06.2021	01.04.2021[2]	no
IFRS 4	Insurance contracts	01.01.2021	no

[1] Applicable for financial years starting on or after the date indicated.
[2] Retrospective application from 01.01.2021.

Outlook on future IFRS amendments

The following standards and interpretations were adopted by the IASB and endorsed by the EU, except for those specified in Note 2. The option of applying individual standards early was not exercised. The potential impact of the new and amended standards is currently being evaluated.

Standards / interpretations		Effective as of[1]	expected essential impact on the Consolidated Financial Statements
New standards and interpretations			
IFRS 17	Insurance Contracts	Jan 01, 2023	no
Amended standards and interpretations			
IFRS 3	Reference to the framework concept	Jan 01, 2022	no
IAS 16	Income before reaching operational readiness	Jan 01, 2022	no
IAS 37	Onerous contracts – Costs of fulfilling contracts	Jan 01, 2022	are being analysed
AIP 2018-2020	Annual Improvements Cycle 2018-2020	Jan 01, 2022	no
IAS 1	Disclosures on accounting policies	Jan 01, 2023	no
IAS 8	Definition of accounting-related estimates	Jan 01, 2023	no
IAS 12	Deferred taxes relating to assets and liabilities from a single transaction	Jan 01, 2023[2]	no
IAS 1	Classification of debt as current or non-current	Jan 01, 2023[2]	no

[1] Applicable for financial years starting on or after the date indicated.
[2] Not yet adopted by the EU.

The amendments to IAS 37 clarify which costs an entity includes when determining the cost of fulfilling a contract to assess whether the contract is onerous. The amendments are to be applied in reporting periods beginning on or after 01.01.2022, to contracts existing at the date of initial application of the amendments. At the date of initial application, the cumulative effect of applying the amendments is recognised as an adjustment to the opening balance sheet values in retained earnings. The comparative values are not adjusted. The effect of the amendments to IAS 37 is currently being evaluated in the ÖBB Group.

There are no other standards that are not yet effective and are expected to have a material effect on the ÖBB Group in the current or future reporting period and on expected future transactions.

2. Consolidation and basis of consolidation

Consolidation principles

Reporting date

The reporting date for all fully consolidated companies included in the consolidated financial statements is 31.12.

Foreign currency conversion

Foreign currencies are translated in accordance with the functional currency concept. The functional currency of all subsidiaries included in the Consolidated Financial Statements is the respective national currency. The Consolidated Financial Statements are presented in Euro, the functional currency of the parent company.

Foreign currency transactions are first translated into the functional currency by the Group companies at the spot rate applicable on the date of the transaction. Monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at each reporting date at the respective spot rate. Translation differences from financial assets and financial liabilities are recognised in the financial expenses or financial income as relevant. Non-monetary items measured at historic acquisition and production cost denominated in a foreign currency are translated at the rate applicable on the date of the transaction. Non-monetary items measured at fair value denominated in a foreign currency are translated at the rate applicable at the time the fair value is determined.

The financial statements of the foreign subsidiaries included in the consolidated financial statements are translated as follows: The assets and liabilities are measured at the foreign exchange reference rates of the Austrian National Bank (Österreichische Nationalbank – OeNB) applicable at the reporting date. The items of the income statement. are translated at the annual average rates. Any differences arising from currency translation are recognised in other comprehensive income. As long as the subsidiary is included in the basis of consolidation, the translation differences are continued in other comprehensive income and thus in consolidated shareholders' equity. If subsidiaries leave the basis of consolidation, the corresponding translation differences are recognised in the consolidated net income.

As the principal market of the ÖBB-Group is in Austria, sales in foreign currencies account only for a small proportion of transactions. The exchange rates of major currencies have developed as follows (Source: Reference rates of the European Central Bank [ECB] according to www.oenb.at):

	Reporting date rate		Annual average rate	
rounded in EUR	Dec 31, 2021	Dec 31, 2020	2021	2020
Bosnia and Herzegovina Convertible Mark (BAM)	1,956	1,956	1,956	1,956
Bulgarian Lev (BGN)	1,956	1,956	1,956	1,956
Croatian Kuna (HRK)	7,516	7,552	7,528	7,538
New Turkish Lira (TRY)	15.234	9,113	10,512	8,055
Polish Zloty (PLN)	4.597	4,560	4.565	4,443
Romanian Leu (RON)	4,949	4,868	4,922	4,838
Russian Ruble (RUB)	85,300	91,467	87,153	82,725
Czech Korunas (CZK)	24,858	26,242	25,640	26,455
Hungarian Forint (HUF)	369,190	363,890	358,520	351,250
US Dollar (USD)	1.133	1.227	1.183	1.142

Consolidation

Subsidiaries (capital consolidation)

Subsidiaries are entities controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power of disposition over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control until the expiration of control.

Accordingly, the results of operations of the businesses acquired or sold during the reporting year are included in the Consolidated Statement of Comprehensive Income from the date of acquisition or until the date of disposal respectively.

If the Group loses control over a subsidiary, the assets and liabilities of the subsidiary and other components of equity are de-recognised.

Accounting policies are applied consistently by all subsidiaries in the ÖBB-Group.

Corporate mergers

Company mergers are accounted for using the purchase method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at fair value at the acquisition date, and the non-controlling interest in the company being acquired. Whenever a company merger occurs, the acquirer measures the shares of non-controlling shareholders in the acquired company at the corresponding share of the identifiable net assets of the acquired company. Costs incurred as part of the business combination are recognised as an expense and reported in other operating expenses.

When the Group acquires a business, it assesses the appropriate classification and designation of the financial assets acquired and liabilities assumed in accordance with the contractual terms, economic circumstances and conditions prevailing at the acquisition date. This also includes a separation of derivatives embedded in underlying contracts. When business combinations are achieved in successively, the acquirer's former equity interest in the acquiree is remeasured to fair value at the acquisition date and the resulting gain or loss is recognised in profit or loss. Any agreed contingent consideration is recognised at fair value at the acquisition date. Subsequent changes in the fair value of a contingent consideration that is an asset or liability are recognised either in the income statement or in other comprehensive income in accordance with IFRS 9 "Financial Instruments". Contingent consideration classified as an equity instrument is not remeasured, its subsequent settlement is accounted for in equity.

Goodwill is initially measured at cost, being the excess of the consideration transferred and the amount of non-controlling interests over the identifiable assets acquired and liabilities assumed. When this consideration is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the income statement. After initial recognition, goodwill is measured at cost less accumulated impairment losses. Impairment testing purposes require goodwill acquired in a business merger, from the acquisition date, to be allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. This applies regardless of whether other assets or liabilities of the acquired company are allocated to these cash-generating units.

When goodwill has been allocated to a cash-generating unit and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. The value of the portion of goodwill disposed of is determined based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Transactions with non-controlling shareholders without loss of control

Transactions with non-controlling shareholders without loss of control are treated as transactions with equity owners of the Group. Any difference arising on the acquisition of a non-controlling interest between the consideration paid and the relevant share of the carrying amount of the net assets of the subsidiary is recognised in equity. Gains and losses arising on the disposal of non-controlling interests are also recognised in equity.

Associated companies

An associated company is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over the decision-making processes.

Interest in associated companies are included in the Consolidated Financial Statements using the equity method of accounting, except for investments classified in accordance with IFRS 9 as equity instruments measured at fair value. Initial recognition is at acquisition cost. These are subsequently adjusted for changes in the ÖBB Group's share of net assets after the acquisition date and adjusted for impairment losses. Losses exceeding the interest of the ÖBB-Group in an associated company are not recognised, unless a commitment for additional contributions exists.

If the acquisition costs of the share acquired by the ÖBB Group exceed the fair values of the identifiable assets and liabilities of the associated company at the time of acquisition, the difference is recognised as goodwill in the context of the investment valuation. If the acquisition cost of the ÖBB-Group's share is less than the fair values of the identifiable assets and liabilities at the date of acquisition, the difference is recognised in the income statement in the period the acquisition occurred.

Joint ventures

A joint arrangement is an arrangement in which two or more parties under joint control hold the rights to the net assets under the agreement.

A joint venture is a contractual arrangement regarding an economic activity in which two or more parties have joint control. If these rights are included in the net assets of the agreement, and are not rights to its assets and liabilities for its debts, these joint ventures are included in the consolidated financial statements using the equity method.

Elimination of intercompany accounts

Receivables are offset with the corresponding liabilities and provisions between the subsidiaries included in the consolidated financial statements in the course of the elimination of intercompany accounts.

Revenue and expense elimination

All intra-group expenses and revenues are eliminated in the course of the revenue and expense elimination. When assets are constructed in the ÖBB Group itself, any related sales revenues are reclassified as own work capitalised, after taking into account the elimination of any intercompany profits or losses.

Unrealised profit elimination

Unrealised profits resulting from intra-group sales of assets or asset construction and from contribution of assets to subsidiaries were eliminated in the consolidated financial statements.

Composition of and change in the basis of consolidation

The scope of consolidation includes, in addition to ÖBB-Holding AG, 66 (py: 66) other fully consolidated companies as well as ten (py: eleven) associated companies and one (py: one) joint venture accounted for using the equity method, making a total of 78 (py: 80) companies. The companies included in the Consolidated Financial Statements are disclosed in Note 34.

The basis of consolidation is defined to enable the Consolidated Financial Statements to give a true and fair view of the net assets, financial position and results of operations of the ÖBB-Group. The companies not included in the scope of full consolidation are companies with a low volume of business, with total turnover, assets and liabilities and each less than 1% of the Group values.

Change in the basis of consolidation in the years 2020 and 2021

The basis of consolidation developed as follows:

Basis of consolidation	Full consolidation	Consolidation using the equity method	Total
As of Jan 01, 2020	*69*	*12*	*81*
thereof foreign companies	*35*	*7*	*42*
Addition	0	1	1
Mergers	-1	0	-1
Disposal	-1	0	-1
As of Dec 31, 2020	**67**	**13**	**80**
thereof foreign companies	*35*	*7*	*42*
Addition	3	0	3
Disposal	-3	-2	-5
As of Dec 31, 2021	**67**	**11**	**78**
thereof foreign companies	*36*	*6*	*42*

ÖBB-Postbus GmbH (Wien) was merged with Österreichische Postbus Aktiengesellschaft (Wien) in the year 2020 with retroactive effect from 01.01.2020. The European Contract Logistics d.o.o. subsidiary was liquidated in 2020 and is therefore no longer included in the group of fully consolidated companies.

In the 2020 financial year, a company accounted for using the equity method was added as a result of the acquisition of 50% of the shares of Kärntner Beteiligungsverwaltung ("KBV") in LCA Logistik Center Austria Süd GmbH (Fürnitz). The share in associated companies amounts to approx. EUR 0.1 million. This initial consolidation resulted in a difference of approx. EUR 0.1 million, which was reported under other operating expenses, thereby with negative effect. The object of the company is the location development of a dry port (branch of the port of Trieste) in Austria.

As of 01.01.2021, OmegaTelos GmbH (Vienna), FZB Fahrzeugbetrieb GmbH (Vienna) and Rail Cargo Operator - Port/Rail Services GmbH (Bremen) were deconsolidated after these subsidiaries significantly reduced or discontinued their operating activities. As of 31.12.2021, these three companies would have contributed approx. EUR 0.6 million to the Group's total assets. The lost consolidated sales amount to approx. EUR 0.1 million. In the case of the companies consolidated for the first time as of 01.01.2021, ÖBB ITALIA S.R.L. (Milan), which operates cross-border passenger transport to Italy, and ÖV Ticketshop GmbH (Vienna), which is responsible for the development and operation of the "Ticketshop" software, are first-time consolidations following the establishment of new companies. Rail Cargo Rail Cargo Carrier - Slovakia s.r.o. (Bratislava) was consolidated for the first time after this company reached a significant size. This company is a railway undertaking (RU) in Slovakia. As a result of this initial consolidation, total assets increased by approx. EUR 0.4 million and sales by approx. EUR 0.1 million.

In connection with subsidiaries included in the consolidated financial statements by means of consolidation using the equity method, HAELA Abfallverwertung GmbH (Enns) was deconsolidated in the financial year 2021 due to the sale of all shares (50%). With the deconsolidation of OmegaTelos GmbH, its subsidiary LogMASter Kft (45%) was also deconsolidated. As a result of these transactions, the share in associated companies decreased by approx. EUR 0.3 million.

The presentation of goodwill is shown in the statement of changes in non-current assets in Note 15. The effects arising from the deconsolidation of subsidiaries and shares in subsidiaries are recognised in profit or loss under other operating income, other operating expenses and the result from companies accounted for using the equity method.

An overview of all Group companies is provided in Note 34.

3. Summary of significant accounting policies

Basis of preparation of financial statements

The consolidated financial statements are prepared on the basis of the principle of amortised cost. This excludes derivative financial instruments and equity instruments measured at fair value and personnel provisions accounted for using the Projected-Unit-Credit-Method (PUC method).

Property, plant and equipment and investment property

Property, plant and equipment and investment property in accordance with IAS 40 are carried at cost less depreciation and any impairment losses. Cost includes certain expenses incurred in the course of the construction or development of the rail infrastructure network, such as acquisition cost, material and personnel expenses, directly attributable fixed and variable overhead, the present value of obligations resulting from demolition, dismantling and removing the asset, restoration of sites, and borrowing costs directly attributable to qualifying assets. VAT charged by suppliers with a subsequent entitlement to input tax deduction is not included in acquisition or production cost. Property, plant and equipment under a finance lease are recognised at the lower of the present value of the minimum lease payments or fair value.

Significant parts of an asset are capitalised separately if they have different useful lives than the rest of the asset. This is not the case if their acquisition cost is insignificant in relation to the entire acquisition costs for the item.

Depreciation of property, plant and equipment and investment property is calculated on a straight-line basis over the estimated useful life of the asset and reported in the depreciation and amortisation line item in the consolidated income statement. Expenses incurred in the carrying amount of an item of property, plant and equipment during its creation are shown as "Assets under Construction".

The economic useful lives are as follows for financial 2021 and 2020:

	Years
Buildings	
Substructure	20–150
Power plants	*80*
Tunnels	*80 and 150 respectively*
Railway tracks	*100*
Other substructures	20 and 80 respectively
Superstructure	5–80 (py:10–50)
Roadbed and track	35–50 (py: 35–40)
Automobiles and trucks	5–50 (py: 5–25)
Technical equipment and machinery	
Security and telecommunications equipment	5–30
High-voltage and lightning equipment	5–50
Tools and equipments	4–20
Machinery	9–15
Other plant, furniture and fixtures	2–10 (py: 2–8)

With regard to the useful lives of the rights of use accounted for in accordance with IFRS 16, straight-line depreciation in the financial year 2021 and in the financial year 2020 is based on the following useful lives:

	Years
Rights of use for land and buildings	1–40 (py: 1–42)
Rights of use for automobiles and trucks	1–9 (py: 1–12)
Rights of use for technical equipment and machinery	1–8 (py: 1–10)
Rights of use for other plant, furniture and fixtures	1–6 (py: 4–6)

Residual carrying amounts and remaining useful lives are reviewed each year as of the reporting date.

Costs for maintenance measures and repairs are expensed as incurred, replacement, expansion, and value-increasing investments are capitalised. The distinction between maintenance measures and repairs that are expensed immediately and investments that are capitalised as mandatory is based on the rules of IAS 16 “Property, plant and equipment” and accounting principles derived from these for Group-specific circumstances. The cost and accumulated depreciation and amortisation of assets sold or retired are removed from the accounts, and resulting gains or losses are recognised in other operating income or expenses. The useful economic lifetimes and depreciation methods presented also apply to those assets that are reported in the item "Investment Property".

Asset-related subsidies (investment grants)

The ÖBB Group receives public grants, which are generally granted in relation to assets. Grants awarded are recognised in the balance sheet if there is certainty that the payment will be made and the necessary conditions for receiving the grants are met. The asset-oriented grants, primarily investment grants, are deducted directly from the subsidised assets on the assets side. The depreciation expenses less income from the amortisation of these investment grants are recognised in the consolidated income statement. In principle, investment grants are amortised over the useful life of the asset for which the grant was received.

Goodwill and other intangible assets

Goodwill

Goodwill represents the excess of the cost of the acquisition over the fair value of the ÖBB-Group's share of the net assets of the acquiree at the date of acquisition. Goodwill arising from the acquisition of a company is recognised under intangible assets. Goodwill recognised in the balance sheet is subject to an annual impairment test and measured at its original acquisition cost less accumulated impairment losses. Reversals of impairment losses are not permitted. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units and groups of cash-generating units that are expected to benefit from the combination in which the goodwill arose.

Other intangible assets

The ÖBB-Group does not recognise any significant other intangible assets with indefinite useful lives. Depreciable intangible assets are recognised at cost less straight-line amortisation.

Amortisation of intangible assets is calculated on a straight-line basis over the estimated useful life, and depreciation and is stated in the line item depreciation and amortisation in the consolidated income statement.

The planned straight-line depreciation and amortisation in the 2021 and 2020 financial year is based on the following useful lives:

	Years
Investment grants	5–80
Concessions	4–20
Development costs	4
Software	2–20
Other intangible assets	5–20

In principle, investment grants are amortised over the useful life of the asset for which the grant was received.

Impairment of property, plant and equipment, intangible assets and as financial investment in property

Methodology

Property, plant and equipment, intangible assets and investment property with finite useful economic lifetimes are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Assets with indefinite useful lives (goodwill and intangible assets) must be tested for impairment at least annually. The impairment test is performed for all items of property, plant and equipment and intangible assets. In accordance with the provisions of IAS 36 “Impairment of Assets”, an impairment loss is recognised if the carrying amount exceeds the higher value which results from the fair value less cost to sell and value in use. The fair value after deduction of costs to sell corresponds to the amount determined in accordance with IFRS 13. The value in use corresponds to the discounted estimated future net cash flows that are expected to arise from the continuing use of an asset. Impairment losses are recognised in the item ‘Depreciation and Amortisation’ in the consolidated income statement. The ÖBB Group generally determines the value in use in a first step. If an impairment loss is determined on this basis, an assessment is made as to whether the value in use is higher than the fair value less costs to sell and lower than the determined value in use.

The value in use is determined by estimating the future cash flows of the cash-generating units based on the business plans that were derived from past results and the best estimates of the Board of Management of future developments. Effects arising from expansion investments were adjusted in the business planning. The business plans (budget 2022 and medium-term planning 2023 to 2027) reflect the expected weighted average growth rates of the relevant market segments. Cash flow forecasts going beyond the period covered by the business plan are based on steady growth rates for subsequent years and do not exceed the long-term weighted average growth rate for the industry and the country in which the cash-generating unit operates.

In accordance with § 42 (7) of the Federal Railways Act, a six-year framework plan must be prepared, which constitutes an essential part of the business planning. The six-year business plans are used for the impairment test. Special effects after the business planning period that were already known and estimable at the time of the annual financial statements were taken into account in the calculation of the value in use.

If the recoverable amount of the cash-generating unit exceeds its carrying amount, no impairment exists for the relevant cash-generating unit. If the recoverable amount of the cash-generating unit is less than its carrying amount, an impairment loss is recorded for this unit. The impairment relating to the cash-generating unit is allocated first to goodwill (if any) and subsequently to other assets on a pro rata basis, with the remaining assets of the cash-generating unit not being written down below their recoverable amount. The reductions in the carrying amount represent expenses from the impairment of the individual assets.

Should there be an indication that an asset is no longer impaired, the impairment loss is reversed in full or in part in the consolidated income statement, up to a maximum of the amortised cost. In the case of goodwill, a reversal of impairment losses is not permitted.

Following the adoption of the medium-term planning by the Supervisory Board, regular checks are now made to ascertain whether a triggering condition for impairment exists.

Structure of the cash-generating units (CGU) and calculation premises

Each cash-generating unit consists of one, a part or a number of legally independent companies. The delimitation criteria for the cash-generating units are based on the structure of business operations and correspond to the business areas and business activities. This structure of cash-generating units ensures that all significant assets are tested for impairment.

Cash-generating units of ÖBB-Personenverkehr AG

The ÖBB-Personenverkehr Group consists of four (PY: three) cash-generating units, ÖBB-Personenverkehr AG, which deals with passenger transport by rail, Österreichische Postbus AG, which deals with passenger transport by bus, iMobility GmbH, which manages a mobility app and, since the acquisition of a further 26% of shares as of 01.01.2021 (ÖBB-Personenverkehr AG's share in ÖBB-Technische Services-Gesellschaft mbH since 01.01.2021 75%) and the resulting full consolidation in the ÖBB-Personenverkehr Group, ÖBB-Technische Services-Gesellschaft mbH, which deals with the maintenance of rolling stock. Apart from iMobility GmbH, each cash-generating unit consists of a number of legally independent companies. The delimitation criteria for the cash-generating units are therefore based on the structure of business operations and correspond to the business areas and business activities of the ÖBB-Personenverkehr Group.

In the reporting year 2020, an impairment test was performed for the cash-generating unit ÖBB-Personenverkehr AG and for the Austrian part of the cash-generating unit Österreichische Postbus AG based on an identified indicator. In the current reporting year, only in the case of the cash-generating unit ÖBB-Technische Services-Gesellschaft mbH, which is to be tested for the first time in the reporting year 2021 in the ÖBB-Personenverkehr Group, the assumption of control and therefore management by the ÖBB-Personenverkehr Group as well as a change in the composition of the cash-generating unit was identified as an indicator of a possible impairment, which is why an impairment test was performed.

A market weighted average cost of capital is used to discount each cash-generating unit, which reflects the interest rate demanded by the capital market for the provision of debt and equity to the cash-generating units of the ÖBB Passenger Transportation Group. Risks and taxes are taken into account by means of various deductions.

CGU growth rates were applied on the basis of the Gordon/Shapiro growth model for the cash flow projections after the planning period (accounted for by a perpetual annuity). This provides for growth depending on the achievable long-term return and the assumed retention. The long-term return was fixed independently of the CGU at a return equivalent to the cost of capital. Based on the assumption that the long-term growth of the CGUs is below the ECB's inflation expectation target of 2%, the growth for the cash-generating units ÖBB-Personenverkehr AG and Österreichische Postbus AG was determined at 1.1% to 1.4% in the 2020 financial year, and thus the retention rate was determined at 20%. The pre-tax discount rate for the period 2021 to 2025 and for the perpetual annuity was 4.49% for the CGU ÖBB-Personenverkehr and 4.49% for the CGU Österreichische Postbus AG. The cost of capital (and thus implicitly the long-term returns) of the CGU ÖBB-Personenverkehr was calculated at 3.37% and of the CGU Österreichische Postbus AG at 3.37% (after tax, basis Austria) in the course of the analyses. In the financial year 2021, growth for the cash-generating unit ÖBB-Technische Services-Gesellschaft mbH was determined at 0.8% and thus the retention rate was set at 20%. The pre-tax discount rate for the period 2022 - 2027 5.41% and 4.59% were applied to the CGU ÖBB-Technische Services-Gesellschaft mbH as the pre-tax discount rate for the period and for the perpetual annuity, respectively. The after-tax discount rates for the period 2022 - 2027 are 4.07% and 3.26% for the perpetual annuity.

The pre-tax discount rates were calculated retrospectively by means of the internal rate of return. The value in use of the cash-generating units is determined based on the after-tax discount rates. The specified pre-tax discount rates are for information purposes only.

Intra-group transfer pricing based on estimates in line with the market of the companies involved was taken into account in the cash flow forecasts. In the financial year 2021, the cost of capital was calculated specifically for the cash-generating unit ÖBB-Technische Services-Gesellschaft mbH. Since ÖBB-Technische Services-Gesellschaft mbH mainly provides maintenance services for its parent companies, a risk and resource association with the owners ÖBB-Personenverkehr AG and Rail Cargo Austria AG was assumed.

Cash-generating units of Rail Cargo Austria AG

The cash-generating units of Rail Cargo Group consist of one legally independent company (CGU TS-HU) or of several legally independent companies, which are allocated either fully or proportionately. The CGU structure of Rail Cargo Group ensures that all assets of Rail Cargo Austria AG and its fully consolidated subsidiaries are allocated to one CGU. The delimitation criteria for the cash-generating units are based on the structure of business operations and correspond to the business areas and business activities of the Rail Cargo Group.

The following cash-generating units were determined on the basis of control and the existence of independent cash flows: CGU Cargo, CGU Intermodal and, as of 2021, CGU TS-HU (until 2020 TS), which, following the disposal of ÖBB-Technische Services-Gesellschaft mbH and its associated subsidiaries Technical Services Slovakia, s.r.o., ÖBB STADLER Service GmbH and TS-MÁV Gépészet Services Kft. as of 01.01.2021, will consist only of Technical Services Hungaria Járműjavító Kft. The entire pool of traction units is used jointly across the ÖBB Group and recognised as a joint asset in the impairment test. The freight wagons and other assets were allocated to the CGUs in accordance with their use. The Cargo and Intermodal cash-generating units include goodwill and must therefore be tested annually for impairment. In both reporting years, no further indicators of potential impairment were identified for the Cargo and Intermodal cash-generating units. The impairment test of CGUs containing goodwill is performed in the 4th quarter of each financial year. In the reporting year 2021, an indicator of possible impairment was identified for the cash-generating unit TS-HU due to the change in control logic, which is why an impairment test was also performed as of 31.12.2021, which did not result in an impairment requirement.

Discounting is based on a weighted average cost of capital for each cash-generating unit that reflects the interest rate demanded by the capital market for the provision of debt and equity to the cash-generating units of Rail Cargo Group. Risks and taxes are taken into account by means of various deductions. The cost of capital of the CGUs includes, for example, pro rata markups for cash flow risks arising outside Germany if their share of the total cash flow of the CGUs is material (in particular Hungary, Czech Republic, Russia).

In accordance with § 42 (7) of the Federal Railways Act, a six-year framework plan must be prepared, which constitutes an essential part of the business planning. The six-year business plans are used for the impairment test in the ÖBB-Group. In addition, an extended planning period for 2028 - 2031 is taken into account to more accurately reflect long-term effects from various developments, projects and measures in order to determine a sustainable level of earnings for the perpetual annuity. CGU growth rates were applied on the basis of the Gordon/Shapiro growth model for the cash flow projections after the planning period (accounted for by a perpetual annuity). This provides for growth depending on the achievable long-term return and the assumed retention.

The cash flow assumptions for the impairment tests were taken from the medium-term planning calculations. The only adjustment in the 2022 - 2027 detailed plan related to the salary settlement, which occurred after plan and significantly exceeded plan assumptions. The long-term return was fixed independently of the CGU at a return equivalent to the cost of capital. Based on the assumption that the long-term growth of the CGUs is below the ECB's inflation target of 2%, growth was determined to be between 1.0% and 1.34% (py: 1.1% to 1.4%) and thus the retention rate was set at 20%. More detailed information is provided in the following table.

The following discount rates were applied:

For the cash-generating units of Rail Cargo Austria	Cargo *)	Intermodal *)	TS-HU
as of Oct 31, 2021			
Before tax			
Interest rate 2022 – 2027	6.9%	6.6%	7.5%
Interest rate perpetuity	5.8%	5.6%	6.2%
Growth - perpetual annuity	*1.1%*	*1.0%*	*1.4%*
After tax			
Interest rate 2022 – 2027	5.5%	5.7%	6.8%
Interest rate perpetuity	4.4%	4.7%	5.5%

For the cash-generating units of Rail Cargo Austria	Cargo *)	Intermodal *)	TS-HU
as of Dec 31, 2020			
Before tax			
Interest rate 2021 – 2026	6.8%	7.4%	n/a
Interest rate perpetuity	5.7%	6.4%	n/a
Growth - perpetual annuity	*1.1%*	*1.1%*	*n/a*
After tax			
Interest rate 2021 – 2026	5.3%	5.3%	n/a
Interest rate perpetuity	4.2%	4.2%	n/a

*) Hungary, the Czech Republic, Russia and Slovakia used their own interest rates, which are however not listed due to their minor significance.
n. a. not applicable

The pre-tax discount rates presented were calculated retrospectively by means of the internal rate of return. The value in use of the cash-generating units is determined based on the after-tax discount rates. The specified pre-tax discount rates are for information purposes only.

Intra-group transfer pricing based on estimates in line with the market of the companies involved was taken into account in the cash flow forecasts. The capital cost rate was calculated specifically for the Rail Cargo Group, independently from the rest of the ÖBB Group. No risk and resource consolidation with the rest of the ÖBB Group was applied and no uniform cost of capital was used throughout the Group.

Cash-generating units of ÖBB-Infrastruktur AG

No indicators of possible impairment were identified for either 2020 or 2021 for a cash-generating unit, which is why no impairment tests were conducted. No indicator of impairment currently exists for the rail infrastructure cash-generating unit due to the following preamble to the grant agreements pursuant to § 42 of the Federal Railways Act: ÖBB-Infrastruktur AG is a railway infrastructure company whose tasks are in the public interest and are defined in more detail in § 31 of the Federal Railways Act.

The basis for the financing of the company is § 47 of the Federal Railways Act, according to which the federal government must ensure that ÖBB-Infrastruktur AG has the funds necessary to fulfil its tasks and maintain its liquidity and equity, insofar as the tasks are covered by the business plan pursuant to § 42 (6) of the Federal Railways Act. The commitment regulated by the Federal Government in this provision is implemented specifically in the grant agreements pursuant to § 42 (1) and (2) of the Federal Railways Act. It is the understanding of the contracting parties that the objective of the grant agreements, irrespective of the respective term of the contract, is to permanently ensure the value of the assets of the ÖBB-Infrastruktur AG subgroup used for the tasks pursuant to § 31 of the Federal Railways Act, which also complies with the legal mandate of the Federal Railways Act".

In section "b. Impairment", Note 3 shows the results of the impairment tests performed in the two reporting years. Notes 14 and 15 present the effects of the impairment test on property, plant and equipment and intangible assets, respectively.

Impairment of investments in associated companies and joint ventures

Subsequent to the application of the equity method to the carrying amount of the investment, IAS 28.40 and IFRS 11 require a review at each balance sheet date to determine whether there is objective indication that the carrying amount is impaired. If indicators are identified, the recoverable amount of the investment must be determined in accordance with IAS 36. If there is an impairment loss, the investment must be written down accordingly. If associated companies or joint ventures are affected by the impairment, then it is recognised in the item "Result from companies accounted for using the equity method". See the previous paragraph regarding § 42 of the Federal Railways Act with regard to any impairment of the Galleria di Base del Brennero - Brenner Base Tunnel BBT SE.

If there are indicators that suggest an impairment of the investment in the company accounted for using the equity method, the carrying amount is then reviewed for impairment. There is no separate review of the pro rata goodwill. The review is performed for the entire carrying amount of the investment. Impairment losses are therefore not allocated separately to the goodwill included in the carrying amount of the investment and can also be fully reversed in subsequent periods.

Non-current assets and liabilities held for sale and disposal groups held for sale

Non-current assets and liabilities held for sale as well as non-current groups of assets and liabilities held for sale are measured at the lower of carrying amount and fair value less costs of sale. Assets classified as held for sale are not subject to further depreciation and are shown as a separate item in the balance sheet. Gains or losses from the sale of these assets and liabilities are reported together with gains and losses from the disposal of property, plant and equipment and intangible assets as other operating income or expenses or in the other financial result as far as participations are concerned. A reclassification from non-current assets to non-current assets held for sale and from non-current liabilities to non-current liabilities held for sale is only made if a corresponding Supervisory Board resolution has been passed and a sale is also expected within twelve months. See Note 19 for more information.

Financial instruments

Recognition and de-recognition

Financial assets and liabilities are recognised when the ÖBB-Group becomes a party to the contractual provisions of the financial instrument. Financial assets are de-recognised when:

- all the contractual rights to the cash flows from the financial asset have expired or been settled or
- all opportunities and risks resulting from the asset have been transferred to another party or
- the power to control the financial asset has been transferred to another party in its entirety.

A financial liability may only be de-recognised from the balance sheet when it has been extinguished, i.e. when the contractual obligation has either been settled or cancelled or has expired. Regular purchases and sales of financial assets are recognised at the settlement date (date of fulfilment), derivative financial instruments are recognised at the date of conclusion (trade date).

Financial assets and liabilities are initially recognised at the fair value of the consideration given or received. Transaction costs are included in the initial recognition, except in the case of financial instruments measured at fair value through profit or loss.

Classification and measurement of financial assets

The ÖBB-Group classifies financial assets into the following valuation categories:

- measured at amortised cost
- measured at fair value through equity (FVOCI)
- measured at fair value through profit or loss (FVTPL)

The classification and measurement of financial assets with borrowing characteristics depends on the company's business model for managing financial assets and contractual cash flows.

The ÖBB-Group only reclassifies debt instruments if the business model for managing these types of assets changes. As no debt instruments are currently held at fair value through other comprehensive income in the ÖBB Group, no further explanation is required.

Debt instruments measured at amortised cost

A debt instrument is measured at amortised cost if both of the following conditions are met:

- The asset is held within the framework of a business model whose objective is to collect contractual cash flows from the assets held.
- The contractual terms of the financial asset result in cash flows at specified points in time that represent only principal and interest payments on the outstanding principal amount.

Interest income from these financial assets is stated in the financial result using the effective interest method.

Trade receivables, other receivables and financial assets (e.g. securities) are measured at amortised cost less impairment.

Cash and cash equivalents
The ÖBB Group reports cash on hand and bank balances with remaining terms to maturity of up to three months since the date of acquisition as cash and cash equivalents. Money market deposits with terms of more than three months are classified as other current financial assets along with securities. Cash and cash equivalents are included in cash and cash equivalents for the cash flow statement. For further details, please refer to the Notes 22 and 33.

Trade receivables
Trade receivables are recognised from the date on which they arise. Any unconditional right to receive consideration is recognised as a receivable. Trade receivables without significant financing components are initially measured at the transaction price.

Equity instruments measured at fair value through profit or loss

The Group measures all equity instruments held at fair value through profit or loss.

Debt instruments measured at fair value through profit or loss

A debt instrument that is neither measured either at amortised cost nor at fair value through other comprehensive income, is measured at fair value through profit or loss. The ÖBB Group does not hold any debt instruments that are accounted for at fair value through profit or loss other than derivatives.

Derivatives
Derivative financial instruments are measured at fair value. Changes in the fair value of derivative financial instruments are recognised in profit or loss or in other comprehensive income, depending on whether the derivative instrument is used to hedge the fair value of an item recognised in the Statement of Financial Position ("fair value hedge") or to fluctuate future cash flows ("cash flow hedge"). For derivative financial instruments designated to protect items on the statement of financial position, changes of the fair value of the hedged risks and of the derivative financial instrument are recognised in profit or loss. For derivative financial instruments designated as cash flow hedges, changes in the fair value of the effective portion of the hedging instrument are recognised via other comprehensive income in equity ("cash flow hedge reserve"). The effects reported in the cash flow hedge reserve are recognised in profit or loss when the underlying hedged item affects profit or loss. Changes in the fair value of the ineffective portion of the hedge and changes in the fair value of derivative financial instruments not classified as a hedge are recognised in profit or loss immediately. See Note 29.3 on the hedge accounting.

Non-current derivative financial instruments (interest rate swaps for hedging purposes) are divided into a current and a non-current portion based on the discounted payment streams in the applicable time frames.

Impairment of financial assets (IFRS 9)

The Group assesses the default risk associated with debt instruments measured at amortised cost or at fair value through equity on a forward-looking basis. Default risk is the risk of financial losses if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amounts of the financial assets correspond to the maximum default risk.

IFRS 9 provides for a general impairment model (three-step model) and a simplified method for determining the expected loss.

General impairment model

In accordance with the general impairment model, a distinction is made between three levels of impairment. The amount of the impairment loss is measured in accordance with the allocation of the financial instrument to one of these three levels. The general impairment model is applied to all financial instruments with the exception of trade receivables.

Level 1: expected credit losses within the next twelve months

Level 1 basically includes all financial instruments at inception as well as financial instruments that have not experienced any significant deterioration in credit quality since inception. The expected loss corresponds to the present value of the expected payment defaults arising from possible default events within the next twelve months (12-month expected credit loss) after the reporting date.

Level 2: expected credit losses over the entire term – no deterioration in credit rating

If there is a significant increase in the default risk but no objective evidence of impairment, the allowance for losses on loans and advances must be increased to the amount of the expected losses over the entire remaining term. There is a rebuttable presumption of a transfer from level 1 to level 2 if contractual payments are past due for more than 30 days.

Level 3: expected credit losses over the entire term – impaired creditworthiness

If there is objective evidence that a financial asset is impaired, the impairment loss is transferred to Level 3. If the contractual cash flows are past due by more than 90 days, there is a rebuttable presumption that there is objective evidence of default. In which case, the financial instrument must be transferred to Level 3. The determination of whether a financial asset has experienced a material increase in credit risk is based on an estimation of probabilities of default conducted at least annually, which takes into account both external rating information and internal information about the credit quality of the financial asset.

Irrespective of the above analysis, there is a significant increase in credit risk if settlement of the contractual cash flows is more than 30 days past due. A default on a financial asset occurs when the counterparty fails to make contractual payments within 90 days of the due date. Financial assets are depreciated if realisability is no longer expected after an appropriate estimation. If receivables have been written off, enforcement measures are continued in order to realise the due receivable. Realised amounts are recognised in profit or loss.

Financial instruments with low credit risk

In the case of debt instruments with a low credit risk that have an investment grade rating, the ÖBB-Group applies the relief provision from the allocation to the relevant stages and allocates these in all cases to Stage 1. ÖBB-Group considers this to be a given with a rating of BBB- or higher at Standard & Poor's.

Simplified impairment model

Trade receivables

In the case of trade receivables, the ÖBB-Group applies the simplified approach, according to which the credit losses expected over the term must be calculated upon initial recognition of the receivables. According to the simplified impairment model, a provision must be recognised for all instruments, irrespective of their credit quality, in the amount of the expected losses over the remaining term. This means that the assets are allocated to Level 2 on initial recognition and transferred to Level 3 if there is objective evidence of impairment. The simplified procedure is applied to trade receivables or assets that fall within the scope of IFRS 15 "Revenue from Contracts with Customers" and that do not contain a significant financing component.

The default risk for trade receivables is determined on a collective basis. The Group default risk is mainly influenced by the individual characteristics of its customers. For the trade receivables the estimated expected payment defaults were determined based on experience with actual payment defaults from the last three to seven years using the simplified impairment model. The historical default rates are adjusted, if applicable, for expected future changes in macroeconomic factors such as gross domestic product (GDP), the unemployment rate and insolvency rates.

Classification and measurement of financial liabilities

Financial liabilities are measured at amortised cost (FLAC) or at fair value through profit or loss (FVTPL). A financial liability is measured at FVTPL if it is classified as being held for trading or is a derivative.

Financial liabilities (FLAC) are initially measured at their fair value and subsequently at amortised cost using the effective interest method.

Financial liabilities (FVTPL) are measured at fair value, and any gain or loss from the subsequent measurement is recognised through profit or loss.

Fair value of financial instruments

The carrying amounts of cash and cash equivalents, trade receivables and payables, receivables due from and liabilities due to related companies approximate their fair values. The fair value hierarchy level applied is 3, with the exception of cash and cash equivalents.

The fair value of non-current financial receivables, other financial assets without quoted market prices, financial liabilities and swap agreements is based on the present value of future cash flows, discounted at the ÖBB-Group's estimated current interest rate at which comparable financial instruments may be concluded. Existing credit risk is considered when determining the fair values. This is fair value at hierarchy Stage 2.

The fair value of listed securities and bonds is allocated to either fair value hierarchy level 1 or 2 (Note 29.6).

The fair value of equity instruments is determined using multiples where appropriate and allocated to fair value hierarchy level 3.

Inventories

Inventories include, in the first instance, stocks of materials and spare parts used for the company's own rail network expansion, the maintenance and fault clearance of rail network operations and the technical servicing of the rolling stock, and, in the second instance, realisation properties.

Material stocks and spare parts are valued at the lower of acquisition or production cost and net realisable value, whereby acquisition and production costs are determined using the moving average price method. The net realisable value is determined on the basis of the estimated selling prices in a normal business development less the costs still to be incurred until completion. Internally produced inventories and refurbished reusable materials are capitalised at production cost. Appropriate loss allowances are made for non-current stock material and excessive manufacturing costs attributable to own production. For spare parts and materials, replacement costs are deemed to be the best available measure of their net realisable value.

Inventories also include properties no longer used for operational purposes that are being developed for subsequent sale ("realisation properties"). These are former station and railway facilities as well as service buildings that were used for permanent operations. These refer to significant projects that are being developed on a large scale. Realisation properties are held for sale in the ordinary course of business or are in the process of production or development for such sale.

Realisation properties are capitalised at acquisition or production cost and valued at the lower of book value and net realisable value as at the reporting date. The net realisable value is the estimated selling price less the production costs still to be incurred and any costs of disposal.

Provisions

Provisions are recognised when the ÖBB Group has a present obligation (legal or constructive) arising from a past event and it is probable that the settlement of the obligation will result in an outflow of resources and the amount of the obligation can be measured with sufficient reliability.

The amount of the provision recognised is the best estimate at the reporting date of the expenditure required to settle the present obligation. In doing so, the inherent risks and uncertainties must be taken into consideration in the obligation. If a provision is measured based on estimated cash flows for the fulfilment of the obligation, such cash flows are discounted if the interest effect is material.

If it can be assumed that some or all of the provision necessary for the fulfilment of the economic benefits will be reimbursed by an outside third party, this claim is recognised as an asset when the reimbursement is virtually certain and its amount can be reliably estimated. See Note 26.2 for further details.

Leases

Lessee

At the inception of the contract, the ÖBB Group assesses whether the contract constitutes or contains a lease. This is the case when the contract gives the right to control the use of an identified asset for a specified period of time, in return for a fee. In order to assess whether a contract contains the right to control an identified asset, the ÖBB Group uses the definition of a lease in accordance with IFRS 16.

On the date of provision, the Group records an asset for the right of use granted and a lease liability. The right of use is initially measured at cost, which is equal to the initial measurement of the lease liability, adjusted for payments made on or before the date of provision, plus any initial direct costs and the estimated costs of dismantling or removing the underlying asset or the site on which it is located, less any incentives received under the lease.

Subsequently, the right of use is amortised on a straight-line basis from the date of provision to the end of the lease term unless ownership of the underlying asset is transferred to the ÖBB Group at the end of the lease term or the cost of the right of use reflects the fact that the ÖBB Group will exercise a purchase option. In that case, the right of use is amortised over the useful life of the underlying asset, which is determined in accordance with the rules for property, plant and equipment. In addition, the right of use is continuously adjusted for impairment where necessary and adjusted for certain remeasurements of the lease liability.

For the first time, the lease liability is discounted at the present value of the lease payments not yet made at the inception of the lease, using the interest rate applicable to the lease or, if this interest rate cannot be readily determined, using the ÖBB Group's incremental borrowing rate.

The lease payments included in the measurement of the lease liability comprise:

- fixed payments, including de facto fixed payments;
- variable lease payments linked to an index or (interest) rate, initially measured on the basis of the index or rate applicable on the date of provision or (interest) rate;
- amounts expected to be paid under a guaranteed residual value; and
- the exercise price of a call or renewal option if the ÖBB-Group is reasonably certain to exercise it, and penalties for early termination of the lease unless the ÖBB-Group is reasonably certain not to terminate early.

The lease liability is measured at the amortised carrying amount using the effective interest method. It is remeasured if future lease payments change due to a change in an index or (interest) rate, if the ÖBB Group adjusts its estimate of the expected payments from a guaranteed residual value, if the ÖBB Group changes its estimation regarding the exercise of a purchase, extension or termination option, or if a de facto fixed lease liability changes.

If the lease liability is remeasured in this way, the carrying amount of the right of use is adjusted accordingly or, if the carrying amount of the right of use has been reduced to zero, the adjustment is recognised in profit or loss.

In the Statement of Financial Position, the ÖBB Group reports rights of use that do not meet the definition of an investment property under property, plant and equipment, and lease liabilities under financial liabilities.

Information on the accounting policies for cross-border leasing transactions is provided in Note 30.3.

Short-term leases and leases based on low-value assets

The ÖBB Group has made use of the relief not to recognise rights of use and lease liabilities for leases based on assets of low value (up to EUR 5,000.00), short-term leases and intangible assets. The ÖBB Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the term of the lease.

Lessor

The ÖBB-Group also acts as lessor and classifies each lease as either a finance lease or an operating lease at the inception of the lease.

In order to classify each lease, the ÖBB Group has made an overall assessment of whether the lease substantially bears all the risks and rewards incidental to ownership of the underlying asset. If this is the case, the lease is classified as a finance lease; if not, it is an operating lease. In making this assessment, the ÖBB Group considers certain indicators, such as whether the lease will last for most of the useful life of the asset.

If it acts as an intermediary lessor, the ÖBB Group accounts separately for the main lease and the sublease. It classifies the sublease on the basis of its right of use under the main lease, rather than on the basis of the underlying asset. If the main lease is a short-term lease to which the ÖBB Group applies the exceptions described above, it classifies the sublease as an operating lease.

Lease payments under operating leases are recognised by the Group as income in revenue on a straight-line basis over the term of the lease.

Employee benefit commitments

The ÖBB Group has only entered into pension obligations granted under individual contracts, including for a former member of the Board of Management. There are otherwise, only defined contribution plans for pensions. In this case, the ÖBB Group makes payments into private-sector or public-sector pension schemes and employee provision funds on the basis of statutory or contractual obligations. Apart from the contribution payments, there are no further payment obligations. The regular contributions are recognised as personnel expenses in the respective period.

All other obligations (severance and jubilee obligations) result from unfunded defined benefit plans and are accrued accordingly. The ÖBB-Group calculates the provision using the projected unit credit method (PUC method) in accordance with IAS 19 ("Employee Benefits"). The remeasurement of net defined benefit obligations contains only actuarial gains or losses. Future obligations are valued according to actuarial principles and are based on an appropriate estimate of the discount factor and salary increases as well as fluctuation. In accordance with this method, the Group recognises actuarial gains and losses from provisions for severance payments in other comprehensive income and those from provisions for anniversary bonuses in personnel expenses.

Following legal amendment, employees hired in Austria after 01.01.2003 are covered by a defined contribution plan with regard to obligations from severance payments. Contributions are paid into a defined contribution plan.

See Note 26.1 for further details.

Changes in existing provisions for decommissioning, restoration and similar obligations

In accordance with IAS 16 "Property, Plant and Equipment", the acquisition cost of property, plant and equipment also includes the initial estimated cost of dismantling and removing the item and restoring the site where it is located. Provisions for decommissioning, restoration and similar obligations are measured in accordance with the provisions of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". The effects of changes in the measurement of existing decommissioning, restoration and similar liabilities are accounted for in accordance with IFRIC 1 "Changes in Existing Decommissioning, Restoration and Similar Liabilities". The regulations provide that any increase in such obligations reflecting the passage of time should be recognised in profit or loss. Valuation changes resulting from changes in the estimated timing or amount of the outflow of resources required to settle the obligation or from a change in the discount rate are to be added to or deducted from the cost of the related asset in the current period. The amount deducted from the acquisition cost of the asset may not exceed the carrying amount. If the adjustment results in an addition to the cost of an asset, the Rail Cargo Group is required to assess whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If any such indication exists, the asset is tested for impairment and any impairment loss recognised.

Contract assets and contract liabilities

Contract assets relate to the ÖBB-Personenverkehr Group's conditional claims for consideration for the complete fulfilment of contractual services. Claims from assets under contract, less amounts already charged to the customer, are also reported in the trade receivables item. The amount is charged to the customer when the Group has fulfilled its obligations.

Contract liabilities relate to payments received prematurely, i.e. before the contractual performance obligation has been fulfilled. These are recognised as revenue as soon as the ÖBB-Personenverkehr Group has fulfilled its contractual obligations. Contract liabilities include advance payments and other prematurely received payments on revenues for subsequent periods and are reported together with other liabilities.

In both reporting years, contract assets and contract liabilities were identified and reported under trade receivables and other liabilities, respectively. Further details are given in Notes 20 and 27.

Revenue recognition

ÖBB-Personenverkehr recognises revenue when it meets a performance obligation by transferring a promised good or service to a customer. An asset or service is transferred when the customer obtains control of the asset or service.

The sales revenue corresponds to the contractually agreed transaction price. In most cases, the consideration is due when the legal title has been transferred. In rare cases, deferred payments may be agreed, but generally not exceeding twelve months. No significant financing component is therefore taken into account in the transaction price.

If significant financing components exist, they are recognised in the statement of comprehensive income separately from revenues from contracts with customers if, at the inception of the contract, it is expected that the period between transfer and payment for the goods or services will be more than one year. There are no other significant variable components of the transaction price.

If costs that can be capitalised arise in connection with the initiation of a contract or in connection with the fulfilment of a contract with a customer, and the contract term is more than one year, they are capitalised. The ÖBB-Group does not have any contracts for which the contract term exceeds one year and for which capitalisable costs, which have not already been capitalised in accordance with IAS 16, have been incurred to a significant extent when initiating or fulfilling the contract. Accordingly, no contract initiation or fulfilment costs were capitalised.

Description of the most important revenue items from contracts with customers

ÖBB-Infrastruktur sub-group

Infrastucture usage charge (IBE)

An infrastructure charge is levied on the railway undertakings (RUs) for the use of the rail infrastructure of the ÖBB-Infrastruktur-Group. The contracts contain the orders placed by the individual RUs and are concluded by the ÖBB-Infrastructure-Group with the RUs. These orders are based on the Network Statement (SNNB), which contains a list of individual services for each working timetable period (e.g., for train paths, train movements and other services, transport stations, shunting). The charges per service and any surcharges-or discounts are published in the Network Statement. They are applied on a non-discriminatory basis to all RUs (without granting discounts).

The basic provisions for calculating and setting infrastructure charges (infrastructure charges) and service charges are contained in §§ 67 to 69b of the Railways Act. The basis for the charges tariff is the definition of the services to be provided to the RU. A key service of the ÖBB-Infrastruktur Group is the so-called "train path" product (minimum access package). The basic access package includes the main range of services without which orderly access to the railway infrastructure would not be possible.

The track access charges are published annually in the SNNB of ÖBB-Infrastruktur AG in conformity with the law. RUs have been ordering their train paths for the working timetable periods since December 2017 on the basis of the published Network Statement. The services are invoiced on a monthly basis and are based on the ACTUAL-accounting and settlement. The services ordered are charged to the customer one month in arrears. The customer receives the benefit from the company performance and uses the service while it is being provided. Any claims for reimbursement that are uncertain both in terms of reason and amount, depend on future events and may lead to an impending outflow of resources in the future are recognised in accordance with IAS 37. The amount of the possible recovery is estimated and a corresponding provision is created.

Energy deliveries and network usage charges

The performance obligation of the ÖBB-Infrastruktur sub-group consists of the supply of traction current to power traction units, auxiliary operations, wagon equipment and customers' fixed installations. A distinction is made between annual order quantities, repeat order quantities and short-term order quantities. Furthermore, the traction current network of the ÖBB-Infrastruktur sub-group is made available for the supply of traction current. The network usage charge is invoiced in accordance with the applicable network usage conditions. The charges are published annually by ÖBB-Infrastruktur AG in conformity with the law.

The transaction price is specified in the contracts. The fixed contracted quantity is determined for peak and off-peak tariffs as well as for energy recycling, based on the notification by the customers.

The energy price per MWh is determined for these peak and off-peak tariffs. For example, there are surcharges for follow-up and short-notice orders. A price cap was agreed for the fixed quantity already ordered for the second and third delivery years.

The agreed tariffs are the stand-alone selling prices. This is the respective price at which the ÖBB-Infrastruktur sub-group also sells this service to all other customers. The network charge in particular is a regulated price with no possibility of any divergence. All performance obligations are provided at the same time as the supply of energy, which is why there is no need to apportion the transaction price.

The supply of traction power and the service of network utilisation and conversion are continuous, i.e. the customers receive the benefit of the company service and use the service while it is being provided. The transfer of control takes place at the time of utilisation by the customers.

Power supplies are discounted monthly amounting to one-twelfth of the quantity ordered. After year end, billing is based on the actual amount of electric power purchased compared to the amount ordered, including any surcharges and discounts. Settlement of accounts is recorded in the year of supply.

Rental revenue

Rental revenue accrues from the rental and leasing of real estate and cars. These are fixed price contracts where revenue is recognised in the reporting period in which the services are provided. The customer receives and consumes the service at the same time. Rents are recognised on an accrual basis in accordance with the provisions of the relevant agreement. Turnover rents are rents that are charged depending on the turnover generated by the tenant and are realised when it is possible to determine the amount of income with sufficient reliability.

Revenue from realisation properties

Realisation properties relate to properties that are no longer used for operational purposes and are being developed for subsequent sale. These are former station and railway facilities that were used for permanent operations. These include substantial projects such as the areas of the former Südbahnhof, the Vienna North freight terminal and the Nordwestbahnhof, which are being developed on a major scale. Revenue is recognised when authority to dispose over the property transfers to the customer.

Rail Cargo Group sub-group

The revenue generated by the Rail Cargo Austria subgroup with external customers is mainly attributable to freight transport services, services of general economic interest and the leasing of vehicles.

Freight transport services are transport services of goods in freight wagons by rail or forwarding services, whereby all services are based on contracts.

Transport services by rail are provided as single-wagon transport or block trains, depending on the extent of the transport order. Waybills are the basis for rail transportation. These are transport documents that contain all relevant data from the place of dispatch and receipt to the type of goods, the weight and the customer tariff. Invoicing to the customers is effected directly after the service has been rendered by means of an integrated automatic invoicing program. The customer agreement forms the basis for invoicing. A customer tariff is used to agree on the invoicing conditions, such as volume and distance components, as well as the corresponding prices. More than 60% of the payment is received immediately after invoicing, the rest after a maximum of 30 days.

In addition to rail transport, forwarding services also include additional services such as pre-carriage and onward-carriage by truck, container lifts, interim storage, customs clearance, etc. Invoicing takes place immediately after the contractual service is rendered. Invoices are payable within 30 to 45 days.

Services of general economic interest comprise income from charges contractually agreed with the Republic of Austria for services in the production forms of single-wagon transport, unaccompanied combined transport and "rolling highway". The payments are made as monthly down payments, the year-end settlement takes place in the following year.

Revenue from the leasing of vehicles relates to the use of the Group's own freight wagons by other railway administrations within the framework of the RIV agreement for the international exchange of freight wagons (Regolamento Internazionale die Veicoli). International settlement takes place in the following months.

All of the above performance obligations have in common that they will be predominantly realised at a certain point in time.

ÖBB-Personenverkehr sub-group

Tariff revenues

Customers can purchase tickets which entitle them to use the services of ÖBB-Personenverkehr AG. This applies to national and foreign journeys with ÖBB by bus and train. The invoice for the ticket is generally due immediately in accordance with the "Handbook for Travelling with ÖBB in Austria". If customers opt for a customer card, the invoice is due at different times depending on the type of contract. The ÖBB-Personenverkehr sub-group defines the allocated amounts and records the actual kilometers covered in the period if it is probable that the customers have redeemed the tickets. Customers have the opportunity to purchase customer cards with an extended validity period (up to one year). Revenues from the customer cards are allocated to the individual regions for the individual periods of a year using a specific formula. Revenue is deferred on the liabilities side of the balance sheet to the extent that it is income for a specific period after that date.

Public service compensation Federal Government

The traffic service orders of the Federal Government result from the public service contracts concluded with Schieneninfrastruktur Dienstleistungsgesellschaft mbh (SCHIG) pursuant to § 48 BBG on the basis of Regulation (EC) 1370/2007 from 2010. In most cases, the compensation must be paid by the 10th of the following month. Revenue is recognised during the year when the invoicing is completed. A year-end statement takes into account the actual service performed plus the quality bonus minus the default.

Revenue from traffic service orders with provinces and communities

The transport service orders with provinces and communities include income from fees for transport service orders contractually agreed with the provinces and communities. Most invoices (over 85% of sales volume) are issued monthly (individual contracts differ and provide for annual, semi-annual or quarterly payments) and are payable within a maximum of 30 days. Revenue is recognised during the year when the invoicing is completed. Revenue is deferred on the liabilities side of the balance sheet to the extent that it is income for a specific period after that date.

Rent and lease

ÖBB-Personenverkehr AG receives a compensation based on the kilometers travelled for the use of wagons by third party RUs within the framework of the RIC (Regolamento Internazionale delle Carrozze; English: International Coach Regulations). The billing is mainly based on the number of kilometers driven and is invoiced monthly. Revenue is recognised when the invoicing is completed. Revenue is deferred on the liabilities side of the balance sheet to the extent that it is income for a specific period after that date.

Maintenance/repair

Revenue from maintenance/maintenance results from revenue generated by the bus workshops and the Technical Services workshops with third parties. Repairs are carried out for the customer and then invoiced to the customer. The invoice is sent to the customer after completion of the repair order. Revenue continues to be recorded during repair work (from the time it is taken from the warehouse to work time). Once the order has been completed, an invoice is created and processed in the IT-system. Revenue is accrued in accounts payable to the extent that it is revenue for a period subsequent to that date.

Other revenue

Other revenue includes revenue from telecommunication services, repair services, cleaning and security services and services related to the operation of the container terminals, commissions from ticket issues, services from the travel agency at the station as well as income from services in community and transition stations and the resolution of damage claims with internal and external partners. Invoices are issued in accordance with the contractual agreements. Revenue is recognised when the invoicing is completed. Revenue is deferred on the liabilities side of the balance sheet to the extent that it is income for a specific period after that date.

Performance-related grants

Grants related to expenses awarded to the ÖBB-Group are recognised in profit or loss and in line with the timing of expenses immediately upon fulfilment of the preconditions. The federal grant pursuant to § 42 (1) and (2) of the Federal Railways Act for operations management, inspection, maintenance, fault clearance and repair as well as for expansion and reinvestment (annuity subsidy) is a government grant, as the federal government wishes to promote the operation and expansion of the railway infrastructure through this subsidy, with the result that the ÖBB-Infrastruktur Group presents these subsidies under other operating income. Such grants are not netted against the subsidised expenses in the income statement. See the explanations in Note 32 with regard to the special features of federal grants.

Interest and dividends

Interest is recognised using the effective interest method in accordance with IFRS 9. Dividends are recognised when the shareholder’s right to receive payment is established.

Borrowing costs are capitalised for significant qualifying assets in accordance with IAS 23 "Borrowing Costs".

Research and development costs

In accordance with IAS 38 “Intangible Assets”, research costs refer to original and planned research performed to gain new scientific or technical knowledge and understanding, and they are recognised as expenses in the period in which they were incurred. Development costs are defined as costs incurred for using research findings to achieve technical and commercial feasibility. If development costs cannot be separated from research costs, the development costs are recognised as expenses in the period in which they are incurred, in accordance with IAS 38. If the capitalisation requirements of IAS 38 are met, development costs are recognised as intangible assets.

Tax position

Pursuant to § 50 (2) of the Federal Railways Act as amended by Federal Law Gazette No. 95/2009, ÖBB-Infrastruktur AG has been exempt from federal taxes with the exception of value-added tax, from federal administrative levies and from court and judicial administrative levies since 2005, insofar as these levies and charges result from the performance of the respective tasks provided for in the Federal Railways Act (partial tax exemption).

Essentially, the following areas of ÖBB-Infrastruktur AG have been classified as subject to income tax:

- Income from the electric power business
- Provision of non-railway infrastructure-related services
- Management (including development and sale) of real estate that does not constitute railway assets within the meaning of § 10a Railway Act
- Investment management

In December 2005, a contract on group taxation was concluded with ÖBB-Holding AG as head of the tax group and the majority of the ÖBB-Group companies as group members. To date, no foreign company is part of the corporate tax group. Rules on tax equalisation were agreed between the head of the tax group and the group companies. The positive tax assessments determined in accordance with these provisions are calculated in accordance with the "stand-alone" method (calculated from the tax independence of the individual group members for calculating the levy). A positive tax result is generally charged at the applicable corporate income tax rate for the year of the financial statements. In the event of a negative result, the group parent must pay a tax allocation to the group member to the extent that the negative tax result of the group member can effectively be used. The financial claims and obligations arising from the tax group contract forms the basis of the current financial result of each member of the group.

The use of tax losses is subject to the primacy of the subgroup approach and the principle of equal treatment of the participants in the group of companies within the respective subgroup; in addition, the principle of equal treatment of the participants in the group of companies applies to the use of tax losses across subgroups.

As at the reporting date, the tax group of the financial unity for VAT purposes pursuant to § 2 UStG consists of the controlling company ÖBB-Holding AG and several Austrian companies of the ÖBB Group.

Deferred taxes

Deferred taxes are recognised - subject to existing exemption provisions - for all temporary differences between the tax base of assets and debts ("tax base") and their carrying amounts in the IFRS financial statements (so-called liability method), insofar as these relate to assets and debts connected with non-exempt business operations.

If deferred taxes arise from the initial recognition of an asset or a debt resulting from a transaction other than a business combination which neither affects the accounting profit or loss nor the taxable profit at the time of the transaction, no deferred taxes are recognised at the time of initial recognition and thereafter.

Deferred tax debts arising from temporary differences in connection with investments in subsidiaries and associated companies are recognised, unless the ÖBB-Personenverkehr Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future due to this influence.

Deferred taxes are measured at the tax rates (and under the tax regulations) that have been enacted or substantially enacted on the reporting date and that are expected to apply in the period when the deferred tax claims are realised or the deferred tax debts are expected to be settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences and loss carryforwards are utilised.

Deferred taxes are offset directly with equity or credited to it when the tax relates to items that are offset or credited to equity in the same or another period.

Use of estimates and judgement

The preparation of the Consolidated Financial Statements requires the Board of Management to make estimates and assumptions that may affect the amounts of assets, liabilities, and contingent liabilities reported at the reporting date and the amounts of income and expenses of the period under review. Actual results may differ from these estimates. All estimates and assumptions are updated on a regular basis and are based on experience and other factors, including expectations with respect to future events deemed to be reasonable under the given circumstances.

In applying the accounting policies of the ÖBB Group, the Board of Management makes judgements and estimates, for example, in applying hedge accounting, in assessing the transfer of relevant risks in leasing transactions, in assessing the extent to which renewal or termination options are exercised as lessee in assessing the term of leases, and in recognizing and accounting for federal subsidies pursuant to §§ 41f BBG. Additionally, as of the reporting date, the Board of Management made key assumptions concerning the future and identified key sources of estimation uncertainty at the reporting date which bear a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year.

The useful lives have been reviewed. The economic risk was properly taken into account by carefully measuring the provisions in the required amount. The adequacy of allowances has been reviewed. The parameters for the impairment tests of the cash-generating units were updated in accordance with the interest rate development and the benchmarks customary in the industry. The insurance and financial mathematics determinations for the measurement of severance payments and anniversary bonuses were determined responsibly. The activation of goodwill is exclusively based on external expertise.

a) Employee benefit plans

Obligations for severance payments and anniversary bonuses are measured by applying parameters such as the expected discount rate, long-term rate of compensation increases, and staff turnover. If the development of the relevant parameters differs significantly from the expectations, this can have a decisive effect on the provisions and, as a result, on the net personnel expenses for severance payments and anniversary bonuses of the ÖBB-Group. With regard to long-term personnel provisions (severance payments and anniversaries), the discount rate, rate of compensation increases and fluctuations were adjusted to the changed conditions in both financial years. The impact of possible changes of parameters is disclosed in Note 26.1.

b. Impairment losses and reversals

Impairment testing of intangible assets and property, plant and equipment is generally based on discounted estimated future net cash flows that are expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Factors such as lower revenue and the resulting decreases in net cash flows and changes in the discount rates used can lead to impairments. In the financial year 2020, an impairment test was carried out on the reporting date which did not result in any additional impairment losses after the calculated value in use exceeded the current carrying amounts.

In the financial year 2021, impairment tests resulted in impairment losses of approx. EUR 44.6 million in the Cargo CGU, impairment losses of approx. EUR 29.3 million in the Intermodal CGU, and a reversal of historical impairment losses to the amortised cost of the tested assets of approx. EUR 29.5 million in the Technical Services CGU. The recoverable amount of both the CGU Cargo and the CGU Intermodal represents the value in use of the CGU, as according to analyses the fair value less cost of disposal is lower. The recoverable amount of the CGU Cargo is approx. EUR 1,115.9 million and for the CGU Intermodal approx. EUR 184.3 million.

It was assumed for the impairment test that there will be subsidies for single-wagon transport in one of the main markets of CGU Cargo and CGU Intermodal in the planning period for the purpose of shifting freight to rail.

With regard to the carrying amounts of intangible assets and property, plant and equipment, reference is made to the schedule of assets in Notes 14 and 15. Further information on the effects of impairment losses and reversals of impairment losses is provided in Notes 14 and 15. Information on the impairment calculation methodology, the structure of the cash-generating units and the calculation premises is provided in Note 3 in the section "Impairment of property, plant and equipment, intangible assets and investment property".

b. Estimated useful lives of property, plant and equipment and intangible assets

The estimated useful lives are determined according to the circumstances of the company with usual maintenance costs. Actual use may differ from these estimates. A sensitivity analysis showed that a change in useful life of -/+ 1 year would increase depreciation and amortisation by approx. EUR 194.4 million (py: approx. EUR 195.7 million) or decrease it by approx. EUR 157.1 million (py: approx. EUR 150.4 million). The adequacy of the useful lives is subject to an annual or case-by-case review.

The useful lives determined in 2020 will principally apply unchanged in 2021. In the current reporting year, there were changes for the following facilities: The useful life of newly added equipment in the traction power lines was extended from 35 to 40 years. The useful life of drainage systems was extended from 20 to 35 years for both existing systems and new acquisitions, which led to a reduction in depreciation in the amount of approx. EUR 7.5 million). The annual effect for the following years is of a comparable order of magnitude. The useful life for mainline tracks and continuous main tracks was reduced by five years for certain installations between Vienna and Innsbruck - depending on the load (greater than 50 tonnes) - which led to an increase in depreciation of approx. EUR 14.0 million (one-off effect). In financial 2021, the useful lives of certain assets in other equipment, factory and office equipment were extended from 5 to 8 years. This reduces annual depreciation and amortisation by approx. EUR 1.3 million. This is a change in estimate that is applied prospectively.

d. Provisions

Provisions are measured according to the best estimate, i.e., the amount that the company would have to pay, under reasonable consideration, to settle or transfer the obligation to a third party as of the reporting date. In the 2020 business year, the provisions already existing in the previous year for infrastructure utilisation fees charged in the past were adjusted accordingly; they reflect the current status of the regulatory proceedings. The necessary adjustments are shown in the schedule of provisions.

As of 31.12.2021, several regulatory proceedings existed. These proceedings, which are at different procedural levels, cover the period from December 2011 to 2021. In terms of content, the main issues are the determination and definition of the infrastructure usage charge (from December 2011 to December 2017), the charges under the new infrastructure charging model for the period from December 2019 to December 2021 ("train path" product with regard to directly attributable costs and market mark-ups in conformity with the law), and the permissibility of the level of station charges for the use of service facilities from December 2011 to 2021.

Further proceedings concern the traction current grid utilisation charges for the period from 2016. For the 2019 and 2020 charge years, notices were issued by the SCK in April 2021, against which appeals were filed with the Federal Administrative Court (BVwG). Since these appeals have no suspensive effect, the RUs were issued corresponding credits in financial year 2021.

The outcome of the pending proceedings may lead to a change in the charges previously invoiced by ÖBB-Infrastruktur AG, resulting in a reimbursement obligation for ÖBB-Infrastruktur AG (a subsequent claim for charges is also conceivable, but legally in dispute). These risks were assessed individually for each case or proceeding with the involvement of experts and taken into account in the balance sheet in the form of provisions. The necessity and amount of the provisions are largely dependent on management acceptance and assessment of the outcome of the proceedings. Uncertainties exist in particular due to the difficulty in assessing results of the interpretation of legal issues by the supervisory authority, administrative courts or courts of law that have not yet been fully judged, possible restrictions on the temporal effect of decisions, and with regard to the type, scope and amount of recognised costs and market mark-ups as a basis for charging tariffs for the use of rail infrastructure.

The valuation of the provision for decommissioning costs basically assumed the continued existence of the ÖBB Group and the continued operation of the company and therefore the continued operation of the lines. Only if a decommissioning of individual lines is expected in the foreseeable future or has already been initiated are the decommissioning costs estimated and provisions created. The amount of the expected decommissioning costs depends largely on the assumptions of the decommissioning scenarios.

The provision for environmental protection measures relates to the costs incurred in removing contamination from the company properties and land. The basis of the cost assessment is based on the presumed extent of contamination. The cost assessment is based on a conservative remediation, i.e. total excavation with subsequent landfilling. Should other remediation measures be agreed with the competent authority that lead to a reduction in financial expenditure, this will be taken into account in the annual statement.

The provision for clearance costs covers contractual obligations in connection with the sale of properties and future costs in connection with properties that have already been sold but are still under development.

No reliable information on a sensitivity analysis, in particular for the probability of occurrence for environmental risks, for decommissioning costs and for clearance costs, is feasible. See the safeguard clause IAS 37.92 with regard to regulatory procedures (Note 26.2).

Proceedings of the Competition Authorities

Corresponding provisions were formed for legal risks. These also include provisions for risks from the current ongoing competition law investigations against group companies. These investigations are expected to continue for some time. The amount of any financial penalties and claims that may have to be paid is subject to uncertainty. A further breakdown for the purpose of minimising litigation risk remains to be done.

The provisions are shown in Note 26.2.

e. Income taxes

Deferred tax assets were recognised for temporary differences between the tax base and the carrying amounts of assets and liabilities and for losses carried forward. Should the tax assessment on the qualification of the divisions of ÖBB-Holding AG as tax-exempt and taxable change, or should insufficient taxable results be available in the future, this may have a significant impact on the amount of deferred tax assets. When assessing the recoverability of deferred tax assets, the Board of Management evaluates the expected usage within the five-year tax planning period (Note 13).

Tax matters are subject to uncertainty with regard to their assessment by the tax authorities and it cannot be ruled out that in individual cases they may come to different results. If changes in the assessment are likely, a corresponding provision is created.

f. Cross-border leasing

In respect of contractual parties to investments with at least an AA+ rating or for which a subsidiary guarantor liability is assumed by the government for their performance, the default risk is still regarded as extremely low, so that no need for any change is seen at present and these transactions can continue to be disclosed off balance. Should there be unexpected defaults on these investments or should requirements for the minimum rating no longer be fulfilled, the obligations from the transactions and the investments will be recognised in the Statement of Financial Position, and allowances for these investments will be recognised or the repayment vehicle will be exchanged (Note 30.3).

g. Financial obligations

Various proceedings, lawsuits and other claims against or by ÖBB-Holding AG and its subsidiaries are pending in the ordinary course of business. These issues are subject to a large number of uncertainties, and the outcome of the negotiations or processes cannot be predicted with certainty. Consequently, as of 31.12.2021, the Board of Management is unable to determine the total amount of financial liabilities or claims, or their impact on the ÖBB-Holding Group financial position with final certainty. These procedures could materially affect the results when they are finalised. However, the Board of Management believes that after final settlement of such cases, the outcome will not significantly exceed the provisions recognised, and therefore will not have any significant consequences on the consolidated financial statements.

h. Information related to climate policy aspects and risks (climate change)

The ÖBB-Group understands sustainability in a holistic way and combines successful business management with ecological compatibility and social responsibility. This achieves a sustainable corporate orientation in the sense of the preventative principle. Based on this holistic approach, both the opportunities and the risks, by the company on the environment as well as for the company itself, are identified in terms of sustainability. In an initial analysis, the following risks and opportunities were identified for climate change that have an impact on the ÖBB-Group.

- The risk of increased extreme weather events (floods, mudslides, storms, heat waves, etc.) has an impact on the operation of trains/buses and infrastructure as well as on customers. To counteract this, the ÖBB-Group is taking appropriate measures, such as the introduction of suitable monitoring and early warning systems as well as targeted research and development focuses to increase the resilience of facilities, systems and vehicles.
- However, climate change also presents an opportunity for the company in terms of growth in public transit and expansion of rail and bus services, resulting in a potential increase in revenue/sales. Subsequently, however, this is also associated with necessary investments in expanding the capacity of the rail system.
- Climate change and related developments indirectly result in the risk of an increase in energy prices for the ÖBB-Group, both for renewable energy (due to shortages on the market) and for fossil energy (due to the introduction of the Co_2 tax).
- In addition, the introduction of higher standards in the area of sustainability reporting and the application of the EU Taxonomy Regulation will result in significant additional expense in the area of sustainability management and associated additional reporting and controlling activities. In the future, this reporting will form the basis for accessing and implementing sustainable forms of financing.

More detailed information on the topic of climate change is available in the ÖBB Sustainability Report 2021 in the modules Climate Protection, Adaptation to Climate Change and Sustainable Finance.

Management has considered the effects of climate change in the course of preparing the consolidated financial statements. No aspects related to climate change have been identified that would lead to an adjustment of the carrying amounts of assets and liabilities in the current consolidated financial statements.

Differentiation of maturities

Deferred taxes are to be recognised as non-current in accordance with IAS 12. The short-term portion is therefore correspondingly disclosed in the Notes (Note 13). Realisation properties are recognised in inventories, although their realisation is not expected within the next twelve months. The long-term portion is disclosed in the Notes (Note 21). Where trade receivables and trade payables are non-current, they are included in current items in accordance with IAS 1 "Presentation of Financial Statements" and are disclosed in Note 20 and 27.

Offsetting

The carrying amount of disposals and proceeds from the disposal of property, plant and equipment, and intangible assets as well as swap interest are offset with the original interest expense (Note 29.2). Furthermore, income from the structuring and profiling of electric power purchases as well as from compensating energy amounting to approx. EUR 107.4 million (py: approx. EUR 78.4 million) are offset against the expenses from the purchase of electric power.

Concentration of risks

As of the reporting dates, no significant dependence on particular non-group, suppliers or creditors whose sudden default might significantly affect business operations existed. Furthermore, there is no concentration of personnel services or providers of other services, franchises and licences or other rights on which ÖBB Group is dependent and whose sudden loss could seriously jeopardise business operations. The ÖBB Group invests its funds with various banks and credit institutions with good credit ratings. See Note 32 for information on the financing and grants awarded by the Republic of Austria as well as grant agreements.

COVID pandemic - financial implications

The COVID pandemic had a financial impact on the 2020 and 2021 reporting years. The most significant effects on the consolidated income statement are detailed in the following.

As at the reporting date, the ÖBB Group had applied for COVID 19 investment grants in the amount of approx. EUR 7.0 million (py: approx. EUR 0.7 million). The investment grants are to mainly be used for the purchase of new software. Due to the reduction of the infrastructure usage charge for Austria in the amount of approx. EUR 129.6 million (py: approx. EUR 88.2 million), these were refunded by the federal government on the basis of § 42 BBG and increased other operating income. The lease refunds granted amounted to approx. EUR 5.1 million (py: approx. EUR 2.9 million). Refund amounts based on separation notices in accordance with the Epidemics Act, for exempt employees with risk certificates in accordance with the ASVG and for employees on short-time work were paid in the amount of approx. EUR 19.3 million (py: approx. EUR 29.2 million) and recognised in other operating income. The additional expense for ordering protective masks and disinfectants, COVID-Tests etc. amounts to approx. EUR 16.5 million (py: approx. EUR 9.8 million) and is reported under other operating expenses.

In the reporting year 2021, the ÖBB-Group did not have to raise any additional financial resources due to COVID and there were no additional interest and financial expenses. In 2020, approx. EUR 674.0 million in financial resources were raised in this connection, most of which were used to cover short-term liquidity requirements at the time. The additional interest and other financial expenses resulting from the COVID crisis amounted to approx. EUR 1.4 million in the previous year and were reported in the financial result.

B. NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND THE CONSOLIDATED INCOME STATEMENT

4. Revenue

	2021 in EUR million	2020 in EUR million
Passenger and baggage transport	2,096.9	2,027.6
thereof traffic service orders by the federal government	*1,198.2*	*1,187.9*
thereof traffic service orders by the provinces and communities	*277.3*	*256.7*
Goods transport	1,711.7	1,549.4
thereof public services contracted by the federal government	*107.0*	*92.3*
Rent and lease	198.0	197.7
Maintenance and repair	82.9	65.0
Recovery objects	37.4	23.8
Energy	37.3	31.9
Traction services	17.4	16.7
Infrastucture usage charge	9.4	13.6
Other revenue	164.5	157.4
Total	**4,355.5**	**4,083.1**

The traffic services ordered by the federal government result from the public service contracts concluded with the federal government or SCHIG (Schieneninfrastruktur-Dienstleistungsgesellschaft mbH) pursuant to § 48 of the Austrian Federal Railways Act on the basis of Regulation (EC) 1370/2007 for 2016.

Revenue from contracts with customers is broken down into the following categories for the three subgroups Rail Cargo Group, Passenger Transport and Infrastructure. Only revenue that is subject to IFRS 15 is reported. In particular, revenue from rents and leases is largely outside the scope of IFRS 15.

	2021	Term of the contract		Date of transfer of services		Customer	
in EUR million	Revenue according to IFRS 15	Current	Non-current	Time-related	Period-related	Federation	Other costu-mers
Passenger and baggage transport	2,097.9	495.7	1,602.2	437.6	1,660.3	1,475.5	622.4
thereof traffic service orders by the federal government	*1,198.2*	*0.0*	*1,198.2*	*0.0*	*1,198.2*	*1,198.2*	*0.0*
thereof traffic service orders by the provinces and communities	*277.3*	*1.1*	*276.2*	*0.0*	*277.3*	*277.3*	*0.0*
Goods transport	1,510.2	1,501.4	8.8	0.0	1,510.2	107.0	1,403.2
Rent and lease	3.9	2.2	1.7	0.2	3.7	0.0	3.9
Revenue from real estate recovery projects	37.4	37.4	0.0	37.4	0.0	0.0	37.4
Maintenance/repair	78.1	76.4	1.7	0.0	78.1	0.0	78.1
Infrastucture usage charge	9.4	9.4	0.0	0.0	9.4	0.0	9.4
Energy	37.3	37.3	0.0	1.2	36.1	0.0	37.3
Traction services	17.2	17.2	0.0	0.2	17.0	0.0	17.2
Other revenue	142.3	142.0	0.3	53.8	88.5	0.0	142.3
Total	**3,933.8**	**2,319.1**	**1,614.7**	**530.5**	**3,403.3**	**1,582.5**	**2,351.3**

in EUR million	2020 Revenue according to IFRS 15	Term of the contract Current	Term of the contract Non-current	Date of transfer of services Time-related	Date of transfer of services Period-related	Customer Fede-ration	Customer Other customers
Passenger and baggage transport	2,015.3	434.3	1,581.1	396.8	1,618.6	1,444.6	570.7
thereof traffic service orders by the federal government	*1,187.9*	*0.0*	*1,187.9*	*0.0*	*1,187.9*	*1,187.9*	*0.0*
thereof traffic service orders by the provinces and communities	*256.7*	*0.0*	*256.7*	*0.0*	*256.7*	*256.7*	*0.0*
Goods transport	1,353.6	1,350.0	3.6	0.0	1,353.6	92.3	1,261.3
Rent and lease	4.8	3.0	1.8	1.7	3.1	0.0	4.8
Revenue from real estate recovery projects	23.8	23.8	0.0	23.8	0.0	0.0	23.8
Maintenance/repair	61.6	60.7	0.9	0.0	61.6	0.0	61.6
Infrastucture usage charge	13.6	13.6	0.0	0.0	13.6	0.0	13.6
Energy	30.9	30.9	0.0	0.8	30.1	0.0	30.9
Traction services	16.7	16.7	0.0	16.7	0.0	0.0	16.7
Other revenue	147.4	147.4	0.0	79.5	67.9	0.0	147.4
Total	**3,667.9**	**2,080.4**	**1,587.4**	**519.3**	**3,148.5**	**1,536.9**	**2,131.0**

The order volume from customer contracts with contractually fixed outstanding revenues (so-called secured revenues for which no variable payments have been agreed) is distributed as follows:

Dec 31, 2021 in EUR million	Total non-current benefit obligations	Benefit obligation during 2022	Benefit obligation during 2023	Benefit obligation during 2024	Benefit obligation after 2024
Passenger and baggage transport	347.5	85.7	42.9	37.9	181.0
Goods transport	23.4	9.8	10.0	1.8	1.8
Public services provided by the federal government	4,847.0	1,255.0	1,176.0	1,209.8	1,206.2
Traffic service orders	1,414.3	281.1	236.2	248.6	648.5
Total	**6,632.3**	**1,631.7**	**1,465.0**	**1,498.1**	**2,037.4**

Dec 31, 2020 in EUR million	Total non-current benefit obligations	Benefit obligation during 2021	Benefit obligation during 2022	Benefit obligation during 2023	Benefit obligation after 2023
Passenger and baggage transport	323.7	102.7	42.3	34.4	144.3
Goods transport	11.5	3.9	4.0	1.8	1.9
Public services provided by the federal government	1,235.1	1,235.1	0.0	0.0	0.0
Traffic service orders	895.6	241.5	166.7	134.8	352.7
Total	**2,466.0**	**1,583.3**	**212.9**	**170.9**	**498.8**

Remaining revenues relate to periods of no more than one year or are invoiced at a fixed rate. As permitted by IFRS 15, the transaction price allocated to these unfulfilled performance obligations is not disclosed.

5. Other own work capitalised

Directly attributable personnel expenses and expenses for materials as well as appropriate parts of material and work overheads were taken into account in determining the own work capitalised in connection with the construction of assets. This item also includes own work capitalised that is produced within the Group by a subsidiary for other affiliated companies. Own work capitalised mainly arises in connection with the construction or expansion of railway infrastructure.

6. Other operating income

	2021 in EUR million	2020 in EUR million
Government grant pursuant to Article 42 Austrian Federal Railways Act	1,970.4	2,016.8
Proceeds from the disposal of property, plant and equipment, investment property and non-current assets held for sale	90.9	65.1
Exchange rate differences	7.5	11.1
Compensation received	7.2	10.4
Miscellaneous other operating income	77.9	87.6
Total	**2,154.0**	**2,191.0**

The contribution of the Federal Government pursuant to § 42 of the Federal Railways Act serves to ensure the provision, operation and maintenance of the railway infrastructure as well as the fulfilment of statutory tasks to the extent that the revenues to be generated by the users of the railway infrastructure (infrastructure usage charge) cannot cover the expenses incurred in the event of economical and efficient management. See Note 32 for more details on the grant agreement.

Miscellaneous other operating income includes income from penalties, apprenticeship subsidies and write-offs of former liabilities.

7. Cost of materials and purchased services

Cost of materials and purchased services	2021 in EUR million	2020 in EUR million
Raw materials and supplies	191.6	196.4
Power	110.7	92.1
Other expenses for materials	103.4	91.3
Subtotal expenses for materials	**405.7**	**379.8**
Third-party transport services	651.2	596.5
Rent for rail and road vehicles	131.9	121.5
Infrastucture usage charge	76.4	79.4
Other services received	542.8	516.4
Subtotal expenses for services received	**1,402.2**	**1,313.8**
Total	**1,808.0**	**1,693.6**

Other material expenses mainly include expenses for liquid fuels. The expenses for other purchased services mainly relate to forwarding services, import and customs duties as well as ineligible supplies and services in connection with repairs, maintenance, cleaning and other services. The production costs of the realisation properties sold, which are recognised as expenses, amount to approx. EUR 8.9 million (py: approx. EUR 5.3 million).

8. Personnel expenses and employees

	2021 in EUR million	2020 in EUR million
Wages and salaries	2,154.4	2,135.9
Statutory social security contributions	554.9	552.3
Expenses for severance payments	21.3	21.3
Pension costs	15.4	28.5
Other social expenses	5.4	4.9
Total	**2,751.5**	**2,742.9**

The interest expense from the compounding of personnel provisions is reported under personnel expenses.

The employee structure is as follows:

Number of employees	Dec 31, 2021	Dec 31, 2020	Change Reporting date	Change in %	Average 2021	Average 2020
Employees	14,847	13,972	875	6%	14,454	13,709
Workers	10,495	9,759	736	8%	10,128	9,380
Tenured employees	16,556	18,141	-1,585	-9%	17,337	18,845
Total (excl. apprentices)	**41,898**	**41,872**	**26**	**0%**	**41,919**	**41,934**
Apprentices	1,775	1,787	-12	-1%	1,614	1,630
Total (incl. apprentices)	**43,673**	**43,659**	**14**	**0%**	**43,533**	**43,564**

Number of employees (FTE)	Dec 31, 2021	Dec 31, 2020	Change Reporting date	Change in %	Average 2021	Average 2020
Employees	14,488.5	13,652.2	836.3	6%	14,105.4	13,393.5
Workers	10,353.9	9,638.4	715.5	7%	9,996.5	9,266.8
Tenured employees	16,115.5	17,655.9	-1,540.4	-9%	16,876.5	18,284.6
Total (excl. apprentices)	**40,957.9**	**40,946.5**	**11.4**	**0%**	**40,978.4**	**40,944.9**
Apprentices	1,775.0	1,787.0	-12.0	-1%	1,613.6	1,629.6
Total (incl. apprentices)	**42,732.9**	**42,733.5**	**-0.6**	**0%**	**42,592.0**	**42,574.5**

9. Depreciation and amortisation

	2021 in EUR million	2020 in EUR million
Depreciation on property, plant and equipment	1,285.2	1,247.0
thereof low-value assets	*8.9*	*7.7*
Depreciation IFRS 16	93.2	83.1
Amortization of intangible assets	113.3	57.9
Depreciation on investment property	4.1	4.2
less amortisation of investment grants	-158.9	-168.2
Total depreciation and amortization	**1,336.9**	**1,224.0**

After impairment tests, impairment losses of approx. EUR 73.9 million (py: none) were incurred in 2021, which are recognised in depreciation of property, plant and equipment for approx. EUR 25.2 million and in amortisation of intangible assets for approx. EUR 48.7 million. Further details are given in Notes 14 and 15.

10. Other operating expenses

The other operating expenses of the ÖBB Group are composed as follows:

	2021 in EUR million	2020 in EUR million
Cost of operation	103.4	101.0
Compensation for travel and other expenses	46.2	44.9
Non-income taxes	42.6	46.8
Loss on disposal of property, plant and equipment and intangible assets	34.5	31.5
Marketing, sales and customer service	26.8	21.1
Rent, lease and license expenses	15.0	14.9
Legal and consultancy fees	14.3	12.0
Impairment losses on trade receivables	9.3	37.2
Miscellaneous other operating expenses	169.2	129.8
Total	**461.3**	**439.2**

Miscellaneous other operating expenses include in particular expenses for office requirements, training and further education, postal, bank and telephone charges, insurance and maintenance by third parties.

The expenses for services rendered by the auditors of the consolidated financial statements and the individual financial statements are also included in the miscellaneous other operating expenses and break down as follows:

Total auditors' fees	2021 in kEUR	2020 in kEUR
Annual financial statements and consolidated financial statements audit	1,671	1,693
Other auditing services	95	101
Consulting services	20	0
Other services	1,410	911
Total	**3,196**	**2,706**

The auditor's fees shown above include the fees for all auditors working for the Group. The following expenses are attributable to the auditor of the ÖBB Group:

Fee of the auditor of the consolidated annual financial statments	2021 in TEUR	2020 in kEUR
Annual financial statements and consolidated financial statements audit	502	537
Other auditing services	95	97
Consulting services	5	0
Other services	301	97
Total	**903**	**731**

The annual and consolidated financial statements for both financial years were audited by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H..

11. Interestincome and interest expenses

The interest income/expenses of the ÖBB Group are composed as follows:

Interest income/expenses	2021 in EUR million	2020 in EUR million
Interest income	24.4	20.0
Interest expenses	-503.3	-572.3
Total	**-478.8**	**-552.3**

Interest expenses relate to bonds in the amount of approx. EUR 362.8 million (py: approx. EUR 416.8 million). In addition, interest expenses are incurred for EUROFIMA, OeBFA loans, for other borrowings, for still existing or former cross-border leasing transactions and derivative financial instruments. Of the total interest expenses, approx. EUR 109.4 million (py: approx. EUR 107.2 million) was capitalised in accordance with IAS 23 Interest on Cost of Qualifying Assets.

12. Other financial result

The other financial result of the ÖBB Group is made up as follows:

Other financial result	2021 in EUR million	2020 in EUR million
Other financial income	39.2	16.1
thereof from measurement/foreign currency translation differences	*17.7*	*13.8*
thereof income from disposal and appreciation of financial assets	*0.2*	*0.0*
thereof income from investments	*0.2*	*0.2*
Other financial expenses	-19.9	-30.7
thereof from measurement/foreign currency translation differences	*-18.0*	*-28.7*
Total	**19.2**	**-14.6**

In addition to exchange rate differences, other financial income relates to valuation gains from derivatives and income from the valuation of electricity derivatives held for trading purposes.

In addition to exchange rate differences, other financial expenses relate in particular to changes in the fair value of derivative financial instruments.

13. Income taxes

The item Income Taxes comprises the following:

	2021 in EUR million	2020 in EUR million
Current income tax	-8.6	-6.9
Deferred tax expense/tax benefit	84.0	11.4
Income taxes	**75.4**	**4.5**

Domestic taxes are calculated at 25% of the estimated taxable profit for the financial year. See Note 35 regarding the change in the tax rate as of January 2023 and its effects. Foreign taxation is calculated at the tax rates applicable in the respective country.

The changes in deferred taxes comprise the following:

	2021 in EUR million	2020 in EUR million
Recognised amounts as of Jan 01	*193.1*	*182.3*
Change in deferred taxes		
thereof in profit and loss	84.0	11.4
therof in other comprehensive income	-72.4	-0.6
Recognized amounts as of Dec 31	**204.7**	**193.1**
thereof deferred tax assets	*210.9*	*199.8*
thereof deferred tax liabilities	*-6.2*	*-6.7*

The following table shows the main causes of the difference between the income taxes resulting from applying the statutory tax rate of 25% to the taxable profit for the year and the income taxes recognised in the income statement:

	2021 in EUR million	2020 in EUR million
Income before income tax according to IFRS	170.0	58.6
Adjustment of tax-exempt portion pursuant to Article 50 (2) Bundesbahngesetz	122.8	101.8
Taxable portion of the income	**292.8**	**160.4**
Group tax rate	*25%*	*25%*
Expected income/ expense from taxes in the financial year	-73.2	-40.1
Tax rate differences between foreign companies and the corporate tax rate	1.1	-0.3
Other tax-exempt income and other reductions	21.8	17.9
Non-deductible operating expenses and other additions	-0.9	-3.1
Effects of taxes from previous years recognised in the financial year	0.5	2.7
Effects of tax rate changes	-0.1	-0.2
Offsetting from consolidation	2.6	-3.7
Effects of changes in recognition	129.8	29.3
Other effects	-6.2	2.0
Accounted income taxes	**75.4**	**4.5**
Effective corporate tax rate	***-25.8%***	***-2.8%***

The effects of changes in recognition have increased by approx. EUR 100.5 million compared with the previous year. This change is largely attributable to the recognition of deferred taxes from loss carryforwards of ÖBB-Infrastruktur AG and ÖBB-Personenverkehr AG. As of 31.12.2021, ÖBB-Infrastruktur AG was able to recognise deferred taxes from loss carryforwards of approx. EUR 83.6 million higher than in the previous year, as was ÖBB-Personenverkehr AG of approx. EUR 8.5 million, with the remaining change resulting from the offsetting of positive tax results with pre-Group losses of approx. EUR 6.4 million and other necessary recognition adjustments.

As the equity ratio of the group of companies is not more than 2 percentage points below the equity ratio of the group, the interest barrier of § 12a KStG does not apply and the interest surplus is deducted in full as an operating expense.

Deferred tax assets and tax liabilities

Deferred tax assets and deferred tax liabilities from deferred taxes as at 31.12.2021 and 31.12.2020 are the result of the following temporary valuation differences between the carrying amounts in the IFRS financial statements and the relevant tax bases, insofar as they do not relate to the tax-exempt share pursuant to § 50 (2) of the Federal Railways Act

The deferred taxes are allocated to the following items in the statement of financial position, losses carried forward and tax credits in EUR million	Deferred tax assets Dec 31, 2021	Deferred tax liabilities Dec 31, 2021	Deferred tax assets Dec 31, 2020	Deferred tax liabilities Dec 31, 2020
Non-current assets				
Property, plant and equipment	22.6	-87.3	16.1	-101.3
Intangible assets	0.0	-4.8	0.1	-5.4
Investment property	5.1	-6.0	6.3	-0.3
Financial assets	12.2	-154.2	20.2	-40.0
Other receivables and assets	0.0	-1.0	0.0	-1.8
	39.9	**-253.3**	**42.7**	**-148.8**
Current assets				
Inventories	7.6	-0.5	5.0	-0.4
Trade receivables	2.2	-0.6	1.8	-0.3
Other receivables and assets	1.1	-0.4	1.9	-0.4
Financial assets	0.0	-4.6	0.1	-13.5
	10.9	**-6.1**	**8.8**	**-14.6**
Non-current liabilities				
Financial liabilities	83.8	-3.3	118.0	-23.8
Provisions	19.5	-1.6	38.5	-0.4
Other liabilities	0.0	0.0	6.5	0.0
	103.3	**-4.9**	**163.0**	**-24.2**
Current liabilities				
Financial liabilities	129.9	-72.8	20.6	-2.5
Provisions	26.0	-9.0	12.7	-15.3
Trade payables	1.5	-3.2	0.6	-2.4
Other liabilities	3.8	0.0	4.2	-0.4
	161.2	**-85.0**	**38.1**	**-20.6**
Tax losses carried forward	238.6	0.0	148.7	0.0
Deferred tax assets/deferred tax liabilities	**553.9**	**-349.2**	**401.3**	**-208.2**
Offsetting	-343.0	343.0	-201.5	201.5
Accumulated deferred tax assets/deferred tax liabilities	**210.9**	**-6.2**	**199.8**	**-6.7**

As of 31.12.2021, there were approx. EUR 13.3million (py: approx. EUR 17.5million) in outstanding sevenths of depreciation on investments that had not yet been claimed as operating expenses for tax purposes in accordance with § 12 (3) of the Austrian Corporation Tax Act. No deferred tax assets were recognised in this regard.

When assessing deferred tax assets, the Board of Management evaluates the prospective usage within the five-year tax planning period. The use of deferred tax assets requires sufficient taxable income during the periods in which the temporary differences or tax losses can be utilised. The Board of Management uses the scheduled reversal of deferred tax assets and the projected taxable income for this assessment. The temporary differences in the items property, plant and equipment and intangible assets result mainly from the different depreciation start dates (pro rata temporis under IFRS compared to the half-year rule under tax law) as well as from deviating acquisition costs for tax purposes. The temporary differences from the financial assets and liabilities essentially arise due to the different valuation of derivatives under IFRS (fair value measurement) and tax law (provision for contingent losses).

For the Austrian corporate tax group, there is an excess of deferred tax liabilities from temporary differences amounting to approx. EUR -30.5 million as of 31.12.2021 (py: approx. EUR 0.0 million), which is mainly attributable to valuation differences of ÖBB-Infrastruktur AG. In the previous year, there was an excess of deferred tax assets from temporary differences; on the basis of the planning calculation, approx. EUR 49.5 million of this was capitalised. In addition, deferred tax assets in the amount of approx. EUR 2.8 million (py: approx. EUR 2.5 million) and deferred tax liabilities of approx. EUR -6.2 million (py: approx. EUR -6.7 million) arise from foreign subsidiaries. Deferred taxes result from surpluses on the assets or liabilities side after offsetting at company level.

Due to the surplus on the liabilities side and the planning calculation, it was also possible to recognise deferred tax assets from loss carryforwards in the amount of approx. EUR 238.6 million (py: approx. EUR 147.7 million). Of this amount, approx. EUR 138.9 million (py: approx. EUR 55.3 million) are from ÖBB-Infrastruktur AG and approx. EUR 99.6 million (py: approx. EUR 91.1 million) are from ÖBB-Personenverkehr AG.

Tax loss carryforwards in the amount of approx. EUR 5,004.2 Million (py: approx. 5,223.7 million) originate from Austrian companies and may be carried forward indefinitely under current laws. The annual offsetting against loss carry forwards is limited in Austria to 75% of the respective tax result, however, approx. EUR 3,033.3 million (py: approx. 3,256.3 million) result from the pre-Group losses and can therefore be offset in full against taxable results achieved in future periods.

No deferred taxes were recognised on temporary differences from investments in associates and subsidiaries amounting to approx. EUR 1,069.4 million (py: approx. EUR 586.3 million).

14. Property, Plant and Equipment

2021 in EUR million	Land and buildings	Rights of use for land and buildings	Auto-mobiles and trucks	Rights of use for auto-mobiles and trucks	Technical equipment and machi-nery	Rights of use for technical equipment and machinery and other plant, furniture and fixtures	Other plant, furni-ture and fixtures	Assets under con-struc-tion	Total
Cost									
Cost as of Jan 01, 2021	*30,033.7*	*273.8*	*8,065.5*	*546.4*	*10,695.4*	*1.7*	*373.1*	*6,494.6*	*56,484.2*
Translation differences	0.9	0.5	-2.1	1.3	-0.1	0.0	0.0	0.0	0.5
Additions	7.7	7.8	-12.3	116.2	1.7	2.4	15.3	3,425.7	3,564.6
Additions due to change in reporting entities	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0	1.0
Disposals	-166.4	-4.9	-137.1	-43.4	-50.6	-0.7	-26.1	-7.8	-437.0
Disposals due to change in reporting entities	0.0	-1.4	0.0	0.0	0.0	0.0	-0,1	0.0	-1.5
Transfers	1,063.1	0.0	316.2	3.8	385.5	0.0	21.5	-1,880.5	-90.2
Cost as of Dec 31, 2021	30,939.0	275.8	8,230.3	625.5	11,031.9	3.4	383.7	8,032.1	59,521.6
Accumulated depreciation and amortization as of Jan 01, 2021 (incl. impairment)	*-10,430.6*	*-48.7*	*-4,169.9*	*-287.8*	*-6,189.6*	*-0.5*	*-291.7*	*-7.4*	*-21,426.2*
Translation differences	-0.5	-0.1	0.8	-0.2	0.1	0.0	0.0	0.0	0.1
Depreciation and amortization (incl. impairment)	-581.2	-25.1	-285.5	-91.0	-354.5	-0.6	-39.8	-0.6	-1,378.4
Additions due to change in reporting entities	0.0	0.0	0.0	-0.4	0.0	0.0	0.0	0.0	-0.4
Disposals	119.9	1.7	128.2	32.0	44.1	0.1	25.5	2.2	353.7
Disposals due to change in reporting entities	0.0	1.3	0.0	0.0	0.0	0.0	0.0	0.0	1.3
Transfers	0.0	0.0	-0.6	0.6	0.0	0.0	0.0	0.0	0.0
Appreciations	29.7	0.0	-4.3	0.0	1.3	0.0	0.0	4.5	31.2
Accumulated depreciation and amortization as of Dec 31, 2021	-10,862.7	-70.8	-4,331.3	-347.0	-6,498.6	-1.0	-306.0	-1.3	-22,418.7
Carrying amounts before investment grants as of Jan 01, 2021	*19,603.1*	*225.1*	*3,895.7*	*258.6*	*4,505.8*	*1.2*	*81.4*	*6,487.2*	*35,058.0*
Carrying amounts before investment grants as of Dec 31, 2021	20,076.3	205.0	3,899.0	278.5	4,533.3	2.4	77.7	8,030.8	37,102.9
Investment grants									
As of Jan 01, 2021	*-9,652.6*	*0.0*	*-459.2*	*0.0*	*-2,948.3*	*0.0*	*-10.8*	*-801.9*	*-13,872.8*
Translation differences	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additions	-41.7	0.0	-10.5	0.0	-13.7	0.0	0.0	-170.4	-236.3
Disposals	68.4	0.0	5.2	0.0	12.3	0.0	0.1	0.1	86.1
Transfers	-19.3	0.0	0.0	0.0	-14.3	0.0	0.0	58.1	24.5
Cost as of Dec 31, 2021	-9,645.4	0.0	-464.6	0.0	-2,964.0	0.0	-10.7	-914.1	-13,998.7
Accumulated depreciation and amortization as of Jan 01, 2021	*5,760.8*	*0.0*	*382.5*	*0.0*	*2,505.3*	*0.0*	*10.0*	*2.9*	*8,661.5*
Depreciation and amortization	105.5	0.0	8.9	0.0	39.1	0.0	0.1	0.0	153.6
Disposals	-62.9	0.0	-5.1	0.0	-11.5	0.0	0.0	0.0	-79.6
Accumulated depreciation and amortization as of Dec 31, 2021	5,803.4	0.0	386.3	0.0	2,532.9	0.0	10.0	2.9	8,735.5
Investment grants as of Jan 01, 2021	*-3,891.8*	*0.0*	*-76.7*	*0.0*	*-443.0*	*0.0*	*-0.8*	*-799.0*	*-5,211.3*
Investment grants of Dec 31, 2021	-3,842.0	0.0	-78.3	0.0	-431.1	0.0	-0.7	-911.2	-5,263.2
Carrying amounts after investment grants as of Jan 01, 2021	*15,711.3*	*225.1*	*3,819.0*	*258.6*	*4,062.8*	*1.2*	*80.6*	*5,688.2*	*29,846.7*
Carrying amounts after investment grants as of Dec 31, 2021	16,234.3	205.0	3,820.7	278.5	4,102.2	2.4	77.0	7,119.6	31,839.7

2020 in EUR million	Land and buildings	Rights of use for land and buildings	Automo-biles and trucks	Rights of use for auto-mobiles and trucks	Technical equipment and machinery	Rights of use for technical equipment and machinery and other plant, furniture and fixtures	Other plant, furniture and fixtures	Assets under construc-tion	Total
Cost									
Cost as of Jan 01, 2020	29,213.7	255.3	7,796.6	482.0	10,424.0	1.3	350.2	5,418.3	53,941.4
Translation differences	-2.6	-0.6	-25.7	-3.5	-1.2	0.0	-0.6	0.0	-34.2
Additions	104.3	25.1	0.2	109.9	3.3	0.9	14.0	2,847.7	3,105.4
Disposals	-134.9	-6.0	-157.6	-43.2	-133.2	-0.5	-19.1	-12.2	-506.7
Transfers	853.2	0.0	452.0	1.2	402.5	0.0	28.6	-1,759.2	-21.7
Cost as of Dec 31, 2020	**30,033.7**	**273.8**	**8,065.5**	**546.4**	**10,695.4**	**1.7**	**373.1**	**6,494.6**	**56,484.2**
Accumulated depreciation and amortization as of Jan 01, 2020 (incl. impairment)	-9,957.8	-25.4	-4,046.4	-242.8	-5,966.8	-0.4	-274.8	-1.2	-20,515.6
Translation differences	0.6	0.2	13.8	1.9	0.8	0.0	0.4	0.0	17.7
Depreciation and amortisation	-579.7	-23.9	-266.9	-73.8	-346.6	-0.3	-36.4	-6.7	-1,334.3
Disposals	109.1	0.4	129.7	26.5	121.3	0.2	18.8	0.4	406.4
Transfers	-2.8	0.0	-0.4	0.4	1.7	0.0	0.3	0.1	-0.7
Appreciations	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.3
Accumulated depreciation and amortization as of Dec 31, 2020	**-10,430.6**	**-48.7**	**-4,169.9**	**-287.8**	**-6,189.6**	**-0.5**	**-291.7**	**-7.4**	**-21,426.2**
Carrying amounts before investment grants as of Jan 01, 2020	**19,255.9**	**229.9**	**3,750.3**	**239.2**	**4,457.2**	**0.9**	**75.4**	**5,417.1**	**33,425.8**
Carrying amounts before investment grants as of Dec 31, 2020	**19,603.1**	**225.1**	**3,895.7**	**258.6**	**4,505.8**	**1.2**	**81.4**	**6,487.2**	**35,058.0**
Investment grants									
As of Jan 01, 2020	-9,645.7	0.0	-468.4	0.0	-2,954.2	0.0	-10.4	-695.0	-13,773.7
Additions	-50.0	0.0	-0.9	0.0	-21.3	0.0	-0.4	-131.6	-204.2
Disposals	59.2	0.0	10.1	0.0	35.4	0.0	0.0	0.2	104.9
Transfers	-16.1	0.0	0.0	0.0	-8.4	0.0	0.0	24.5	0.0
Cost as of Dec 31, 2020	**-9,652.6**	**0.0**	**-459.2**	**0.0**	**-2,948.3**	**0.0**	**-10.8**	**-801.9**	**-13,872.8**
Accumulated depreciation and amortization as of Jan 01, 2020	5,699.0	0.0	382.5	0.0	2,499.7	0.0	9.6	2.9	8,593.7
Translation differences	0.0	0.0	0.0	0.0	-0,1	0.0	0.0	0.0	-0.1
Depreciation and amortization	113.9	0.0	8.5	0.0	39.8	0.0	0.4	0.0	162.6
Disposals	-52.1	0.0	-8.5	0.0	-34.1	0.0	0.0	0.0	-94.7
Accumulated depreciation and amortization as of Dec 31, 2020	**5,760.8**	**0.0**	**382.5**	**0.0**	**2,505.3**	**0.0**	**10.0**	**2.9**	**8,661.5**
Investment grants as of Jan 01, 2020	**-3,946.7**	**0.0**	**-85.9**	**0.0**	**-454.5**	**0.0**	**-0.8**	**-692.1**	**-5,180.0**
Investment grant as of Dec 31, 2020	**-3,891.8**	**0.0**	**-76.7**	**0.0**	**-443.0**	**0.0**	**-0.8**	**-799.0**	**-5,211.3**
Carrying amounts after investment grants as of Jan 01, 2020	**15,309.2**	**229.9**	**3,664.4**	**239.2**	**4,002.7**	**0.9**	**74.6**	**4,725.0**	**28,245.8**
Carrying amounts after investment grants as of Dec 31, 2020	**15,711.3**	**225.1**	**3,819.0**	**258.6**	**4,062.8**	**1.2**	**80.6**	**5,688.2**	**29,846.7**

The ÖBB Group received non-refundable investment grants for property, plant and equipment that are deducted from the cost. These investment grants are indicated in the schedule of assets. Both the amortisation of subsidised assets and the reversal of investment grants as a result of amortisation are recognised in profit and loss under the item "Depreciation and Amortisation".

Additions to property, plant and equipment due to companies consolidated for the first time and disposals from de-consolidations are shown in separate lines in the statement of changes in fixed assets.

Reclassifications are, firstly, values reclassified from the item "Assets under construction and advance payments made" to the specific asset accounts for completed assets of property, plant and equipment and intangible assets and, secondly, values reclassified from or to the balance sheet items "Assets held for Sale" and from or to "Inventories" (see Note 21). See Note 3 under "Estimates of the Useful Life of Property, Plant and Equipment and Intangible Assets" for information on changes in estimates.

The ÖBB Group, in accordance with the provisions of IAS 23, capitalised interest on the production costs of qualifying assets in the amount of approx. EUR 109.4 million (py: approx. EUR 107.2 million). The underlying interest rate for borrowed capital amounted to approx. 1.9 to 2.3 %, (py: 2.0 to 2.7 %). Of the federal subsidies, an amount of approx. EUR 103.6 million (py: approx. EUR 104.6 million) were recognised as a cost contribution for capitalised interest.

Losses from the disposal of property, plant and equipment amounted to approx. EUR 34.5 million (py: approx. EUR 31.5 million), resulting from the scrapping and demolition of assets, the sale of vehicles and other operating equipment, and transfers to the public domain. Compensation contributions were received to an insignificant extent in both financial years.

Property, plant and equipment with the following carrying amounts serve as collateral for financial liabilities and are subject to a restriction on disposal rights:

	Restrictions on disposal rights		Pledged as collateral	
in EUR million	2021	2020	2021	2020
Automobiles and trucks	141.1	90.9	495.5	904.0
Other technical equipment and machinery	0.0	0.0	0.0	0.5

There are purchase commitments for assets, in particular due to open purchase commitments of approx. EUR 3,125.4 million (py: approx. EUR 2,927.2 million). See Note 3 for further information on changes in estimates.

Investment grants from third parties

The ÖBB Group received non-repayable investment grants for assets, usually from public authorities or government-related companies, which were treated as a reduction in acquisition costs in accordance with IAS 16.28 in conjunction with IAS 20. Both the amortisation of these assets and the corresponding release of all investment grants are recognised in profit or loss under the item "Depreciation and Amortisation". When assets are disposed of that were allocated investment grants, then these are recognised together with the sold or retired carrying amounts as other operating income or other operating expenses. The development of the investment grants is shown in the above schedule of assets analysis. The main contributors to the costs of property, plant and equipment and intangible assets are the Republic of Austria, the former Eisenbahn-Hochleistungsstrecken AG and Schieneninfrastruktur-Dienstleistungsgesellschaft mbH.

Impairment losses and reversals

As a result of the negative economic conditions, the planning assumptions in the impairment test required adjustment relative to the previous year. In the Cargo CGU and the Intermodal CGU, the values in use decreased compared with the previous year's impairment test. This is the result of lower cash flow expectations in BUD/MFP (esp. lower EBIT and higher capital expenditures). A significant factor for the decrease in the value in use is Rail Cargo Hungaria Zrt. whose assets do not represent a separate CGU according to IAS 36, but are allocated to the CGU Cargo and CGU Intermodal for the impairment test. Positive effects from other companies were unable to compensate for the decline in cash flows caused by RCH. Following the impairment test performed on property, plant and equipment and intangible assets with the revised planning data, an impairment loss was recognised in financial year 2021. The cash-generating units in which impairment losses have occurred are all part of Rail Cargo Group and are found in the Cargo and Intermodal (IM) division (Note 34). An overview of the cash-generating units, the impairment losses and the type of assets for which the impairment losses were recognised are available in the following table.

2021 in EUR million	Total	Goodwill	Automobiles and trucks	Land and buildings
CGU Cargo	44.6	44.6	0.0	0.0
CGU Intermodal	29.3	4.1	21.7	3.5

In the case of the CGU Technical Services in the ÖBB-Personenverkehr business unit, a review of whether impairment losses recognised in previous years still exist, which became necessary in 2021 due to the new control relationships, resulted in excess cover and thus a need to reverse impairment losses of approx. EUR 28.2 million and of approx. EUR 1.3 million, respectively, which is recognised in land and buildings and in technical equipment under "Write-up".

15. Intangible assets

2021 in EUR million	Concessions, property rights, licenses	Investment grants to third parties	Goodwill	Intangible assets in development phase	Total
Cost 2021					
Cost as of Jan 01, 2021	*489.4*	*1,496.1*	*259.9*	*56.6*	*2,302.0*
Translation differences	-0.2	0.0	-2.7	0.0	-2.9
Additions	1.6	32.3	0.2	87.9	122.0
Additions due to change in reporting entities	0.1	0.0	0.0	0.0	0.1
Disposals	-36.1	-1.3	0.0	-1.0	-38.4
Disposals due to change in reporting entities	-0.2	0.0	-11.6	0.0	-11.8
Transfers	36.1	23.4	0.0	-42.2	17.3
Cost as of Dec 31, 2021	**490.7**	**1,550.5**	**245.8**	**101.3**	**2,388.3**
Accumulated depreciation and amortization as of Jan 01, 2021 (incl. impairment)	*-354.2*	*-278.6*	*-94.2*	*0.0*	*-727.0*
Translation differences	0.0	0.0	2.3	0.0	2.3
Depreciation and amortization (incl. impairment)	-38.1	-25.0	-50.3	0.0	-113.3
Additions due to change in reporting entities	-0.1	0.0	0.0	0.0	-0.1
Disposals	34.9	1.2	0.0	0.0	36.1
Disposals due to change in reporting entities	0.2	0.0	11.6	0.0	11.8
Transfers	0.0	-0,1	0.0	0.0	-0.1
Accumulated depreciation and amortization as of Dec 31, 2021 (incl. impairment)	**-357.1**	**-302.5**	**-130.7**	**0.0**	**-790.3**
Carrying amounts before investment grants as of Jan 01, 2021	**135.2**	**1,217.5**	**165.7**	**56.6**	**1,575.0**
Carrying amounts before investment grants as of Dec 31, 2021	**133.6**	**1,248.0**	**115.1**	**101.3**	**1,598.0**
Investment grants					
As of Jan 01, 2021	*-33.4*	*-642.4*	*0.0*	*0.0*	*-675.8*
Additions	-3.1	-45.2	0.0	0.0	-48.3
Transfers	0.5	-0.8	0.0	0.0	-0.3
As of Dec 31, 2021	**-36.0**	**-688.4**	**0.0**	**0.0**	**-724.4**
Accumulated depreciation and amortization as of Jan 01, 2021	25.7	106.7	0.0	0.0	132.4
Depreciation and amortization	1.7	3.6	0.0	0.0	5.3
Accumulated depreciation and amortisation as of Dec 31, 2021	**27.4**	**110.4**	**0.0**	**0.0**	**137.7**
Investment grants as of Jan 01, 2021	**-7.7**	**-535.7**	**0.0**	**0.0**	**-543.4**
Investment grant as of Dec 31, 2021	**-8.6**	**-578.0**	**0.0**	**0.0**	**-586.7**
Carrying amounts after investment grant as of Jan 01, 2021	**127.5**	**681.8**	**165.7**	**56.6**	**1,031.6**
Carrying amounts after investment grants as of Dec 31, 2021	**125.0**	**670.0**	**115.1**	**101.3**	**1,011.3**

2020 in EUR million	Concessions, property rights, licenses	Investment grants to third parties	Goodwill	Intangible assets in development phase	Total
Cost 2020					
Cost as of Jan 01, 2020	*452.8*	*1,282.5*	*281.4*	*43.6*	*2,060.3*
Translation differences	-0.7	0.0	-21.6	0.0	-22.3
Additions	1.9	190.1	0.1	55.2	247.3
Business acquisition	0.0	0.0	0.0	0.0	0.0
Disposals	-11.1	-0.9	0.0	0.0	-12.0
Transfers	46.5	24.4	0.0	-42.2	28.7
Cost as of Dec 31, 2020	**489.4**	**1,496.1**	**259.9**	**56.6**	**2,302.0**
Accumulated depreciation and amortization as of Jan 01, 2020 (incl. impairment)	-332.4	-255.1	-102.0	0.0	-689.5
Translation differences	0.7	0.0	7.8	0.0	8.5
Depreciation and amortization	-33.5	-24.4	0.0	0.0	-57.9
Business acquisition	0.0	0.0	0.0	0.0	0.0
Disposals	10.9	0.9	0.0	0.0	11.8
Accumulated depreciation and amortization as of Dec 31, 2020 (incl. impairment)	***-354.2***	***-278.6***	***-94.2***	***0.0***	***-727.0***
Carrying amounts before investment grants as of Jan 01, 2020	**120.4**	**1,027.4**	**179.4**	**43.6**	**1,370.8**
Carrying amounts before investment grants as of Dec 31, 2020	**135.2**	**1,217.5**	**165.7**	**56.6**	**1,575.0**
Investment grants					
As of Jan 01, 2020	-32.8	-587.9	0.0	0.0	-620.7
Additions	-1.4	-53.7	0.0	0.0	-55.1
Disposals	0.0	0.0	0.0	0.0	0.0
Transfers	*0.8*	*-0.8*	*0.0*	*0.0*	*0.0*
As of Dec 31, 2020	**-33.4**	**-642.4**	**0.0**	**0.0**	**-675.8**
Accumulated depreciation and amortization as of Jan 01, 2020	24.0	102.8	0.0	0.0	126.8
Depreciation and amortization	1.7	3.9	0.0	0.0	5.6
Disposals	0.0	0.0	0.0	0.0	0.0
Accumulated depreciation and amortisation as of Dec 31, 2020	**25.7**	**106.7**	**0.0**	**0.0**	**132.4**
Investment grants as of Jan 01, 2020	**-8.8**	**-485.1**	**0.0**	**0.0**	**-493.9**
Investment grant as of Dec 31, 2020	**-7.7**	**-535.7**	**0.0**	**0.0**	**-543.4**
Carrying amounts after investment grants as of Jan 01, 2020	**111.6**	**542.3**	**179.4**	**43.6**	**876.9**
Carrying amounts after investment grants as of Dec 31, 2020	**127.5**	**681.8**	**165.7**	**56.6**	**1,031.6**

The development of intangible assets is shown in the table above.

Rail Cargo Group received non-refundable investment grants for intangible assets, which were deducted as a reduction of acquisition costs pursuant to IAS 16.28 in conjunction with IAS 20. These investment grants are indicated in the schedule of assets. Both the amortisation of these assets and the corresponding release of all investment grants are recognised in profit or loss under the item "Depreciation and Amortisation". Note 14 provides information on the contributors to the costs. The average remaining useful life of investment grants to third parties amounts to approx. 33.3 (py: approx. 33.3) years.

Expenses for research and development in the amount of approx. EUR 5.9 million (py: approx. EUR 4.7 million) were recognised in profit or loss, as it was not possible to clearly distinguish between the development and research phases of the projects and the risk of exploiting the developments was subject to uncertainties. Expenses for research and development in the amount of approx. EUR 0.7million (py: approx. EUR 0.3 million) were capitalised in fixed assets under the item "Concessions, industrial property rights, licences and development costs"; prototypes under development are capitalised under property, plant and equipment.

The additions to the item "Cost contributions to third parties" mainly result from contributions to costs paid to Galleria di Base del Brennero - Brenner Base Tunnel BBT SE.

Goodwill

The development of goodwill is shown in the preceding table. This goodwill is mainly allocated to the Rail Cargo Group and, to a lesser extent, to other companies and is subject to an impairment test with regard to its future economic benefit.

Impairment

After performing an impairment test on the reported goodwill with current planning data, an impairment loss is required for 2021. Of the goodwill totaling approx. EUR 115.1 million as of 31.12.2021 (py: approx. EUR 165.7 million), approx. EUR 115.1 million (py: approx. EUR 161.7 million) relates to the Cargo CGU and approx. EUR 0.0 million (py: approx. EUR 4.1 million) to the Intermodal CGU. The reduction totaling approx. EUR 48.7 million results from the impairment losses recognised in the reporting year.

16. Financial investment in property

Only properties not qualifying as railway assets (§ 10a Railway Act) and therefore freely leased to third parties or available for sale are assigned to this category. Essentially, properties for lease purposes and building rights are therefore reported under investment property. The useful lives of these properties correspond to the useful lives of those properties reported under property, plant and equipment.

The balance sheet item developed as follows:

	2021 in EUR million	2020 in EUR million
Cost		
As of Jan 01	*344.6*	*350.6*
Additions	13.6	4.8
Additions due to transfer from inventories	10.9	0.0
Additions at cost from subsequent acquisitions	3.1	2.0
Disposals at cost	-7.0	-7.7
Transfers from/to intangible assets	2.5	-5.1
As of Dec 31	**367.7**	**344.6**
Accumulated depreciation		
As of Jan 01	*-178.3*	*-181.6*
Depreciation and amortization	-4.1	-4.2
Disposals	6.4	6.8
Transfers	0.0	0.7
As of Dec 31	**-176.0**	**-178.3**
Net carrying amounts as of Jan 01	***166.2***	***169.0***
Net carrying amounts as of Dec 31	**191.7**	**166.2**

If investment property is leased out, this is done by means of operating leases. The resulting lease income, excluding operating costs, amounted to approx. EUR 20.0 million (py: approx.. EUR 19.3 million), which was offset by directly attributable expenses (including repairs and maintenance, but excluding operating costs) amounting to approx.. EUR 6.2 million (py: approx.. EUR 5.3 million. In addition, operating expenses in the amount of approx. EUR 0.4 million (py: approx. EUR 0.3 million) were incurred, which were not offset by rental income. The ÖBB Group has not concluded any agreements for the maintenance of its investment property that give rise to an obligation in this respect.

The fair value amounts to approx. EUR 844.8 million (py: approx. EUR 762.0 million). The valuation of 80% (py: 79%) of the properties is performed with the utilisation of external appraisals that are not based exclusively on market data and are therefore assigned to hierarchy level 3. The fair values of the remaining investment properties were determined by internal experts of ÖBB-Immobilienmanagement GmbH using a discounted cash flow calculation based on the actual rents for the respective lease property. The fair values determined in this way were also allocated to hierarchy level 3 in accordance with IFRS 13.

17. Investments accounted by equity method

Investments accounted for using the equity method include shares in a joint venture, Galleria di Base del Brennero - Brenner Base Tunnel BBT SE, I-39100 Bolzano and in several associates.

	2021 in EUR million	2020 in EUR million
Interest in one joint venture	40.6	40.6
Interest in associated companies	25.8	28.9
As of Dec 31	**66.4**	**69.5**

The following table reconciles the summarised financial information of the joint enterprise to the carrying amount of the Group's equity share. The values of Galleria di Base del Brennero - Brenner Base Tunnel BBT SE are preliminary and adjusted to the accounting method in the Group.

	Galleria di Base del Brennero - Brenner Base Tunnel BBT SE	
	Dec 31, 2021 in EUR million	Dec 31, 2020 in EUR million
Revenue	0.0	0.0
Depreciation	-0.7	-1.1
Interest income	0.1	0.1
Interest expenses	-0.0 *)	-0.2
Tax expense or income	0.0 *)	0.0 *)
Annual profit/loss from continuing operations	0.0	0.0
Other comprehensive income	0.0	0.0
Overall result	**0.0**	**0.0**
Cash and cash equivalents	143.5	210.9
Other current assets	118.3	103.1
Non-current assets	12.8	12.8
Current liabilities	168.7	201.9
thereof current financial liabilities	*165.2*	*198.1*
Non-current liabilities	24.8	43.8
thereof non-current financial liabilities	*0.0*	*0.0*
Net asssets 100%	**81.1**	**81.1**
Interest of the Group in the net assets of the investee as of Jan 01	*40.6*	*40.6*
Overall result attributable to the Group	0.0	0.0
Dividends received from associated companies	0.0	0.0
Carrying amount of the interest in the investee as of Dec 31	**40.6**	**40.6**

*) Smallest amount

The Galleria di Base del Brennero - Brenner Base Tunnel BBT SE (henceforth BBT SE) is the only Group joint agreement. BBT SE is an independent legal entity. The Group has a residual interest in the net assets, accordingly the Group has classified its interest as a joint enterprise. The purpose and task of BBT SE is the planning and construction of the Brenner Base Tunnel. The overall project comprises the construction of the railway tunnel between Tulfes/Innsbruck and Franzensfeste with the main, exploratory and access tunnels, multi-function stations, technical facilities, the operations control centre, the necessary landfill sites and the bridges and sites required to carry out the construction work, as well as the commissioning of the tunnel. The provisions of the contractual agreement of 30.04.2004 specify that the share capital of BBT SE is divided 50% between Italy and Austria respectively. The 50% of the Austrian share is wholly owned by the ÖBB-Infrastruktur AG. The 50% of the Italian share is wholly owned by TFB Societá di Partecipazioni S.p.A. ÖBB-Infrastruktur AG has undertaken to finance 50% of the construction of the Brenner Base Tunnel and receives a 100% subsidy from the federal government as a cost contribution. In accordance with agreements between Italy and Austria, the two countries have agreed to provide additional contributions in proportion to their shares in order to compensate for any losses if necessary.

The provisional annual financial statements of BBT SE show total income (other operating income) in addition to the above-mentioned figures of approx. EUR 23.3 million (py: approx. EUR 23.7 million) and total expenses amounting to approx. EUR 23.4 million (py: approx. EUR 23.6 million). BBT SE received approx. EUR 30.0 million (py: approx. EUR 190.0 million) in investment grants. In both reporting years, this amount was refunded by the federal government amounting to approx. EUR 30.0 million (py: approx. EUR 43.4 million) as well as in accordance with the share purchase agreement of 18.04.2011 from the federal state of Tyrol amounting to approx. EUR 6.0 million (py: approx. EUR 6.0 million). A summary of the financial information for all companies accounted for using the equity method is shown in the following table. The shares held directly and indirectly by the ÖBB Group are presented in the list of shareholdings (Note 34).

Development of investments in associated companies	2021 in EUR million	2020 in EUR million
As of Jan 01	*28.9*	*25.6*
Effect of first-time consolidations	0.0	0.1
Effects from initial consolidation	-0.3	0.0
Net income from associated companies	0.9	1.0
Distributions and other changes	-3.6	2.2
As of Dec 31	**25.8**	**28.9**

As of 31.12.2020, LCA Logistik Center Austria Süd GmbH was included in the consolidated financial statements for the first time using the equity method. This initial consolidation resulted in a difference of approx. EUR 0.1 million, which is recognised in profit or loss. As of 31.12.2021, HAELA Abfallverwertung GmbH and LogMASter Kft. were deconsolidated due to the sale of all shares. The results recognised in the income statement. from companies reported using the equity method correspond to the share of the annual results attributable to the ÖBB Group.

18. Other financial assets

2021 in EUR million	Current	Non-current	Total
Investments	0.0	7.6	7.6
Financial assets - leasing	4.4	109.6	114.0
Other financial assets	397.5	187.8	585.3
Total	**401.9**	**305.0**	**706.9**

2020 in EUR million	Current	Non-current	Total
Investments	0.0	7.4	7.4
Financial assets - leasing	51.9	121.4	173.3
Other financial assets	35.0	98.8	133.8
Total	**86.9**	**227.6**	**314.5**

Investments

See Note 34 for a full schedule of all investments. These investments are capitalised at fair value in profit or loss in accordance with IFRS 9 hierarchy level 3 .

Financial assets - leasing

Financial assets - leasing comprise long-term loans and are almost entirely related to cross-border leasing transactions. Their purpose is to cover future payment obligations (lease installments and acquisition costs). Investment income from accumulating investments increases the item, the servicing of payment obligations reduces the item. These financial assets are offset by financial liabilities in the same amount.

In addition, there are financial assets from finance leases amounting to approx. EUR 10.8 million (py: approx. EUR 33.4 million).

Financial assets - leasing (non-current) include in the amount of approx. EUR 81.8 million (py: approx. EUR 81.8 EUR million) the residual value for leased assets held in the form of bank deposits. These assets carry a low credit risk, which is assigned to this investment grade rating. Financial assets from cross-border leasing transactions (CBL) amounting to approx. EUR 20.4 million (py: approx. EUR 17.5 million) are subject to restrictions on disposal rights.

Other financial assets

This item mainly includes short-term securities, investment certificates, derivatives in a hedging relationship and derivatives with a positive carrying amount that are not in a hedging relationship. In addition, financial assets of approximately 24.2 million (py: approximately 21.9 million) were pledged as collateral for a lease liability. See Notes 30.1 and 30.3 for further details.

Impairment

The following table shows a summary of the default risk for financial assets:

Default risk of financial assets at amortised cost as of Dec 31	2021 in EUR million	2020 in EUR million
Gross carrying amount	204.1	249.0
Allowance	-0.2	-0.1
thereof expected 12-month credit loss	*-0.2*	*-0.1*
Carrying amount	**203.9**	**248.9**

The development of the valuation allowance for financial assets measured at amortised acquisition cost was as follows in the course of the year:

Impairment of financial assets Expected 12-month credit loss	2021 in EUR million	2020 in EUR million
As of Jan 01	*0.1*	*0.1*
Net revaluation of allowance of impairment	0.1	0.0
As of Dec 31	**0.2**	**0.1**

*) Smallest amount.

19. Non-current assets and liabilities held for sale

The balance sheet item of assets held for sale is as follows:

Non-current assets held for sale	2021 in EUR million	2020 in EUR million
As of Jan 01	*0.1*	*0.1*
Disposals by sale	-0.1	-0.1
Additions (single assets)	0.1	0.1
Additions (disposal group)	35.5	0.0
As of Dec 31	**35.6**	**0.1**
of which reported at amortized cost	*35.6*	*0.1*

Additions to the disposal group relate to the assets of the subsidiary Güterterminal Werndorf Projekt GmbH. All shares (100%) were sold to Steirische Infrastruktur-Beteiligungs GmbH and Cargo-Center-Graz Betriebsgesellschaft m.b.H. by contract dated 25.02.2022. Closing is expected by the end of 2nd quarter 2022. The purchase price and the liabilities assumed by the acquirer exceed the net assets transferred.

The assets and liabilities of the asset group held for sale break down as follows:

Breakdown of assets and liabilities of the asset group held for sale	**2021** in TEUR
Property, plant and equipment	34,520
Intangible assets	53
Deferred tax assets	365
Trade receivables	563
Assets in connection with the asset group held for sale	**35,500**
Trade payables	6
Liabilities in connection with the asset group held for sale	**6**

The other assets held for sale are land and buildings. The contracts have already been concluded, but the economic transition will not take place until 2022.

The fair values correspond to the agreed purchase prices or the expected results of negotiations with the contractual partners, which means that the fair value is allocated to hierarchy level 3 in accordance with IFRS 13. Assets held for sale are only reported if corresponding Supervisory Board resolutions have been passed and the sale is highly probable in the following financial year.

The proceeds expected in 2022 for assets held for sale are all higher than the current carrying amounts of the assets. In the reporting year, the ÖBB Group realised gains from assets held for sale amounting to approx. EUR 3.9 million (py: approx. EUR 1.7 million), which are reported together with the result from the disposal of other investments under other operating income.

No significant assets were designated for sale after the balance sheet date as of 31.12.2021. In accordance with the Supervisory Board resolution of 11.02.2021, a plot of land with a carrying amount of approx. TEUR 2 was designated for sale after the balance sheet date of 31.12.2020 for a selling price of approx. EUR 7.0 million.

The other liabilities held for sale in the amount of approx. EUR 6.4 million relate to a cost contribution that ÖBB-Infrastruktur AG is to make to the purchaser of a railway line, as the purchaser also assumes the decommissioning obligation. This amount is recognised at carrying amount.

20. Trade and other receivables

This item is broken down as follows:

Dec 31, 2021 **in EUR million**	Current	Non-current	Total
Trade receivables	549.8	0.0	549.8
thereof contract assets (construction contracts)	*14.0*	*0.0*	*14.0*
Other receivables and deferrals	390.3	95.9	486.2
Income tax receivables	2.3	0.0	2.3
Total	**942.4**	**95.9**	**1,038.3**

Dec 31, 2020 **in EUR million**	Current	Non-current	Total
Trade receivables	631.3	0.0	631.3
thereof contract assets (construction contracts)	*15.4*	*0.0*	*15.4*
Other receivables and deferrals	392.6	114.2	506.8
Income tax receivables	1.3	0.0	1.3
Total	**1,025.2**	**114.2**	**1,139.4**

In the reporting year as well as in the previous year, no receivables were collateralised by bills of exchange.

Trade receivables result in particular from transport services as well as receivables from transport revenue and from the settlement of public services. The carrying amount of trade and other receivables approximates their fair value due to their short duration.

Trade receivables include construction contracts in connection with services for third parties for which the performance is not yet completed. Revenue from construction contracts was recognised in the amount of approx. EUR 72.5 million (py: approx. EUR 88.3 million).

Other receivables and deferrals include VAT receivables from the Austrian tax authorities. In addition, this item includes receivables from the Republic of Austria from apprenticeship funding.

Other receivables also include accruals of approx. EUR 176.0 million (py: approx. EUR196.4 million). Accruals and deferrals items mainly relate to prepaid liability fees of approx. EUR 91.5 million (py: approx. EUR 105.8 million) and the salaries paid out in December, including taxes for January, amounting to approx. EUR 58.3 million (py: approx. EUR 61.6 million).

The allowances mainly refer to trade receivables and developed as follows:

	2021 in EUR million	2020 in EUR million
As of Jan 01	63.3	33.5
Utilization	-3.7	-3.6
Net revaluation of allowances for impairment	8.2	33.4
As of Dec 31	**67.8**	**63.3**
thereof from other receivables	1.3	1.1

The following tables contain information on the default risk and the expected credit losses from deliveries and services, divided up according to the ÖBB sub-groups:

Dec 31, 2021 Analysis of default risk by maturity of trade receivables in EUR million	Gross carrying amount (before impairment)	Allowance	thereof individual allowance	thereof portfolio allowance	Net carrying amount
receivables not and up to 90 days past due	523.0	10.4	8.4	2.0	512.5
90 to 180 days past due	22.5	1.7	1.3	0.4	20.8
180 to 360 days past due	7.2	4.9	2.6	2.4	2.3
more than 360 days past due	63.6	49.5	42.6	6.9	14.2
Total exposure	**616.3**	**66.5**	**54.8**	**11.7**	**549.8**

Dec 31, 2021 Analysis of default risk by risk group/ subgroup in EUR million	Gross carrying amount (before impairment)	thereof towards third parties "Passenger transport"	thereof towards third parties "Rail Cargo Austria"	thereof towards third parties "Infra-structure"	thereof towards third parties "Others"	Allo-wance	thereof towards third parties "Passenger transport"	thereof towards third parties "Rail Cargo Austria"	thereof towards third parties "Infra-structure"	thereof towards third parties "Others"
receivables not and up to 90 days past due	523.0	178.9	240.1	90.6	13.3	10.4	1.6	6.9	1.7	0.2
90 to 180 days past due	22.5	0.6	20.6	1.2	0.1	1.7	0.1	1.1	0.6	0.0
180 to 360 days past due	7.2	0.6	2.8	3.7	0.1	4.9	0.1	2.8	2.0	0.0
more than 360 days past due	63.6	5.0	32.9	25.5	0.2	49.5	3.5	30.2	15.8	0.0
Total exposure	**616.3**	**185.2**	**296.5**	**120.9**	**13.7**	**66.5**	**5.3**	**41.0**	**20.1**	**0.2**

Dec 31, 2020 Analysis of default risk by maturity of trade receivables in EUR million	Gross carrying amount (before impairment)	Allowance	thereof individual allowance	thereof portfolio allowance	Net carrying amount
receivables not and up to 90 days past due	618.5	9.4	4.8	4.6	609.2
90 to 180 days past due	18.5	12.7	12.3	0.5	5.8
180 to 360 days past due	16.1	6.6	2.5	4.1	9.5
more than 360 days past due	40.4	33.5	29.4	4.1	6.9
Total exposure	**693.5**	**62.2**	**49.0**	**13.2**	**631.3**

Dec 31, 2020 Analysis of default risk by risk group/subgroup in EUR million	Gross carrying amount (before impairment)	thereof towards third parties "Passenger transport"	thereof towards third parties "Rail Cargo Austria"	thereof towards third parties "Infrastru cture"	thereof towards third parties "Others"	Allo-wance	thereof towards third parties "Passenger transport"	thereof towards third parties "Rail Cargo Austria"	thereof towards third parties "Infrastru cture"	thereof towards third parties "Others"
receivables not and up to 90 days past due	618.5	224.0	243.5	137.2	13.9	9.4	0.5	6.2	2.5	0.1
90 to 180 days past due	18.5	1.2	16.7	0.6	0.1	12.7	0.4	12.3	0.1	0.0
180 to 360 days past due	16.1	1.5	9.8	4.7	0.1	6.6	0.5	3.4	2.5	0.1
more than 360 days past due	40.4	4.5	16.6	18.0	1.4	33.5	3.1	14.1	15.0	1.4
Total exposure	**693.5**	**231.1**	**286.5**	**160.4**	**15.5**	**62.2**	**4.5**	**36.0**	**20.1**	**1.7**

The following table shows a summary of the default risk for trade receivables and other receivables:

Default risk	2021 in EUR million	2020 in EUR million
Trade receivables	616.3	693.5
Other receivables	487.5	507.9
Total gross carrying amount of receivables	**1,103.8**	**1,201.4**
less impairment	67.8	63.3
thereof for trade receivables	*66.5*	*62.2*
thereof for other receivables	*1.3*	*1.1*
Carrying amount	1,036.0	1,138.1

See Note 29 for further details.

21. Inventories

This balance sheet item is composed as follows:

	Dec 31, 2021 in EUR million	Dec 31, 2020 in EUR million
Inventories	306.2	284.8
Finished goods	5.9	4.7
Down payments	2.1	5.1
Total	**314.2**	**294.6**
thereof recovery objects	*49.7*	*35.4*
thereof measured at cost	*204.6*	*240.6*

Inventories include, among other things, stocks of materials and spare parts for the expansion and maintenance of rail network operations and for vehicles, as well as operating resources and realisation properties. See Note 7 for the reported cost of sales. The item "Cost of materials" includes expenses from the value adjustment of inventories in the amount of approx. EUR 7.0 million (py: approx. EUR 4.1 million) and is reported in the cost of materials and purchased services. In 2021, impairment losses of approx. EUR 0.0 million (py: EUR 0.3 million) were reversed through profit or loss. Inventories include realisation properties amounting to approx. EUR 49.7 million (py: approx. EUR 35.4 million).

22. Cash and cash equivalents

This item is broken down as follows:

	Dec 31, 2021 in EUR million	Dec 31, 2020 in EUR million
Cash on hand	3.4	2.9
Cash in banks	136.8	37.9
As of Dec 31 (balance sheet)	**140.2**	**40.8**
Other current liabilities	-2.6	-0.9
Bank loans	-26.6	-17.3
Funds (Statement of Cash Flow)	**111.0**	**22.6**

This item includes investments as well as bank balances and cash in hand, all of which are short-term (maturity of less than three months), whereby the remaining term at the time of acquisition is decisive. The carrying amounts of these assets are equivalent to their fair values. ÖBB Group freely disposes over all cash and cash equivalents. See Note 33 for details on the composition of the funds portfolio.

23. Share capital and other equity

The development of equity is shown in the Consolidated Statement of Changes in Equity.

Share capital and additional paid-in capital

The share capital remains unchanged, divided into 190,000 ordinary shares with a nominal value of EUR 10,000 each and fully paid in. The share capital is defined in § 2 (1) of the Federal Railways Act and is that of the parent company. The share capital was raised in accordance with § 2 (2) of the Austrian Federal Railways Act (Bundesbahngesetz) through the contribution of all shares held by the Federal Government in the Austrian Federal Railways. The shares were to be recognised as equity within the meaning of § 224 (3) UGB in accordance with the balance sheet of Austrian Federal Railways as at 31.12.2003. 100% of the shares in ÖBB-Holding AG are reserved for the Republic of Austria pursuant to § 2 (1) of the Federal Railways Act and are not publicly traded.

The capital reserves increased by approx. EUR 61.0 million in 2020 and have since amounted to approx. EUR 141.8 million (py: approx. EUR 141,8 million). In 2020, in accordance with an agreement between the federal government, ÖBB-Holding AG and Rail Cargo Austria AG, a shareholder contribution of EUR 61.0 million was made to strengthen the equity of Rail Cargo Austria AG. The shareholder contribution transferred by the federal government to ÖBB-Holding AG was transferred to the unallocated capital reserve and passed on to Rail Cargo Austria AG within the Group.

Shares of non-controlling interests in equity

This item was created for the shares in the equity of the respective fully consolidated subsidiaries that do not belong to the ÖBB-Holding AG. The development of this item is shown in the Consolidated Statement of Changes in Shareholders' Equity.

24. Reserves and retained earnings

	Dec 31, 2021 in EUR million	Dec 31, 2020 in EUR million
Other reserves	117.3	-115.1
thereof cash flow hedge reserve	*191.9*	*-40.6*
thereof translation differences	*-74.6*	*-74.5*
Retained earnings	1,069.5	827.5

In addition, actuarial losses from the revaluation of provisions for severance payments of approx. EUR -17.6 million (py: approx. EUR -17.3 million) are reported under the item "Retained earnings". The actuarial losses in the statement of comprehensive income include tax effects of approx. TEUR -4 (py: approx. TEUR 20).

Differences resulting from capital consolidation that arose before the transition to IFRS are reported in the resultgenerated. Further information regarding the change in fair values is provided in Note 29.4.1.

The change in the cash flow hedge reserve is presented in the consolidated statement of comprehensive income. Income taxes included in other comprehensive income relate only to taxable items. Currency translation differences are the result of translating the financial statements of foreign operations into the reporting currency. The cash flow hedge reserve mainly relates to commodity derivatives.

See the Consolidated Statement of Changes in Shareholders' Equity for further explanation.

25. Financial liabilities

Financial liabilities comprise the following:

Dec 31, 2021 in EUR million	up to 1 year	1 to 5 years	more than 5 years	Total
Bonds	1,498.6	4,552.4	4,326.5	10,377.5
Bank loans	363.4	1,118.4	4,238.6	5,720.4
Financial liabilities leasing	153.7	189.8	252.1	595.6
Other financial liabilities	553.3	1,098.2	9,912.7	11,564.2
Total	**2,569.0**	**6,958.8**	**18,729.9**	**28,257.7**

Dec 31, 2020 in EUR million	up to 1 year	1 to 5 years	more than 5 years	Total
Bonds	1,050.1	5,016.1	5,354.4	11,420.6
Bank loans	327.0	1,045.9	4,462.3	5,835.2
Financial liabilities leasing	213.3	185.1	278.3	676.7
Other financial liabilities	1,074.4	688.6	6,970.7	8,733.8
Total	**2,664.8**	**6,935.7**	**17,065.7**	**26,666.3**

The total amount of liabilities with a maturity of more than five years relates primarily to bonds, borrowings from EUROFIMA and credit institutions, liabilities to the federal government (OeBFA) and liabilities from cross-border lease agreements.

Federal guarantees

The Federal Government is liable for bonds in the amount of approx. EUR 10,322.0 million in the reporting year (py: approx. EUR 11,370.6 million). In addition, liabilities to EUROFIMA in the amount of approx. EUR 893.0 million (py: approx. EUR 1,303.2 million) are secured by guarantees from the Federal Government.

Bonds issued

Bonds with a total nominal value of approx. EUR 10,325.0 million (py: approx. EUR 11,375.0 million) are divided as follows:

Fair value	Currency	Term	ISIN / CUSIP	Interest rate
100,000,000.00	EUR	2006 - 2036	XS0243862876	2.9900%
100,000,000.00	EUR	2006 - 2036	XS0244522396	2.9900%
100,000,000.00	EUR	2006 - 2036	XS0252697130	3.5000%
50,000,000.00	EUR	2006 - 2036	XS0252721450	3.5000%
100,000,000.00	EUR	2006 - 2036	XS0275973278	3.4900%
80,000,000.00	EUR	2006 - 2036	XS0275974599	3.4900%
1,300,000,000.00	EUR	2007 - 2022	XS0307792159	4.8750%
200,000,000.00	EUR	2008 - 2022	XS0307792159	4.8750%
100,000,000.00	EUR	2007 - 2037	XS0321318163	4.0000%
100,000,000.00	EUR	2007 - 2037	XS0324893626	4.0000%
50,000,000.00	EUR	2007 - 2037	XS0324895670	4.0000%
100,000,000.00	EUR	2007 - 2037	XS0328866982	4.0000%
50,000,000.00	EUR	2007 - 2037	XS0331427905	4.0000%
50,000,000.00	EUR	2007 - 2037	XS0336043517	3.9900%
50,000,000.00	EUR	2010 - 2030	XS0497430172	4.2100%
70,000,000.00	EUR	2010 - 2030	XS0503724642	4.2000%
100,000,000.00	EUR	2010 - 2030	XS0512125849	3.9000%
1,500,000,000.00	EUR	2010 - 2025	XS0520578096	3.8750%
1,000,000,000.00	EUR	2011 - 2026	XS0691970601	3.5000%
200,000,000.00	EUR	2011 - 2031	XS0717614951	4.0000%
1,350,000,000.00	EUR	2012 - 2032	XS0782697071	3.3750%
1,000,000,000.00	EUR	2013 - 2023	XS0949964810	2.2500%
75,000,000.00	EUR	2013 - 2033	XS0954197470	2.1250%
1,000,000,000.00	EUR	2013 - 2033	XS0984087204	3.0000%
1,000,000,000.00	EUR	2014 - 2024	XS1138366445	1.0000%
500,000,000.00	EUR	2014 - 2029	XS1071747023	2.2500%

In the period from 2005 to 2014, ÖBB-Infrastruktur AG issued a program of Euro Medium Term Notes (EMTN). The payments in respect of the bonds issued under this framework agreement are unconditionally and irrevocably guaranteed by the Republic of Austria. All the bonds listed above were issued by ÖBB-Infrastruktur AG under this program.

In 2015, six bonds (approx. USD 108.5 million) were issued, of which three (py: three) amounting to approx. USD 61.9 million (py: approx. USD 60.0 million) with CUSIP numbers A5790#AD0 (maturity date 2026), A5790#AE8 (maturity date 2025) and A5790#AF5 (maturity date 2025) are still outstanding.

Liabilities to credit institutions include approx. EUR 4,093.4 million (py: approx. EUR 4,095.7 million) financing from the European Investment Bank (EIB). Liabilities in the amount of approx. EUR 55.3 million (py: approx. EUR 57.3 million) are collateralised. The Österreichische Kontrollbank Aktiengesellschaft provided guarantees for financial liabilities in the amount of approx. EUR 1.9 million (py: approx. EUR 50.3 million).

Financial liabilities Leasing

The liabilities from leases result primarily from unlinked cross-border leasing transactions as well as from leases in accordance with IFRS 16. Apart from one exception, the cross-border leasing liabilities are offset by assets in the same amount (financial assets such as loans to banking and leasing institutions or securities, indemnification claims from payment-undertaking agreements).

Other financial liabilities

The other financial liabilities mainly consist of EUROFIMA loans amounting to approx. EUR 893.0 million (py: approx. EUR 1,303.2 million), of which in the 2021 reporting year, an amount of approx. EUR 160.0 million (py: approx. EUR 410.9 million) has a residual term of less than one year. Otherwise, this item includes liabilities to the federal government (OeBFA) with a book value of approx. EUR 9,086.8 million (py: approx. EUR 6,100.7 million) and the negative present values of derivative financial instruments. Liabilities due to the federal government (OeBFA) amounting to approx. EUR 0.0 million (py: approx. EUR 409.8 million) are current.

Since 2017, ÖBB-Infrastruktur AG has been raising the necessary financing primarily through loans from the Republic of Austria in settlement through the Austrian Federal Financing Agency (OeBFA) instead of through its own bond issues on the capital market. The ÖBB-Infrastruktur AG belongs to the general government sector according to Eurostat criteria. All existing bonds of ÖBB-Infrastruktur AG and their guarantees by the Republic of Austria remain unaffected by this expansion of ÖBB-Infrastruktur AG financing instruments.

The conditions of the long-term financial liabilities to the federal government (OeBFA) are as follows:

Fair value	Currency	Term	Nominal interest rate	Effective interest rate
400,000,000.00	EUR	2017 - 2027	0.500%	0.5532%
50,000,000.00	EUR	2017 - 2027	6.250%	0.3983%
100,000,000.00	EUR	2017 - 2034	2.400%	1.0777%
200,000,000.00	EUR	2017 - 2047	1.500%	1.5492%
553,650,000.00	EUR	2017 - 2086	1.500%	1.7704%
250,000,000.00	EUR	2018 - 2117	2.100%	1.8725%
800,000,000.00	EUR	2019 - 2117	2.100%	1.2845%
964,600,000.00	EUR	2019 - 2029	0.500%	-0.2831%
250,000,000.00	EUR	2020 - 2030	0.000%	-0.2148%
1,400,000,000.00	EUR	2020 - 2040	0.000%	-0.0840%
100,000,000.00	EUR	2020 - 2040	0.000%	0.0150%
150,000,000.00	EUR	2020 - 2026	0.750%	-0.6520%
200,000,000.00	EUR	2021 - 2023	0.000%	-0.6930%
182,000,000.00	EUR	2021 - 2027	0.500%	-0.6150%
200,000,000.00	EUR	2021 - 2028	0.750%	-0.2800%
850,000,000.00	EUR	2021 - 2031	0.000%	-0.1751%
1,066,000,000.00	EUR	2021 - 2036	0,250%	0.3106%
200,000,000.00	EUR	2021 - 2037	4,150%	0.1210%
370,000,000.00	EUR	2021 - 2051	0.750%	0.3102%
125,000,000.00	EUR	2021 - 2071	0,700%	0.7786%
25,000,000.00	EUR	2021 - 2086	1.500%	0.7750%
8,436,250,000.00	**EUR**	**Total**		

Financial liabilities from leasing of approx. EUR 15.6 million (py: approx. EUR 27.0 million) are linked to financial assets and other financial liabilities of approx. EUR 675.8 million (py: approx. EUR 772.0 million) are mainly secured by vehicles.

In both financial years, the Group fulfilled all obligations arising from the above-mentioned loan and credit agreements.

26. Provisions

In determining the provisions an assessment was made as to whether the ÖBB-Group is likely to utilise these provisions and whether the expected amount of the provision can be reliably estimated. The provision is recognised in the amount of the probable obligation. In the event of scenarios with equal probabilities, the expected amount is determined by the probability.

26.1. Provisions for personnel

Provisions for personnel

	Dec 31, 2021 in EUR million	Dec 31, 2020 in EUR million
Statutory severance payments	83.7	81.0
Pensions	1.3	1.4
Anniversary bonuses	271.5	277.0
Other provisions for personnel	1.2	0.9
Total	**357.7**	**360.3**
thereof long-term	*357.7*	*360.3*

Current provisions are mainly included in other personnel provisions. Apart from the exception of the actuarial gains or losses from the provision for statutory severance payments and pensions, all changes to personnel provisions that affect profit or loss are recognised in personnel expenses.

Actuarial assumptions

The following table shows the assumptions used in measuring the obligations for anniversary bonuses, severance payments and pensions:

	Dec 31, 2021	Dec 31, 2020
Discount rate severance payments	1.30%	1.00%
Discount rate pensions	1.25%	0.85%
Discount rate anniversary bonuses	1.00%	0.55%
Rate of compensation increase	3.90%	3.60%
Rate of pension payment increases	2.00%	2.00%
Employee turnover rate anniversary bonuses of tenured employees	0.00 - 1.24%	0.00 - 1.04%
Employee turnover rate anniversary bonuses of other workers and employees	0.00 - 7.42%	0.00 - 7.71%

The Group is usually exposed to the following actuarial risks relating to severance payments and anniversary bonuses:

- Interest rate risk A decrease in the interest rate leads to an increase in provisions.
- Salary risk: The present value of the provisions is determined on the basis of the planned future salaries of the beneficiary employees. As a result, increases in the salaries of the beneficiary employees lead to an increase in provisions.

Statutory severance payments

A provision for severance payments is set aside for the severance payment claims arising from individual service law or contractual provisions of those employees who are not tenured employees within the meaning of § 21 (3) of the Federal Railways Act as amended by Federal Act BGBL I Nr. 71/2003. As required for measurement by IAS 19, actuarial calculation of the provision is based on the projected unit credit (PUC) method. It is based on the biometric actuarial bases of the Aktuarvereinigung Österreichs (the Actuarial Association of Austria) (AVÖ) 2018-P – for male and female employees – actuarial assumptions for pension insurance.

Severance obligations to employees hired before 01.01.2003, are covered by defined benefit plans as described below. Following legal amendment, employees hired in Austria after 01.01.2003 are covered by a defined contribution plan. In this regard, the ÖBB Group paid approx. EUR 14.4 million (py: approx. EUR 11.7 million into the defined contribution plan (VBV Vorsorgekasse AG and APK-PENSIONSKASSE AG).

Upon retirement, eligible employees receive a severance payment equal to a multiple of their monthly base salary – based on their period of service – but no more than twelve monthly salaries. Upon termination of employment, up to three months' salaries are paid immediately, any benefit in excess of that amount being paid over a period not exceeding ten months. In the event of death, the heirs of an eligible employee are entitled to 50% of the severance benefits.

The following table shows the components of net periodic severance cost and the development of the severance provisions:

	2021 in EUR million	2020 in EUR million
Defined benefit commitments as of Jan 01	*81.0*	*75.8*
Service cost	3.9	3.3
Interest cost	0.8	1.0
Subtotal recorded in the net income	4.7	4.3
Actuarial losses (+) / gains (-) from changes in demographic assumptions	0.0	0.0
Actuarial losses (+) / gains (-) from changes in financial assumptions	-0.1	3.6
Experience adjustments	**0.4**	**-1.3**
Recognized in other comprehensive income	0.3	2.3
Severance payments	-2.7	-2.1
Company sales and acquisitions	0.4	0.6
Defined benefit commitments as of Dec 31	**83.7**	**81.0**

Provisions for severance payments amounting to approx. EUR 0.8 million (py: approx. EUR 0.7 million) in 2022, in the amount of approx. EUR 26.3 million (py: approx. EUR 30.2 million) in 2023 to 2027 and in the amount of approx. EUR 56.6 million (py: approx. EUR 50.1 million) after 2027IF _FLink_2D_bjuxÖKcMEiDgärP3We "2027" are due. The average term (duration) is 15.7 (py: 16.3) years.

The following sensitivity analysis for the provision of severance payments outlines the effect on the obligations of changes in key actuarial assumptions. One significant factor was changed in each case,, while the others were held constant. In reality, however, it is unlikely that these factors are not in correlation. In accordance with IAS 19, the projected unit credit (PUC) method is used to measure both the modified and actual obligations through the application of changed parameters.

A change in the actuarial assumptions would have the following effect:

Sensitivity analysis of the provisions for severance payments	Change in assumption in %	Increase of the parameter / change in DBO 2021 in EUR million	 2020 in EUR million	Decrease of the parameter/ change in DBO 2021 in EUR million	 2020 in EUR million
Interest rate	+/- 0.2	-2.4	-2.9	2.5	2.1
Salary increase	+/- 0.2	2.4	2.0	-2.4	-2.9

Anniversary bonuses

Tenured and certain other employees (together "employees" in this context) are entitled to anniversary bonuses. Eligible employees receive two months' salary after 25 years of service and four months' salary after 40 years of service, in accordance with statutory and contractual provisions. Employees who have at least 35 years of service at the time of retirement are also paid a pro rata anniversary bonus of up to four months' salary.

The calculation of the provision was prepared actuarially according to the PUC method, which is the prescribed method for measurements according to IAS 19. It is based on the biometric actuarial bases of the Aktuarvereinigung Österreichs (the Actuarial Association of Austria) (AVÖ) 2018-P – for male and female employees – actuarial assumptions for pension insurance. The provision is accrued over the period of service with a deduction to reflect employees who leave the company prematurely. Actuarial gains and losses are recognised immediately in profit or loss in the period in which they occur.

The provision for anniversary bonuses for the other employees is formed in accordance with the regulations of the respective collective agreement or internal company agreements.

The following table shows the components and the development of the anniversary bonus provision:

	2021 in EUR million	2020 in EUR million
Defined benefit commitments as of Jan 01	*277.0*	*263.7*
Service cost	13.9	12.5
Interest cost	1.5	2.3
Anniversary bonuses	-21.6	-21.4
Reclassifications	0.0	0.0
Company sales and acquisitions	0.0	0.0
Actuarial losses (+) / gains (-)	-2.6	21.2
Experience adjustments	3.3	-1.3
Defined benefit commitments as of Dec 31	**271.5**	**277.0**

The average duration is 9.0 (py: 9.0) years. A change in the actuarial assumptions would have the following effect:

Sensitivity analysis of the provisions for anniversaries	Change in assumption	Increase of the parameter / change in DBO		Decrease of the parameter / change in DBO	
	in %	2021 in EUR million	2020 in EUR million	2021 in EUR million	2020 in EUR million
Interest rate	+/- 0.2	-5.2	-5.2	4.6	4.8
Salary increase	+/- 0.2	4.5	4.6	-5.1	-5.0

Pensions

Only individual contractual pension commitments are recognised under provisions for pensions.

Defined contribution plans

In Austria, pension benefits for employees are generally provided by the social insurance institutions and for railway employees by the Insurance Institution for Railways and Mining (VAEB) and, on the basis of § 52 of the Federal Railway Act, by the federal government. The ÖBB-Group is required to pay pension and health care contributions for current tenured employees to VAEB. In addition, the ÖBB Group offers a defined contribution pension plan to all employees of the ÖBB Group in Austria. ÖBB Group contributions are calculated as a percentage of remuneration and may not exceed 1.2%. The expenses of this plan in the reporting year amounted to approx. EUR 6.5 million (py: approx. EUR 19.4 million).

Defined contribution plans

A defined benefit pension plan (payments from the age of 60) is in effect for one former member of the Board of Management, for which the ÖBB Group has been making payments since 2010. The plan, which is unfunded, provides pension payments that are a percentage of salary depending on years of employment. The pension amounts to a maximum of 13.2% of the final salary, including the state pension. The valuation was based on actuarial principles assuming a discount factor of 1.25% (py: 0.85%) and a retirement age of 60.

26.2. Other provisions

in EUR million	As of 01.01.2021	Utilisation	Change in scope of consoli-dation	Release	Accretion expenses	Additions	As of Dec 31, 2021
Public services according to EU Directive 1370/2007	339.5	-92.6	-0.4	0.0	-0.1	135.1	381.5
Asset retirement obligations	42.0	0.0	0.0	-10.5	0.0	0.0	31.5
Environmental protection measures	34.5	-1.3	0.0	-0.4	0.0	0.8	33.6
Bad debts and public services	24.9	-4.7	0.0	-2.8	0.0	6.4	23.8
Loss set aside	15.9	-15.3	0.0	-0,5	0.0	21.8	21.9
Demolition cost and similar obligations	22.9	-4.9	0.0	-1.6	0.0	3.9	20.3
Reimbursement of travel expenses	3.1	-0.3	0.0	-0.9	0.0	0.5	2.4
Non-income taxes and fees	1.6	-0.5	0.0	0.0	0.0	0.9	2.0
Reorganisation	0.4	0.0	0.0	0.0	0.0	-0.2	0.2
Others	134.9	-31.5	-0.5	-15.7	0.5	46.1	133.8
Total	**619.8**	**-151.1**	**-0.9**	**-32.4**	**0.4**	**215.3**	**651.0**
thereof long-term	*222.6*						*230.3*

The sum of the column "Reclassifications" represents reclassifications to liabilities or non-current liabilities held for sale.

The accounting of the Transport Service Contract Association (VDV) is audited annually by an independent auditor. For any repayment claims by the Federal Government arising from this title and for obligations resulting from the liberalisation of European rail transport in connection with EU Directive RL1370/2007 as well as for impending losses from a transport service contract, a provision of approx. EUR 381.5 million (py: approx. EUR 339.5 million) is accounted for. The increase in the current financial year is mainly due to the additional inclusion of the current financial year in the provisions for regulatory proceedings.

The provision for decommissioning costs relates to future expenses in connection with the demolition and clearing of assets and the restoration of sites. These are railway lines that have already been closed or will be closed in the near future. This provision was only created for those routes that can be assumed with sufficient certainty to be decommissioned. The provision for a line in the amount of approx. EUR 10.5 million was fully reversed in the 2021 financial year on the basis of an agreement with the Steiermark region, which ensures the sustainable operation of the line. The additions relate to cost and interest rate adjustments and, in the previous year, also to provisions for newly defined routes to be decommissioned amounting to approx. EUR 0.3 million.

The provision for environmental protection measures relates to expected remedial measures from soil contamination. Based on relevant statutory provisions, it was recognised with the probable expected expenses and amortised in 2021 amounting to approx. EUR 0.4 million (py: approx. EUR 1.4 million). The reversal results from the revaluation of the provision for real estate. As in the previous year, there are reimbursement claims for environmental protection measures amounting to approx. EUR 9.3 million and are recognised under other receivables.

The provision for indemnities and similar obligations includes provisions for contractual obligations in connection with property sales.

The provision for impending losses mainly consists of expenses for other legal matters and for onerous loss agreements of the individual business units in the freight transport sector and technical services.

In addition to legal disputes, miscellaneous other provisions include expenses for geo-technical analyses in connection with damage caused to railway embankments. Provisions for litigation are made for all identifiable litigation risks at the time the balance sheet is prepared, based on entrepreneurial judgement. The provision relates to numerous litigations arising from the company's business operations. Among other measures, provisions are included for the recovery of infrastructure utilisation fees and traction current grid utilisation fees with regard to ongoing regulatory proceedings. As disclosure of information in accordance with IAS 37.92 could seriously affect the company's position in these proceedings, no information is provided on the amount of the provision or any contingent liabilities in excess of this amount. In this regard, see the § Use of Estimates and Judgements in Note 3.

Anticipated cash outflow for the provisions

Non-current provisions are discounted at interest rates of 0.0 to 5.8% (py: 0.0 to 4.2%) depending on the term, if applicable. Adjustments due to changes in the discount rate were insignificant.

Other provisions, amounting to approx. EUR 230.3 million (py: approx. EUR 222.6 million) are classified as non-current. The payment date for these provisions is expected after 2022. The payments for the provisions classified as current are expected to be made in 2022. Where uncertainties exist regarding maturity, the provisions concerned were predominantly classified as current.

27. Trade payables and other liabilities

Dec 31, 2021 in EUR million	Current	Non-current	Total
Trade payables	1,154.4	0.0	1,154.4
Other liabilities	1,850.4	27.4	1,877.8
thereof deferral of federal subsidies	*1,104.3*	*0.0*	*1,104.3*
thereof accured personnel liabilities	*191.0*	*0.0*	*191.0*
thereof other deferrals	*83.2*	*23.1*	*106.3*
thereof taxes	*61.0*	*0.0*	*61.0*
thereof social secruity	*45.3*	*0.0*	*45.3*
Total	**3,004.8**	**27.4**	**3,032.2**

Dec 31, 2020 in EUR million	Current	Non-current	Total
Trade payables	994.0	0.0	994.0
Other liabilities	1,647.5	34.5	1,682.0
thereof deferral of federal subsidies	*1,221.5*	*0.0*	*1,221.5*
thereof accured personnel liabilities	*184.5*	*0.0*	*184.5*
thereof other deferrals	*66.1*	*29.8*	*95.9*
thereof taxes	*56.4*	*0.0*	*56.4*
thereof social secruity	*38.0*	*0.0*	*38.0*
Total	**2,641.5**	**34.5**	**2,676.0**

The management estimates that the carrying amounts of the trade payables approximate their respective fair values. Trade payables include liabilities with a remaining term of more than one year amounting to approx. EUR 65.6 million (py: approx. EUR 86.8 million) include liabilities with a remaining term of more than one year, which nevertheless are recognised as current in accordance with IAS 1.70.

The accruals for personnel mainly include the items "overtime" and "unutilised leave".

As of 31.12.2020, a sale-and-leaseback transaction scheduled to expire in 2021, resulted in deferred income of approx. EUR 2.7 million, which was recognized under other accruals and deferrals. The sales revenue from these finance leases were released over the term of the lease. The other liabilities also consist of the net present value benefit of the CBL transactions in the amount of approx. EUR 2.9 million (py: approx. EUR 3.5 million), ticket pre-sales of approx. EUR 23.1 million (py: approx. EUR 18.5 million) and accrued income from building lease and lease agreements of approx. EUR 12.9 million (py: approx. EUR 20.7 million).

Contract liabilities of approx. EUR 5.3 million (py: approx. EUR 10.2 million) mainly include premature payments received on revenues for subsequent periods, which are reported under trade payables. All contract liabilities recognised in the previous year were recognised as revenue in the reporting period.

C. OTHER NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. Other guarantees and contingent liabilities

	2021 in EUR million	2020 in EUR million
Contingent liabilities from lease transactions	44.5	44.4
Other contingent liabilities	27.7	28.2
Total	72.2	72.6

Contingent liabilities from lease transactions (CBL transactions)

The liabilities from leases relate to those cross-border leasing transactions with no economic substance and for which the associated assets and liabilities are therefore not recognised in the balance sheet. The ÖBB Group assumes for these transactions that the contractual partners of the underlying investments - as before - will continue to meet their payment obligations in conformity with the contract and that therefore no cash outflows are to be expected beyond the payments made at the time the transaction was concluded. The contractual partners of the respective investments have a Standard & Poor’s rating of at least AA+ or there are subsidiary guarantee obligations on the part of the public sector. Given the ÖBB Group's current obligation under the cross-border leasing agreements with regard to the leasing liabilities that have not yet been repaid, a corresponding note to these obligations is included under contingent liabilities. Collateral in the form of pledged investments exists for the leasing obligations that are not yet repaid.

The other contingent liabilities shown relate to guarantees and uncertain liabilities, whereby the extent of the cash outflows depends on the future course of business.

Other contingent liabilities

The other contingent liabilities amount to approx. EUR 0.4 million (py: approx. EUR 0.6 million) and concern contingent liabilities from equity investments.

Information on the terms of the contracts from CBL transactions is provided in Note 30.3.

29. Financial instruments

29.1. Risk management

The ÖBB-Group is subject to market (interest rate and currency), credit (creditworthiness of contractual partners) and liquidity risks. The Group views financial risk management as the management of market risks and the business management of the individual companies’ portfolios with respect to interest rate, currency, and commodity price trends. The ÖBB Group uses derivative financial instruments to hedge these risks. Derivative financial instruments are concluded only with reference to a hedged item.

One core task of risk management is to identify, measure, and mitigate financial risks. Risk mitigation does not mean completely eliminating financial risks, but rather the reasonable management within a precisely defined framework of risks that can be quantified at any time.

ÖBB-Holding AG, which conducts financial transactions on behalf and for the account of its subsidiaries, with the exception of commodity hedging transactions, only after receiving their approval and mandate, has established a risk-oriented control environment that includes policies and procedures for the assessment of risks, approval, reporting and monitoring of financial instruments. The protection of the ÖBB Group assets is the first priority for any and all financial activities.

The majority of the derivatives used by the Group, amounting to approx. 92% (py: approx. 92%) by nominal value, are non-structured standard hedging transactions suitable for hedge accounting (plain vanilla interest rate swaps and plain vanilla commodity swaps). A share of approximately 8% (py: approximately 8%) by nominal value is attributable to a structured derivative that is not eligible for hedge accounting. This specific structured derivative has a nominal volume of EUR 20.0 million with a term through 2022.

In 2021, commodity swaps with a nominal value of approx. EUR 18.7 million (py: approx. EUR 22.3 million) were concluded for the delivery year 2022.

29.2. Types of risk

Financial risks are defined as follows:
- 29.2.a. Interest rate risk
- 29.2.b. Currency risk
- 29.2.c. Credit risk
- 29.2.d. Liquidity risk
- 29.4. Commodity risks (electricity price fluctuations)

29.2.a. Interest rate risk

Risks from the exposure to changes of interest rates are risks to the profitability and the value of the ÖBB Group and may occur in the following forms:

- Interest payment risk (increased interest cost due to the market development)
- Present value risk (change in value of the portfolio)

Risks arising from changes in market interest rates may affect the financial result of the ÖBB Group due to the structure of its Consolidated Statement of Financial Position. It is therefore important to limit possible market interest rate fluctuations above a certain level, for example by using derivative financial instruments, in order to keep their impact on earnings development to a minimum.

The use of appropriate derivative financial instruments to manage interest risks (interest rate swaps) is based on portfolio analyses and recommendations by ÖBB-Holding AG and corresponding decisions of the subsidiaries. The ÖBB Group is exposed to interest rate risks mainly in the Eurozone. In order to implement the risk strategy as effectively as possible, it uses interest rate derivatives where necessary taking the present debt structure into account.

Financial instruments (current and non-current) **Dec 31, 2021**	Fixed interest financial instruments in EUR million	Variable interest financial instruments in EUR million
Financial assets	181.4	15.6
Trade receivables	0.5	5.1
Other receivables and assets	0.7	0.0
Cash and cash equivalents	28.0	99.6
Total	**210.6**	**120.3**
Financial liabilities	27,118.4	262.8
of which to the Federal Government (OeBFA)	*9,086.8*	*0.0*
Other liabilities	0.0	4.6
Total	**27,118.4**	**267.4**

Financial instruments (current and non-current) **Dec 31, 2020**	Fixed interest financial instruments in EUR million	Variable interest financial instruments in EUR million
Financial assets	182.0	20.4
Trade receivables	0.6	4.8
Other receivables and assets	1.1	0.0
Cash and cash equivalents	28.7	1.8
Total	**212.4**	**27.0**
Financial liabilities	21,663.1	6.9
of which to the Federal Government (OeBFA)	*6,100.7*	*0.0*
Total	**21,663.1**	**6.9**

The underlying hedged items were classified as fixed or variable interest financial instruments, taking into account the derivatives (hedging instruments) concluded.

A fundamental reform of the main reference interest rates is being undertaken worldwide, including the replacement of some "Interbank Offered Rates" (IBORs) with alternative, almost risk-free interest rates (referred to as "IBOR reform"). There is uncertainty about the timing and methods of transition. EURIBOR can continue to be used as a reference interest rate without restriction. This allows market participants to continue using EURIBOR for existing contracts. ÖBB-Group assumes that EURIBOR will remain the reference interest rate for the foreseeable future (at least until 2025).

None of the current Group EURIBOR-linked credit agreements contain adequate and robust fallback clauses for a cessation of the reference rate. Various industry groups are working on corresponding fallback clauses for different instruments and EURIBORs, which the Group will implement as appropriate. The Group has been closely monitoring the market and the outcomes of the various industry working groups that are managing the transition to the new reference rates. This includes announcements by the relevant supervisory authorities. In response, there will be ongoing coordination with commercial banks, discussions with SAP consultants regarding mapping of fallback clauses, and exchanges with the Treasury interest lobby group.

Sensitivity analysis for interest rate risk

IFRS 7 requires a sensitivity analysis for market risks, showing how profit or loss and equity would be affected by hypothetical changes in market interest rates. The effects in each period are determined by applying the hypothetical changes in the risk variables to the portfolio of financial instruments at the reporting date. For the purpose of the sensitivity analysis, the portfolio at the reporting date is assumed to be representative for the entire year.

Fluctuations in the market interest rates levied on original fixed interest financial instruments only affect profit or loss if measured at fair value. Accordingly, fixed interest financial instruments measured at amortised cost are not exposed to any interest rate risks.

Market interest rate fluctuations of financial instruments designated as cash flow hedges against interest-related cash flow fluctuations affect the cash flow hedge reserve in equity and are therefore considered in equity-related sensitivity calculations.

Market interest rate fluctuations of original variable interest financial instruments for which interest payments are not hedged against interest rate risks with cash flow hedges are included in the calculation of profit-related sensitivities.

Market interest rate changes of derivative financial instruments that are not included in a hedging relationship according to IFRS 9 have an impact on other financial expenses and income (valuation result from the adjustment of financial assets to fair value) and are therefore taken into account in the earnings-related sensitivity calculations.

	Effect in income statement		Effect in shareholders' equity	
Sensitivity analysis interest rate risk as of Dec 31, 2021 in EUR million	+100 base points	-100 base points	+100 base points	-100 base points
Assets				
Financial assets	0.2	-0.2	0.0	0.0
Cash and cash equivalents	0.9	-0.9	0.0	0.0
Liabilities				
Financial liabilities	-2.6	2.6	9.3	-8.8
Consolidated effect 2021	**-1.5**	**1.5**	**9.3**	**-8.8**

	Effect in income statement		Effect in shareholders' equity	
Sensitivity analysis interest rate risk as of Dec 31, 2020 in EUR million	+100 base points	-100 base points	+100 base points	-100 base points
Assets				
Financial assets	0.2	-0.2	0.0	0.0
Cash and cash equivalents	0.0	0.0	0.0	0.0
Liabilities				
Financial liabilities	0.0	0.0	11.4	-11.2
Consolidated effect 2020	**0.2**	**-0.2**	**11.4**	**-11.2**

29.2.b. Currency risk

The ÖBB Group is exposed to exchange rate risks resulting primarily from original financial liabilities denominated in foreign currencies. As of the reporting date, the ÖBB Group was not exposed to any significant risks relating to foreign currency liabilities. Exchange rate fluctuations therefore had no significant impact on the income. Residual foreign currency risks result primarily from financial liabilities in EUR of the Hungarian companies reporting in Hungarian forints.

In the case of cross-border leasing transactions as well as remaining positions from terminated CBL transactions (also concerns the US dollar bonds), almost all payment flows are settled in US dollars with matching maturities. Provided there are no defaults on the investments, there is therefore no foreign currency risk.

Foreign currencies were hedged as follows:

Currency-sensitive financial instruments 2021	in USD million
Trade receivables	9.0
Other financial assets	116.3
Trade payables	-8.8
Other financial liabilities	-115.2
Net exchange rate risk	**1.3**

Currency-sensitive financial instruments 2020	in USD million
Trade receivables	8.6
Other financial assets	123.9
Trade payables	-8.1
Other financial liabilities	-125.5
Net exchange rate risk	**-1.1**

Sensitivity analysis for interest rate risk

If the EUR had been revalued or devalued by 10% against the USD, the result in both reporting years would have been approx. EUR 0.4 million higher or lower in both reporting years.

29.2.c. Credit risk

Counterparty credit risk describes the potential loss from failure by financial partners to honour their financial commitments (primarily money market transactions, investments, positive present value derivatives). Compliance with the limits underlying the counterparty credit risk management system that are individually assigned to each financial partner are checked daily. ÖBB Group conducts business only with financial partners with a defined rating and objective risk classification by the capital market.

The ÖBB Group manages counterparty credit risk by calculating and setting limits based primarily on the assessment of financial partners' credit default swap statistics. This ensures the Group's ability to respond rapidly to any changes in the capital markets' risk assessment of the financial partner. The applicable limits and their utilisation are monitored daily in order to ensure timely, risk-focused response to market disruptions.

Apart from the original transactions with finance partners, counterparty risk also exists in connection with cross-border leases. For cross-border leasing transactions, security deposits, payment undertaking agreements and swaps were concluded with financial partners for lease instalments during the term and the acquisition cost at the end of the term. See Note 30.3 for more information on cross-border leases.

The financial assets of the ÖBB Group mainly comprise cash and cash equivalents, trade receivables as well as receivables from finance leases and securities. These items represent the maximum loss exposure of the ÖBB Group by the default risk with respect to the financial assets. In an extreme case, this credit risk then accounts for the equivalent value of all assets less property, plant and equipment, intangible assets, shares in associated companies, inventories and other receivables that are not financial instruments.

The credit risk is composed as follows:

Credit risk from financial instruments in EUR million	Gross exposure (carrying amount plus impairments)	less collateral (FV)	Net exposure
Total exposure 2021			
Financial assets	707.0	0.0	707.0
Trade receivables	597.6	-96.9	500.7
Other receivables and assets	109.7	0.0	109.7
Cash and cash equivalents	140.2	0.0	140.2
Risk current and non-current assets	**1,554.4**	**-96.9**	**1,457.5**
Contingent liabilities from lease transactions	44.5	0.0	44.5
Other contingent liabilities	27.7	0.0	27.7
Credit risk from issued guarantees	**72.2**	**0.0**	**72.2**
Total credit risk as of Dec 31, 2021	**1,626.6**	**-96.9**	**1,529.7**
Total exposure 2020			
Financial assets	314.7	0.0	314.7
Trade receivables	675.7	-81.9	593.8
Other receivables and assets	174.0	0.0	174.0
Cash and cash equivalents	40.8	0.0	40.8
Risk current and non-current assets	**1,205.2**	**-81.9**	**1,123.3**
Contingent liabilities from lease transactions	44.4	0.0	44.4
Other contingent liabilities	28.2	0.0	28.2
Credit risk from issued guarantees	**72.6**	**0.0**	**72.6**
Total credit risk as of Dec 31, 2020	**1,277.8**	**-81.9**	**1,195.9**

See Note 20 with regard to the maturities. The collateral for trade receivables consists, among other things, of escrow deposits for realisation properties.

29.2.d. Liquidity risk

The primary aim of the ÖBB Group in financial terms is to secure the necessary liquidity for all companies in the ÖBB Group. Liquidity risk for the ÖBB Group also means any restriction on its ability to borrow and raise capital (for example, due to a lower credit rating from a rating agency or due to an internal bank rating) in terms of volume and conditions for the provision of financial resources, which could impair the implementation of the corporate strategy or the financial latitude for action.

The task therefore consists of analysing the liquidity risk and consistently securing liquidity (mainly by liquidity planning, agreement of sufficient credit lines, and sufficient diversification of creditors).

The following tables show the contractually agreed (undiscounted) interest and redemption payments on original and derivative financial liabilities. Actually expected maturities do not deviate from the contractually agreed maturities.

in EUR million	Carrying amount Dec 31, 2021	non-cash Carrying amount Dec 31, 2021	Carrying amount of 2022 cash flows Interest *) 2022	Redemption *) 2022	Carrying amount of 2023-2026 cash flows Interest 2023–2026	Redemption 2023–2026	Carrying amount of 2027 et seq. cash flows Interest 2027 et seq.	Redemption 2027 et seq.
Original financial liabilities								
Bonds	10,377.5	0.0	339.6	1,498.6	920.3	4,552.4	977.1	4,326.5
Bank loans	5,720.4	0.0	119.1	363.4	444.4	1,118.4	564.0	4,238.6
Finance leasing, sub-lease and CBL liabilities	595.5	20.4	10.7	153.7	32.8	169.3	13.2	252.1
Other financial liabilities	11,349.1	22.0	92.9	176.3	336.3	1,042.6	3,038.6	9,912.7
Trade payables	1,110.9	0.0	0.0	1,045.3	0.0	65.6	0.0	0.0
Other liabilities	1,468.9	0.0	0.0	1,466.5	0.0	2.4	0.0	0.0

*) Other financial liabilities include liabilities from accrued interest payments for bonds and liabilities to credit institutions. The actual interest payments 2021 from these accrued liabilities are shown in a separate line as Bonds and Liabilities to Credit Institutions and not in Other Financial Liabilities.

in EUR million	Carrying amount Dec 31, 2021	Cash flows 2022 Interest 2022	Redemption 2022	Cash flows 2023-2026 Interest 2023-2026	Redemption 2023-2026	Cash flows 2027 et seq. Interest 2027 et seq.	Redemption 2027 et seq.
Derivative financial receivables							
Other derivatives not designated as hedges	194.5	0.0	81.8	0.0	18.1	0.0	0.0
Power derivatives with cash flow hedges	284.3	0.0	74.8	0.0	115.3	0.0	0.0
Diesel swaps - Cashflow Hedges	5.7	0.0	0.0	0.0	0.0	0.0	0.0
Derivative financial liabilities							
Interest rate derivates not designated as hedges	0.9	0.8	0.0	0.0	0.0	0.0	0.0
Interest derivatives - Cash flow hedges	40.2	9.3	0.0	35.5	0.0	0.0	0.0
Power derivatives - Cash flow hedges	0.7	0.0	0.0	0.0	10.5	0.0	0.0
Other derivatives not designated as hedges	173.4	0.0	0.1	0.0	4.6	0.0	0.0
Financial guarantees							
Guarantees from cross-border leasing	44.5	3.1	3.9	5.2	40.6	0.0	0.0
Other contingent liabilities	27.7	0.0	19.1	0.0	8.6	0.0	0.0

in EUR million	Carrying amount Dec 31, 2020	non-cash Carrying amount Dec 31, 2020	Carrying amount of 2021 cash flows Interest *) 2021	Redemption *) 2021	Carrying amount of 2022-2025 cash flows Interest 2022–2025	Redemption 2022–2025	Carrying amount of 2026 et seq. cash flows Interest 2026 et seq.	Redemption 2026 et seq.
Original financial liabilities								
Bonds	11,420.6	0.0	377.7	1,050.1	1,084.1	5,016.1	1,153.0	5,354.4
Bank loans	5,835.2	0.0	122.0	327.0	460.3	1,045.9	667.9	4,462.3
Finance leasing, sub-lease and CBL liabilities	676.7	17.5	11.5	213.3	35.2	167.6	19.6	278.3
Other financial liabilities	8,659.3	31.4	80.8	837.6	269.9	674.3	2,827.6	6,914.7
Trade payables	950.2	0.0	0.0	863.4	0.0	86.8	0.0	0.0
Other liabilities	1,305.0	0.0	0.0	1,302.3	0.0	2.7	0.0	0.0

*) Other financial liabilities include liabilities from accrued interest payments for bonds and liabilities to credit institutions. The actual interest payments 2020 from these accrued liabilities are shown in a separate line as Bonds and Liabilities to Credit Institutions and not in Other Financial Liabilities.

in EUR million	Carrying amount Dec 31, 2020	Cash flows 2021 Interest 2021	Cash flows 2021 Redemption 2021	Cash flows 2022-2025 Interest 2022-2025	Cash flows 2022-2025 Redemption 2022-2025	Cash flows 2026 et seq. Interest 2026 et seq.	Cash flows 2026 et seq. Redemption 2026 et seq.
Derivative financial receivables							
Other derivatives not designated as hedges	14.2	0.0	67.1	0.0	13.7	0.0	0.0
Power derivatives with cash flow hedges	10.0	0.0	35.7	0.0	74.8	0.0	0.0
Derivative financial liabilities							
Interest rate derivatives not designated as hedges	2.0	0.8	0.0	0.8	0.0	0.0	0.0
Interest derivatives - Cash flow hedges	52.8	9.3	0.0	36.6	0.0	8.0	0.0
Power derivatives - Cash flow hedges	0.2	0.0	9.5	0.0	1.8	0.0	0.0
Other derivatives not designated as hedges	19.5	0.0	6.1	0.0	5.0	0.0	0.0
Guarantees from cross-border leasing	44.4	3.1	3.4	7.6	41.0	0.0	0.0
Other contingent liabilities	28.2	0.0	8.9	0.0	12.0	0.0	7.3

The interest and repayments of the financial guarantees presented above do not include those from CBL transactions in the amount of approx. EUR 44.5 million (py: approx. EUR 44.4 million), as the payments do not go through the bank accounts of the ÖBB Group. The table includes all financial instruments held in the portfolio as of the reporting date for which payments have already been contractually agreed. Estimated payments for future new liabilities were not taken into account in future cash flows. Foreign currency amounts were translated using the rate on the reporting date in each case. Variable interest payments from financial instruments were determined based on the interest rates applicable on the reporting date.

Federal guarantees

The federal government is liable for bonds, for certain liabilities to credit institutions and for liabilities to EUROFIMA, as disclosed in Note 25.

29.3. Hedging transactions

Hedge accounting

The ÖBB Group applies the hedge accounting regulations in accordance with IFRS 9 (Hedge Accounting) to hedges of assets and liabilities and future cash flows. This reduces volatility in the consolidated income statement. A distinction is made between fair value hedges and cash flow hedges, depending on the type of underlying hedged item. The ÖBB Group only applies cash flow hedges.

A cash flow hedge mitigates the exposure to fluctuation of future anticipated cash flows from the financial assets and liabilities recognised in the Statement of Financial Position, and from planned transactions. When a cash flow hedge is in use, the effective portion of the change in value of the hedging instrument is recognised in equity (cash flow hedge reserve) through other comprehensive income until the cash flow resulting from the underlying hedged item is recognised in profit or loss; the ineffective portion of the change in value of the hedging instrument is recognised in the consolidated income statement. Fair value hedges, on the other hand, require the carrying amount of the underlying hedged item to be adjusted for changes in the fair value of the hedged risk through profit or loss.

The ÖBB Group meets the requirements of IFRS 9 for hedge accounting as follows:

At the inception of the hedge, the relationship between hedging instrument and underlying hedged item, and the reason for the hedge are documented. The documentation includes allocation of the hedging instruments to the respective hedged assets and liabilities, and an assessment of the effectiveness of the hedging instruments. Existing hedging measures are reviewed on an ongoing basis to ensure that the requirements for hedge effectiveness continue to be met. Should this not be the case and a recalibration of the hedge relationship is not possible, or the hedging instrument expires or is sold or terminated, a hedge becomes ineffective and the hedge relationship is terminated.

The ÖBB Group also enters into hedges which do not comply with the formal requirements of IFRS 9 but which contribute to economically effective hedging of financial risks in accordance with the principles of the risk management.

Cash flow hedges – Interest rate risks

Interest rate risks arise mainly from variable interest payments on financial investments and liabilities (i.e. cash flow risks) or from market value risks, i.e. changes in the present value of fixed-interest financing. Within the ÖBB Group, an interest rate risk may occur in the existing financing portfolio and in the planned new business portfolio in accordance with budget/medium-term planning (BUD/MFP). The interest expense from refinancing raised during BUD/MFP is based on forward interest rates in accordance with planning premises. The actual interest expense is only fixed when the contract is concluded (fixed interest rate) or when the interest rate is fixed (variable interest rate).

The ÖBB Group entered into payer interest rate swaps ("receive variable – pay fixed") to hedge interest payment risk of underlying transactions with variable interest rates. The changes in cash flows of the underlying hedged item resulting from changes in the EURIBOR rate are offset by the changes in cash flows of the interest rate swaps. The objective of these hedges is to transform the variable interest rate financial liabilities into fixed interest rate bonds, thus hedging the cash flow from the financial liabilities.

The following table shows the range of maturities of the cash flow hedges:

Dec 31, 2021 maturity	Number of swaps	Nominal volume in EUR million
Portfolio	12	224.9
thereof maturing 2025	*1*	*25.3*
thereof maturing 2026 et seq.	*11*	*199.6*

Dec 31, 2020 Maturity	Number of swaps	Nominal volume in EUR million
Portfolio	12	224.9
thereof maturing 2025 et seq.	*12*	*224.9*

The effectiveness of the hedging relationship is assessed using the Critical Terms Match method. Ineffectiveness is determined using the dollar offset method. For this purpose, a hypothetical derivative is formed for cash flow hedges that reflects the conditions contained in the hedged underlying item. Hedging relationships affected by the IBOR reform may experience ineffectiveness due to a timing mismatch between the underlying hedged item and the hedging instrument with respect to the transition from IBOR. If a hedging relationship is directly affected by the uncertainty arising from the IBOR reform, then the Group assumes for this purpose that the reference interest rate will not change as a result of the reform of the reference interest rate.

Changes in the fair value of interest rate swaps, which are hedges of future interest payments on floating rate liabilities, are recognised in other comprehensive income in equity (see statement of changes in equity). These amounts are recognised as finance costs in the period in which the corresponding interest payments from the underlying hedged item affect profit or loss (approx. EUR 17.6million [py: approx. EUR 18.8 million expenditure]). In addition, ineffective portions of hedge accounting relationships amounting to approx. EUR 0.0 million (py: approx. EUR 0.0 million) were recognised in profit or loss. As at the reporting date, the termination of hedging instruments (cash flow hedges) resulted in the recognition of approx. EUR 2.4 million (py: approx. EUR 9.1 million), which will subsequently reverse, through other comprehensive income in equity, which will subsequently reverse as follows: 2022: approx. EUR 0.6 million (py: approx. EUR 6.8 million, 2023 - 2026: approx. EUR 1.8 million (py: approx. EUR 2.2 million, 2027 onwards: approx. EUR 0.0 million (py: approx. EUR 0.1 million).

29.4. Commodity risks

The Energy Plant Management/Energy Management division of ÖBB-Infrastruktur AG is responsible for the procurement of grid-based energy sources and energy-related products (emission certificates, guarantees of origin) in the ÖBB Group. All of these products are either supplied to internal or external customers or used to operate the 16.7 Hz traction current network. Price fluctuations of these products influence the expenses of the ÖBB Group and thus represent a market risk. The ÖBB Group is strongly affected by electricity price volatility, as about two thirds of the required traction current and all the electricity to supply the operating facilities (stations, etc.) are procured on the electric power market. The risk management strategy therefore provides for price hedging.

A significant risk in the procurement of energy is the fluctuation of market prices. This is particularly important in view of the fact that the sales prices for traction current and the tariffs for operating facilities for each calendar year have to be fixed in the fourth quarter before the start of deliveries or the tariffs for the use of the traction current grid need to be announced for the first time at least one year earlier. It is therefore particularly relevant for the ÖBB Group to have already secured or fixed the prices in advance. Price hedging is effected by concluding forward contracts for the planned purchase volumes for traction current, energy losses and operating equipment, as well as until 2019 for emission certificates. In addition to price hedging, hedging also serves to increase planning security, which is necessary as a basis for price calculation.

The ÖBB Group resolved to implement a long-term rolling hedge in view of the procurement strategies and in order to diversify risks. The defined procurement period varies depending on the underlying hedged items (up to three years for energy). A certain percentage of the quantity to be procured (a required coverage, the target purchase quantity) must be purchased at defined points in time for each procurement year by the energy industry portfolio management. An upper and lower quantity corridor has been defined in order to incorporate the price expectation of the portfolio management in the procurement. There is the possibility to hedge more or less quantity than the target purchase quantity within the lower and upper corridors, depending on the price expectation. This corridor ceases to apply at the end of the procurement period, i.e. the target purchase quantity corresponds to 100% coverage.

29.4.1. Cash flow hedges - Electricity

The ÖBB-Infrastruktur Group has concluded electricity transactions (long-term procurement contracts, electricity forward contracts on the purchasing side). These electricity transactions serve to hedge the electricity procurement price for the planned purchase volumes, taking into account the management of the generation portfolio and the long-term purchase contracts. The forward transactions are carried out through the OTC market (forwards). The cash flow changes of the planned electricity purchases resulting from the change in the electricity price are offset by the cash flow changes of the forwards, which were to be classified as derivatives according to IFRS 9. The aim of the hedging measures is to fix the variable electricity prices of the electricity purchases planned. Should purchase contracts be closed by offsetting transactions after the final purchase contracts have been negotiated, both transactions are recognised at fair value through profit or loss. The amount recognised in other comprehensive income until closing is transferred to the income statement upon settlement of the forward contract.

ÖBB-Infrastruktur AG only designates the price component of the expected future procurement related to the European Energy Exchange Settlement Price as hedged risk in the case of electricity forward contracts designated as cash flow hedges. The hedged risk component has historically covered 100% of the changes in the fair value of the underlying transaction. The electricity price zone separation into the areas of Germany and Austria as of 01.10.2018 means that the hedge no longer covers the transport surcharge.

The ÖBB Group hedges approx. 1,200 GWh per delivery year on a rolling basis over three years for the purchase of traction current and energy lost as well as approx. 310 GWh for operating facilities.

Derivatives with a positive fair value are reported under current or non-current financial assets, depending on the maturity band (Note 18). Derivatives with a negative fair value are reported in current or non-current financial liabilities depending on the maturity band (Note 25).

Power derivatives designated as hedges Dec 31, 2021 **Maturity**	Number of swaps	MWh	**Nominal volume** in EUR million	**Average exercise price** in EUR	**Fair value** in EUR million
Portfolio	539	3,273,158	200.7		283.5
thereof maturing 2022	*289*	*1,322,360*	*74.8*	*56.6*	*193.4*
thereof maturing 2023	*203*	*1,353,558*	*84.9*	*62.7*	*79.2*
thereof maturing 2024	*45*	*570.960*	*38.8*	*68.0*	*11.0*
thereof maturing 2025	*2*	*26.280*	*2.2*	*82.6*	*0.1*

Power derivatives designated as hedges Dec 31, 2020 **Maturity**	Number of swaps	MWh	**Nominal volume** in EUR million	**Average exercise price** in EUR	**Fair value** in EUR million
Portfolio	131	2,665,512	121.8		9.8
thereof maturing 2021	*49*	*1,017,432*	*45.2*	*44.4*	*3.9*
thereof maturing 2022	*60*	*1,140,000*	*52.9*	*46.4*	*4.1*
thereof maturing 2023	*22*	*508,080*	*23.7*	*46.7*	*1.8*

In principle, within the scope of the dedication of a derivative as a hedging instrument, a prospective effectiveness measurement is conducted as well as a review of the effectiveness of the valuation unit and the determination of possible ineffectiveness on each reporting date. Ineffectiveness is measured by comparing the cumulative changes in the fair value of the designated hedging instruments since the designation of the hedging relationship and the cumulative changes in the fair value of the underlying hedged item in relation to the hedged risk. A hypothetical derivative is formed to determine the cumulative changes in the fair value of the underlying hedged item in relation to the risk of changes in the European Energy Exchange Settlement price.

Inefficiencies may result from the fact that the concluded procurement transactions may be based on other load profiles and that quantity deviations may arise in the context of cascading and profiling, as the hypothetical derivative does not change in this case. Furthermore, ineffectiveness may arise if the credit risk of the trading partner differs significantly from that of ÖBB-Infrastruktur AG. In addition, reductions in the planned purchase quantity may lead to short-term over-collateralisation, which, however, compensates again over time.

The market value of the electricity purchase and sales forwards as at the balance sheet date is determined on the basis of European Energy Exchange futures quotations, which are discounted using current interest rate curves.

Amounts transferred from other comprehensive income to the income statement are recognised in cost of materials.

The accumulated other comprehensive income from the electricity forwards designated as cash flow hedges is as follows:

Power forwards in EUR million	CHF	CHF closed	OCI total	Deferred tax	OCI after tax
As of Dec 31, 2019	*-1.0*	*4.2*	*3.2*	*0.8*	*2.4*
Traction power	6.5	0.0	6.5	1.6	4.8
Operating facilities	0.6	0.0	0.6	0.2	0.5
Operating facilities closed	1.1	-1.1	0.0	0.0	0.0
Transfer to income statement 2020	2.8	-4.2	-1.5	-0.4	-1.1
As of Dec 31, 2020	**9.8**	**-1.1**	**8.8**	**2.2**	**6.6**
Traction power	310.4	0.0	310.4	77.6	232.8
Operating facilities	19.9	0.0	19.9	5.0	14.9
Operating facilities closed	-6.2	6.2	0.0	0.0	0.0
Transfer to income statement 2021	-50.9	1.0	-49.9	-12.5	-37.4
As of Dec 31, 2021	**283.0**	**6.2**	**289.2**	**72.3**	**216.9**

29.4.2. Cashflow Hedges – Diesel

Fluctuations in diesel prices mean that the raw material "diesel" represents a financial risk for ÖBB-Produktion Gesellschaft mbH as well as for Österreichische Postbus AG and thus subsequently for the ÖBB Group, as price fluctuations have an impact on the cost of materials and on the results of ÖBB-Produktion Gesellschaft mbH as well as Österreichische Postbus AG and thus on the ÖBB Group. ÖBB-Produktion Gesellschaft mbH provides its services mainly for its ÖBB Group parent companies ÖBB-Personenverkehr AG and Rail Cargo Austria AG. Österreichische Postbus AG provides its services to customers outside the ÖBB Group. Services are predominantly provided within the framework of transport contracts or transport service contracts (VDV) for transport associations over several years. This means that the ÖBB Group has a long-term contract and must therefore also take into account the price fluctuations for diesel in its economic considerations. Consequently, it is particularly relevant for the ÖBB Group to have already secured or fixed the prices in advance. The risk management strategy therefore provides for price hedging. The aim of the hedging policy pursued is to stabilise the cost of materials and to achieve a reduction in earnings and cash flow volatility for ÖBB-Produktion Gesellschaft mbH as well as for Österreichische Postbus AG and thus for the ÖBB Group for the budget period.

A decision was taken to hedge the first 60% and 70% of the planned purchase volume of ÖBB-Produktion Gesellschaft mbH and Österreichische Postbus AG respectively for the next financial year by 30.09. of the current financial year, on the basis of possible procurement strategies and in order to diversify risks. This ensures the planning assumptions for the corresponding volume at the time of calculation or at the time when the prices are set (budget, conclusion of contract with customers).

The planned purchase quantity of the raw material diesel in the period from 01.01.2022 to 31.12.2022 was designated as the underlying hedged item in the 2021 financial year. This diesel consists of a fossil (93.1%) and biogenic share (6.9%). Only the price component of the expected future procurement related to the fossil diesel share is designated as a hedged risk. The diesel swaps designated as cash flow hedges are based on the ULSD10ppm barges fob Rotterdam and correspond exactly to the price component of the underlying transaction related to the fossil diesel portion. That means the underlying risk of the diesel swaps is identical to that of the hedged risk component. A hedge ratio of 1:1 therefore exists for all valuation units. The objective for the hedging relationship of ÖBB-Produktion Gesellschaft mbH in financial year 2021 is to hedge the first 60% of the planned purchase volume of financial year 2022 of diesel excluding the biodiesel portion. The objective for the hedging relationship of Österreichische Postbus AG for the financial year 2021 is to hedge the first 70% of the planned purchase volume of diesel excluding the biodiesel portion for the financial year 2022.

Derivatives with a positive fair value are reported under current or non-current financial assets, depending on the maturity band (Note 18). Derivatives with a negative fair value are reported in current or non-current financial liabilities depending on the maturity band (Note 25).

Dec 31, 2021 **Maturity**	Number of swaps	Tons	**Nominal volume** in EUR million	**Average exercise price** in EUR	**Fair value** in EUR million
Portfolio	6	41,788	18.7	447.2	5.7
thereof maturing 2022	*6*	*41.788*	*18.7*	*447.2*	*5.7*

Dec 31, 2020 **Maturity**	Number of swaps	Tons	**Nominal volume** in EUR million	**Average exercise price** in EUR	**Fair value** in EUR million
Portfolio	6	41,549	14.4	347.1	0.3
thereof maturing 2021	*6*	*41,549*	*14.4*	*347.1*	*0.3*

The cash flow changes of the planned diesel purchases resulting from the changes in the diesel price are offset by the cash flow changes of the diesel swaps, which are to be classified as derivatives according to IFRS 9. An adjustment is made to the acquisition costs of the inventories (basis adjustment) or a transfer is made to the cost of materials of the effective portion of the changes in value of the hedging derivative initially parked in equity when the underlying hedged item is exercised.

In principle, within the scope of the dedication of a derivative as a hedging instrument, a prospective effectiveness measurement is conducted as well as a review of the effectiveness of the valuation unit and the determination of possible ineffectiveness on each reporting date. Ineffectiveness is measured by comparing the cumulative changes in the fair value of the designated hedging instruments since the designation of the hedging relationship and the cumulative changes in the fair value of the underlying hedged item in relation to the hedged risk. A hypothetical derivative is formed to determine the cumulative changes in the fair value of the underlying hedged item in relation to the risk of changes in the commodity price. Any hedge ineffectiveness (to the extent that the cumulative change in fair value of the hedging instrument is greater than the cumulative change in fair value of the hedged cash flow) is recognised in the financial result.

Ineffectiveness can arise if the credit risk of the trading partner deviates significantly from that of Österreichische Postbus AG and ÖBB-Produktion Gesellschaft mbH, there is over-hedging because the expected transaction does not occur or occurs to a lesser extent than planned, and from the discounting of the underlying transaction.

The accumulated other comprehensive income from diesel derivatives designated as cash flow hedges is as follows:

other cumulated income arising from diesel derivatives as of Dec 31 in EUR million	OCI	Deferred tax	OCI after deferred tax
As of Jan 01, 2020	*0.0*	*0.0*	*0.0*
amounts not affecting net income	0.3	-0.1	0.2
As of Dec 31, 2020	**0.3**	**-0.1**	**0.2**
amounts not affecting net income	11.5	-2.9	8.6
amounts reclassified to the income statement	-6.1	1.5	-4.6
amounts reclassified to cost or other carrying amount	-0.4	0.1	-0.3
As of Dec 31, 2021	**5.3**	**-1.4**	**4.0**

Sensitivity analysis for diesel price

If the diesel price had been 10% lower or 10% higher on the balance sheet date, the change in the market price level would have resulted in a reduction or increase in equity of approx. EUR 2.7 million.

29.4.3. Other power derivatives

The following table shows the maturity range of those forwards that are entered into for hedging purposes but do not meet the formal requirements of IFRS 9 for cash flow hedges due to, among other factors, fluctuations in the volume of consumption.

	Dec 31, 2021			
Power derivatives not designated as hedges **Maturity**	Number of swaps Purchases	Nominal volume in EUR million	Number of swaps Sale	Nominal volume in EUR million
Portfolio	403	99.7	73	109.6
thereof maturing 2022	*381*	*81.4*	*61*	*81.3*
thereof maturing 2023	*20*	*17.3*	*11*	*28.0*
thereof maturing 2024	*2*	*1.0*	*1*	*0.3*

	Dec 31, 2020			
Power derivatives not designated as hedges **Maturity**	Number of swaps Purchases	Nominal volume in EUR million	Number of swaps Sale	Nominal volume in EUR million
Portfolio	95	87.5	101	81.9
thereof maturing 2021	*76*	*62.9*	*91*	*72.5*
thereof maturing 2022	*18*	*24.2*	*9*	*7.4*
thereof maturing 2023	*1*	*0.4*	*1*	*2.0*

Derivatives with a positive fair value are reported under current financial assets (Note 18). Derivatives with a negative fair value are reported under financial liabilities (Note 25). Changes in the fair value of power derivatives without a hedging relationship are recognised in the income statement under other financial result.

In the 2020 financial year, diesel swaps were also concluded during the year, which expired on 31.12.2020. These diesel swaps did not meet the requirements for hedge accounting under IFRS 9, which is why they were measured at fair value through profit or loss.

29.5. Additional disclosures pursuant to IFRS 7

Capital management

The ÖBB Group's financial management aims not only to sustainably increase the value of the company, but also to maintain a capital structure that is appropriate for maintaining its excellent credit rating. The special position and the legally defined task of the company, as well as the commitments of the public sector to subsidise infrastructure expenses (both construction and operation and maintenance) that are not covered by the company's earning power, mean that the capital structure is managed primarily with key figures that measure indebtedness and on the basis of the following key figures, which are compared with the respective planned values: Number of employees, EBIT margin, equity ratio, net working capital. The company defines equity as share capital, capital reserves and other reserves, profit earned and any other non-controlling interests.

The managed equity amounts to approx. EUR 3,228.6 million as of 31.12.2021 (py: approx. EUR 2,754.3 million).

Additional disclosures regarding the financial instruments

Cash and cash equivalents, trade receivables as well as other financial receivables mostly have short remaining terms. Accordingly, their carrying amounts as of the closing date closely approximate the fair value. The fair values of other non-current receivables are equivalent to the present values of the cash flows associated with the assets with due regard to the latest applicable interest rate parameters.

The trade payables and other financial liabilities generally have short residual terms; the recognised figures are approximately equivalent to the fair values. The fair values of bank loans and other financial liabilities are determined as present values of the future interest payments and redemptions with the relevant applicable interest rate curve applied. In the reconciliation below, the non-financial instruments and the financial instruments from hedge accounting are presented in a separate column in the reconciliation below in order to enable reconciliation with the carrying amount of the item.

The fair values of the relevant items on the statement of financial position stated in the tables below relate solely to the financial instruments. All financial assets and liabilities are measured consistently according to Level 2, with the exception of the item cash and cash equivalents and the issued bonds with an ISIN number, which are reported under financial liabilities. Level 2 measurements are based on input parameters – other than the quoted prices included at Level 1 – that are either directly or indirectly observable on the market for the asset or liability. The measurement of long-term financial instruments is based on discounted cash flows.

Market prices are applied for the stated fair values of the issued bonds with ISIN amounting to approx. EUR 12,146.1 million EUR (py: approx. EUR 13,911.8 million). Thereof approx. EUR 12,146.1 million (py: approx. EUR 13,763.8 million) are available for unadjusted quoted prices (level 1 measurement), while in the 2020 financial year a measurement model based on market prices was used for approx. EUR 148.0 million, a valuation model based on market prices was used. Level 1 valuations are those resulting from quoted prices (unadjusted) in active markets for identical financial assets or liabilities. The source for the quotations is Reuters. The bonds were issued through the stock exchanges in Luxembourg and Vienna. The fair value of the bonds with CUSIP numbers that were issued for the first time in 2015 amounts to approx. EUR 58.6 million (py: approx. EUR 55.7 million). These were measured according to Level 2 input parameters.

Financial assets Dec 31, 2021 in EUR million	Carrying amount	less non-financial instruments	Financial instru-ments	FVtPL equity instru-ments	mandat orily at FVtPL	at amortised cost	Lease	Cash	Hedge Accoun-ting	Fair value
Non-current assets										
Financial assets	305.0	0.0	305.0	7.6	0.0	200.1	6.4	0.0	90.9	305.0
Other receivables and assets	95.9	89.2	6.7	0.0	0.0	6.7	0.0	0.0	0.0	6.7
Current assets										
Financial assets	401.8	0.0	401.8	0.0	194.5	3.8	4.4	0.0	199.1	401.8
Trade receivables	549.8	18.7	531.1	0.0	0.0	531.1	0.0	0.0	0.0	531.1
Other receivables and assets	390.3	288.6	101.7	0.0	0.0	101.7	0.0	0.0	0.0	101.7
Cash and cash equivalents	140.2	0.0	140.2	0.0	0.0	0.0	0.0	140.2	0.0	140.2
Total carrying amount per category				**7.6**	**194.5**	**843.4**	**10.8**	**140.2**	**290.0**	

Financial liabilities Dec 31, 2021 in EUR million	Carrying amount	less non-financial instruments	Financial instru-ments	at amortised cost	at Fair Value through Profit and Loss (Held for Trading)	Hedge Accounting	Lease	Fair value
Non-current liabilities								
Financial liabilities	25,688.7	0.0	25,688.7	25,390.1	4.6	31.7	262.3	29,530.0
Other liabilities	27.4	25.0	2.4	2.4	0.0	0.0	0.0	2.4
Current liabilities								
Financial liabilities	2,569.0	0.0	2,569.0	2,249.7	169.7	9.2	140.4	2,569.0
Trade payables	1,154.4	43.5	1,110.9	1,110.9	0.0	0.0	0.0	1,110.9
Other liabilities	1,850.4	383.9	1,466.5	1,466.5	0.0	0.0	0.0	1,466.5
Total carrying amount per category				**30,219.6**	**174.3**	**40.9**	**402.7**	

Financial assets Dec 31, 2020 in EUR million	Carrying amount	less non-financial instruments	Financial instru-ments	FVtPL equity instru-ments	Manda-torily at FVtPL	at amortised cost	Lease	Cash	Hedge Accounting	Fair value
Non-current assets										
Financial assets	227.7	0.0	227.7	7.4	0.0	193.6	20.8	0.0	5.9	240.0
Other receivables and assets	114.2	102.7	11.5	0.0	0.0	11.5	0.0	0.0	0.0	11.5
Current assets										
Financial assets	86.9	0.0	86.9	0.0	14.2	55.8	12.6	0.0	4.3	86.9
Trade receivables	631.3	17.8	613.5	0.0	0.0	613.5	0.0	0.0	0.0	613.5
Other receivables and assets	392.6	231.2	161.4	0.0	0.0	161.4	0.0	0.0	0.0	161.4
Cash and cash equivalents	40.8	0.0	40.8	0.0	0.0	0.0	0.0	40.8	0.0	40.8
Total carrying amount per category				**7.4**	**14.2**	**1,035.8**	**33.5**	**40.8**	**10.2**	

Financial liabilities Dec 31, 2020 in EUR million	Carrying amount	less non-financial instruments	Financial instru-ments	at amortised cost	at Fair Value through Profit and Loss (Held for Trading)	Hedge Accoun-ting	Lease	Fair value
Non-current liabilities								
Financial liabilities	24,001.5	0.0	24,001.5	23,677.7	6.3	43.8	273.7	30,526.4
Other liabilities	34.5	31.8	2.7	2.7	0.0	0.0	0.0	2.7
Current liabilities								
Financial liabilities	2,664.8	0.0	2,664.8	2,506.4	15.2	9.2	134.0	2,732.7
Trade payables	994.0	43.8	950.2	950.2	0.0	0.0	0.0	950.2
Other liabilities	1,647.5	345.2	1,302.3	1,302.3	0.0	0.0	0.0	1,302.3
Total carrying amount per categorie				**28,439.3**	**21.5**	**53.0**	**407.7**	

Offsetting of financial instruments

In accordance with the regulations of IFRS 7.13C, offsetting and potential offsetting amounts actually implemented in the balance sheet are to be disclosed. As there are no agreements regarding actual netting, the following tables only show the potential offsetting amounts from electricity derivatives based on netting agreements and other agreements with contractual partners.

as of Dec 31, 2021 in EUR million	Gross carrying amount reported	Potential offset amount not reported in the financial statement	Net amount after potential offsetting
Power derivative assets	194.5	-108.3	86.2
Power derivative liabilities	-168.8	108.3	-60.5

as of Dec 31, 2020 in EUR million	Gross carrying amount reported	Potential offset amount not reported in the financial statement	Net amount after potential offsetting
Power derivative assets	14.2	-8.2	6.0
Power derivative liabilities	-15.2	8.2	-7.0

Net financial results by measurement categories

The net result subdivided into measurement categories is as follows:

Result of subsequent measurement Dec 31, 2021 in EUR million	Interest income/ expenses	At fair value	Foreign Currency Translation	Result from impairment	Result from disposal	Result from investments
Financial Assets measured at Amortised Cost (FAAC)	10.8	0.0	7.2	0.0	0.0	1.5
FVtPL (equity instruments)	0.0	-0,5	0.0	-2.0	0.3	3.2
Financial Liabilities measured at Amortised Cost (FLAC) *)	-469.5	0.0	-7.2	0.0	0.0	0.0
Hedge Accounting	-16.4	0.0	0.0	0.0	0.0	0.0

*) Interest expenses include negative interest from loans amounting to approx. EUR 10.8 Million.

Result of subsequent measurement Dec 31, 2020 in EUR million	Interest income/ expenses	At fair value	Foreign Currency Translation	Result from impairment	Result from disposal	Result from investments
Financial Assets measured at Amortised Cost (FAAC)	13.5	0.0	-22.4	0.0	0.0	0.0
Held-to-Maturity Investments (HtM)						
FVtPL (equity instruments)	0.0	0.0	0.0	-0.2	0.0	0.2
Financial Liabilities measured at Amortised Cost (FLAC) *)	-539.6	0.0	8.7	0.0	0.0	0.0
Hedge Accounting	-21.0	0.0	-0.4	0.0	0.0	0.0
Cash and cash equivalents	0.0	0.0	-0.2	0.0	0.0	0.0

*) Interest expenses include negative interest from loans amounting to approx. EUR 3.5 million.

Net interest income from financial liabilities in the measurement category "Financial liabilities measured at amortized cost" mainly includes net interest expense of approx. EUR 469.5 million (py: approx. EUR 539.6 million) from bonds and loans. Furthermore, interest income from the compounding and discounting of trade payables is subsumed under this classification. The net financial result does not include expenses from value adjustments of receivables expenses.

29.6. Derivative financial instruments

The following table shows the reported fair values of all derivative financial instruments. They are divided into those that are part of an effective hedging relationship in accordance with IFRS 9 (cash flow hedge) and those that are not.

	Assets		**Shareholders' equity and liabilities**	
in EUR million	Carrying amounts as of Dec 31, 2021	Carrying amounts as of Dec 31, 2020	Carrying amounts as of Dec 31, 2021	Carrying amounts as of Dec 31, 2020
Interest rate swaps				
without hedge relation	0.0	0.0	0.9	2.0
with cash flow hedges	0.0	0.0	40.2	52.8
Power forwards				
without hedge relation	194.5	14.2	168.8	15.2
with cash flow hedges	284.3	10.0	0.7	0.2
Diesel swaps				
with cash flow hedges	5.7	0.2	0.0	0.0
Other derivatives				
Derivatives without a hedging relationship	0.0	0.0	4.6	4.3
Total	**484.5**	**24.4**	**215.2**	**74.5**

Fair value hierarchy - Derivatives

The following table shows how the fair values of those assets and liabilities that are accounted for at fair value were determined, whereby a classification into a three-level hierarchy reflects the market proximity of the data used in the determination.

Dec 31, 2021 in EUR million	Level 2	Total
Derivatives designated as hedge instrument	290.0	290.0
Derivatives held for trading	194.5	194.5
Financial assets	**484.5**	**484.8**
Derivatives held for trading	174.3	174.3
Derivatives designated as hedge instrument	40.9	40.9
Financial liabilities	**215.2**	**215.2**

Dec 31, 2020 in EUR million	Level 2	Total
Derivatives designated as hedge instrument	10.2	10.2
Derivatives held for trading	14.2	14.2
Financial assets	**24.4**	**24.4**
Derivatives held for trading	21.5	21.5
Derivatives designated as hedge instrument	53.0	53.0
Financial liabilities	**74.5**	**74.5**

The different levels were determined as follows:

Level 1: Quoted prices (unadjusted) are founded in an active market for identical financial instruments.

Level 2: Other parameters than those stated for Level 1 were used which are observable for the financial instrument (either directly, i.e., as prices, or indirectly, i.e., derived from prices).

Level 3: Parameters were used which are not exclusively based on observable market data.

No transfers between the individual levels occurred.

See Note 29.3 for further details on these financial instruments.

30. Leasing transactions

30.1. Lessor

The assets leased to third parties are, on the one hand, investment property (IAS 40) and, on the other hand, buildings that are partially leased out but whose share is not predominant and which therefore do not fall under IAS 40 or can be reported separately. The vast majority of the lease agreements are terminable. The infrastructure made available to other rail operators for use in return for payment is charged on the basis of a current price list (kilometres travelled or gross tonnes transported), which is why this is not a leasing relationship but a service relationship.

There are approx. 26,000 (py: approx. 26,200) lease agreements, most of which are open-ended and could be terminated with a maximum notice period of six months. These include approx. 4,100 (py: 4,300) external fixed-term lease agreements ending between 2022 and 2112 (py: 2021 and 2112), with the long-term leases being building rights granted to land. The contingent lease income relates exclusively to lease agreements.

The leased properties, with the exception of investment properties, are non-separable parts of buildings such as railway stations, and therefore it is neither expedient nor possible to disclose the book values.

Operating leases

The ÖBB Group leases facilities that are classified as operating leases. The contracts have different standard market terms depending on the leased asset.

The minimum lease payments from the irrevocable operating leases are as follows:

Dec 31, 2021 in EUR million	Total	up to 1 year	1 to 5 years	more than 5 years
Land and buildings	545.0	45.3	113.2	386.5
Other technical equipment and machinery	0.0	0.0	0.0	0.0
Other plant, furniture and fixtures	17.6	3.6	7.4	6.6
Automobiles and trucks	17.1	7.8	9.3	0.0

Dec 31, 2020 in EUR million	Total	up to 1 year	1 to 5 years	more than 5 years
Land and buildings	473.2	46.5	110.4	316.3
Other technical equipment and machinery	0.3	0.0	0.1	0.2
Other plant, furniture and fixtures	18.8	3.5	6.9	8.4
Automobiles and trucks	10.3	5.7	4.4	0.2

The assets included in the property, plant and equipment and assets leased by way of "operating leases" feature the following residual carrying amounts as of the reporting dates:

Net carrying amount of the assets per group of assets	Dec 31, 2021 in EUR million	Dec 31, 2020 in EUR million
Investment property	191.3	163.7
Land and buildings	406.9	434.3
Technical equipment and machinery	8.6	12.0
Other plant, furniture and fixtures	1.6	1.9
Intangible assets	0.0	0.1
Total	**608.4**	**612.0**

Finance leasing

The following table presents a maturity analysis of the lease receivables and shows the undiscounted lease payments to be received after the reporting date. The reduction in net investments mainly results from the disposal of OmegaTelos GmbH from the scope of consolidation as of 01.01.2021 (see Note 34).

Dec 31, 2021	Minimum lease payments in EUR million	Included interest income in EUR million
2022	4.5	0.1
2023 - 2026	6.5	0.1
Total of minimum lease payments	**11.0**	**0.2**
less interest	-0.2	
Present value of lease payments = Net investments	**10.8**	

Dec 31, 2020	Minimum lease payments in EUR million	Included interest income in EUR million
2021	12.6	0.0
2022 - 2025	9.9	0.0
after 2025	10.9	0.0
Total of minimum lease payments	**33.4**	**0.0**
less interest	0.0 *)	
Present value of lease payments = Net investments	**33.4**	

*) *) Smallest amount.

30.2. Lessee

Rights of use

The lease agreements mainly concern buildings and the vehicle fleet and have a maximum term up to 2061. The rights of use are presented under property, plant and equipment (Note 14). The agreed period for which there is a waiver of termination or an extension option is used to estimate the term of the lease for leasing contracts. If a contract was concluded for an indefinite period, where a termination would result in a significant economic disadvantage, a lease term is estimated.

Lease liabilities

The following table provides an analysis of the maturities of lease liabilities and shows the undiscounted lease payments to be paid after the reporting date.

Dec 31, 2021	Minimum lease payments in EUR million	Interest expense included in EUR million
2022	164.3	10.6
2023 - 2026	201.7	32.7
after 2026	286.0	13.2
Total of minimum lease payments	**652.0**	**56.5**
less interest	-56.5	
Present value of lease payments = lease liabilities	**595.5**	

Dec 31, 2020	Minimum lease payments in EUR million	Interest expense included in EUR million
2021	225.2	11.9
2022 - 2025	222.8	35.5
after 2025	295.8	19.7
Total of minimum lease payments	**743.7**	**67.1**
less interest	-67.1	
Present value of lease payments = lease liabilities	**676.6**	

Amounts recognised in the income statement.

in EUR million	2021	2020
Interest expenses for lease liabilities	3.6	3.9
Expenses for short-term leases	38.3	32.1
Expenses for leases of a low-value asset	1.4	3.5
Expenses from variable lease payments not included in the measurement of lease liability	0.4	0.2
Income from the sublease of rights of use	0.0	0.5

Amounts recognised in the Cash Flow Statement

in EUR million	2021	2020
Total cash paid for leases	-133.8	-103.9

Total cash outflows comprise interest and repayments, with repayments presented in financing cash flows and interest in operating cash flows. Payments for short-term leases and for leases of low-value assets are shown in the operating cash flow.

Extension options

Some property lease agreements contain extension options that can be exercised by the Group up to one year before the end of the non-cancellable contract term. The Group assesses both on the date of provision and again if a significant change in circumstances occurs whether it is sufficiently certain that the extension option will be exercised. The leasing agreements do not contain any special restrictions or commitments.

Sale and leaseback transactions

In the fourth quarter of 2015, 1,066 container wagons were sold for approx. EUR 26.3 million, of which a leaseback agreement for 800 wagons was signed in the same period. This transaction resulted in a sale-and-leaseback finance lease, which expired on 31.10.2021. The leasing liability for the 800 wagons as at 31.12.2015 amounted to approx. EUR 18.1 million. The gain on sale of approx. EUR 19.8 million for the 800 wagons was released over six years (the duration of the lease agreement).

Leasing agreements already concluded as at 31.12.2021

The ÖBB Group has concluded two leasing agreements for the rental of office space, which commence in 2022. This results in total payments (not discounted) of approx. EUR 188.7 million for the period 2022 until the end of the termination waiver (on the one hand until 31.12.2029 and on the other until 31.12.2042).

30.3. Cross-border lease agreements

In the period from May 1995 to June 2006, Österreichische Bundesbahnen (now ÖBB-Infrastruktur AG) concluded 17 cross-border leasing transactions (CBL transactions), ÖBB-Produktion Gesellschaft mbH and ÖBB-Personenverkehr AG each concluded one CBL transaction. Of these, one CBL transaction with ÖBB-Infrastruktur AG, one CBL transaction with ÖBB-Produktion Gesellschaft mbH and one transaction with ÖBB-Personenverkehr AG still exist as at 31.12.2021.

The remaining CBL transaction of ÖBB-Infrastruktur AG is transferred to ÖBB-Produktion GmbH and ÖBB-Personenverkehr AG via subleases. The CBL transaction is a sale and leaseback transaction. The contractual partner acts as the buyer of the facilities and leases them back to ÖBB-Infrastruktur AG in this process.

Payment obligations such as leasing instalments and the payments required when the purchase option is exercised are secured by repayment vehicles concluded with various banking and leasing institutions. In these payment undertaking agreements, the banks or leasing institutions agreed to make the contractual payments at the stipulated payment dates on behalf of ÖBB-Infrastruktur AG.

Minimum ratings are no longer used. The rolling stock subject to the CBL transactions is regularly maintained in accordance with the provisions contained in the contracts and may not, in principle, be sold, leased, pledged or decommissioned.

The remaining CBL transaction of ÖBB-Personenverkehr AG concerns a genuinely financed CBL transaction. The assets underlying this CBL transaction are electric locomotives. In this transaction, the contractual partner acts as the buyer of the equipment and leases it back to ÖBB-Personenverkehr AG. Minimum ratings are also not applied here. The rolling stock subject to the CBL transactions is regularly maintained in accordance with the provisions contained in the contracts and may not, in principle, be sold, leased, pledged or decommissioned.

Release of CBL transactions

In the reporting year 2021, the CBL transaction of ÖBB-Produktion Gesellschaft mbH was terminated; apart from that, there was no (py: none) premature termination of a transaction.

Accounting treatment

The ÖBB Group remains the beneficial owner of the assets: Due to continuing beneficial ownership, property, plant and equipment sold and leased back is still recognised in the property, plant and equipment of the ÖBB Group. Detailed regulations on the presentation of leases is provided in IFRS 16 "Leases". The substance of the lease transaction is decisive for accounting. The substance of the lease transaction is decisive for accounting. As this is not the case, none of these CBL transactions are within the scope of IFRS 16.

This resulted in financial assets owned by the ÖBB Group under civil law (securities and bank deposits) as well as associated leasing liabilities not fulfilling the criteria of an asset or liability due to a lack of economic substance ("linked transactions") and are therefore not recognised in the balance sheet.
Consequently, a (partial) inclusion in the balance sheet (on balance) is required for some transactions in the consolidated financial statements (unlinked transactions).

Where, however, recognition in the balance sheet is required, the securities (investments with banks and PUAs) were valued at amortised cost. US Treasuries procured in previous years for the purpose of restructuring a rating trigger were allocated to the category "Debt instruments at amortised cost". The financial assets are initially offset by lease liabilities and, in the case of US Treasuries, by additional loan financing. Amounts denominated in foreign currencies are translated at the exchange rate applicable at the reporting date. Any impairment of the assets resulting from changes in exchange rates are offset by corresponding exchange rate effects on the lease liabilities, and credit financing in the event of a hedged repayment vehicle regarding one of the tranches of a transaction.

In the consolidated financial statements as at 31.12.2021, the financial assets in connection with unrelated leasing transactions amount to approx. EUR 102.2 million (py: approx. EUR 138.6 million). The related financial liabilities as at 31.12.2021 amount to approx. EUR 162.4 million (py: approx. EUR 229.8 million). These leasing liabilities include liabilities of a financing nature in the amount of approx. EUR 142.1 million (py: approx. EUR149.8 million).

Impairments were determined depending on historical probabilities of default measured by the rating of the contractual partners and the residual term of the transaction. As at 31.12.2021, there are total value adjustments on investments amounting to approx. EUR 0.1 million (py: approx. EUR 0.1 million).

Accounting for transactions without substance (linked transactions)

No assets and liabilities were recognised for transactions that had no economic substance and consequently did not have to be accounted for as leases. The obligations under civil law arising from the leases in the event that the banking or leasing institutions do not meet their payment obligations to the investors assumed in return for a one-off payment for the respective companies of the ÖBB Group are recognised as contingent liabilities. As at 31.12.2021, contingent liabilities from CBL transactions amounted to approx. EUR 44.5 million (py: approx. EUR 44.4 million).

31. Service Licence Agreements (SIC 29)

The following explanations and disclosures relate to the requirements of SIC 29 (Service Licence Agreements). This refers to agreements between companies for the provision of services that give the public access to important economic and public facilities.

Concessions Liechtenstein and Switzerland

Service licence agreements within the meaning of SIC 29 relate to the rail infrastructure sector.

In accordance with EU law and the national legal systems of the countries involved, ÖBB-Infrastruktur AG, as infrastructure manager of those lines or parts of lines of its network that are located on foreign territory, requires concessions from the respective national railway authorities.

- ÖBB-Infrastruktur AG was granted the previously existing railway concession for the line on Liechtenstein territory as "Infrastructure concession on the line Liechtenstein-Austrian state border at Schaanwald to the Liechtenstein-Swiss state border at Schaan" by decision of the Government of the Principality of Liechtenstein on 15.12.2020, LNR 2020-1825/BNR 2020/1848 AP 330.0. This concession is limited to 47 years and expires on 31.12.2067.
- For the partial sections on Swiss territory, ÖBB-Infrastruktur AG was granted the hitherto existing "Concession Nr. 5030 for the construction and operation of a railway infrastructure" by orders of the Federal Department of the Environment, Transport, Energy and Communications dated 03.03.2017 and 04.11.2021

  - for the St. Margrethen - Border (- Bregenz) line for a period of fifty years, i.e. until 31.12.2067, and
  - for the line Buchs SG - border (- Feldkirch) renewed until 31.12.2067.

ÖBB-Infrastruktur AG thus has current and valid infrastructure concessions as an infrastructure manager until the end of 2067 within the meaning of the relevant provisions of EU law for the §s of the existing cross-border railway lines to Switzerland and Liechtenstein that are located on foreign territory and thus has the rights and obligations of a railway infrastructure manager there for the lines covered by the concessions - comparable to the legal position granted to it in Austria by § 51 of the Federal Railway Act.

After the Liechtenstein government bill on the approval of a commitment credit was rejected in a referendum on 20.08.2020, there is a lack of the necessary financing basis for the expansion project for reinvestment, selective double-track expansion and modernisation of the Feldkirch - Buchs line, which was officially approved by notices of the BMVIT of 11.06.2015, BMVIT-820.371/0001-IV/SCH2/2015 and decision of the government of the Principality of Liechtenstein of 16.12.2016.

Until a trilateral consensus is reached between the countries involved and ÖBB-Infrastruktur AG on a possible extension, which is not under discussion in the medium term, the Feldkirch - Buchs line will essentially be maintained in its current condition, suitable for safe and orderly railway operations, and made available to railway undertakings for the operation of services within the scope of their access rights.

In this regard, a rehabilitation of the existing line is planned, probably starting in 2024ff. The infrastructure assets in Liechtenstein and Switzerland are owned by ÖBB-Infrastruktur AG and have a carrying amount as at 31.12.2021 of approx. EUR 26.9 million (py: approx. EUR 22.9 million). The concessionaire assumes the transport of passengers, luggage and freight.

32. Related party transactions

Supplies to and from related parties

Related parties include affiliated, not fully consolidated companies of the ÖBB Group, associated companies plus any subsidiaries, joint ventures plus any subsidiaries, the shareholder of ÖBB-Holding AG (Republic of Austria) and its most important subsidiaries and the members of the management in key positions (members of the Board of Management and Supervisory Board of ÖBB-Holding AG and members of the Boards of Management and Supervisory Boards of fully consolidated subsidiaries of ÖBB-Holding AG) and the close family members as well as the related companies of the members of the management in key positions. of the management and supervisory boards of fully consolidated subsidiaries of ÖBB-Holding AG) and the close family members and related companies of the members of management in key positions.

Business relationships exist at arm's length with companies in which the Republic of Austria holds direct or indirect interests (e.g. Österreichische Bundes- und Industriebeteiligungen GmbH, OMV Aktiengesellschaft, Telekom Austria AG, Autobahnen- und Schnellstraßen-Finanzierungs-Aktiengesellschaft, Schieneninfrastruktur-Dienstleistungsgesellschaft mbH, Verbund AG) and which are also to be classified as related parties in accordance with IAS 24 within the range of services provided by the ÖBB Group. The transactions conducted with these companies in both reporting years within the meaning of IAS 24 related to day-to-day business of the operating business segment, were of minor importance overall and accounted for less than 3% of the cost of materials and purchased services or less than 2% of revenue. Unpaid invoices from or to these companies on the reporting date are disclosed as trade receivables and trade payables and at this point are no longer treated separately.

Purchases were conducted at market prices less standard volume discounts and other discounts based on the scope of the business relationships. The volume of transactions in the financial year between the Group companies included in the consolidated financial statements on the one hand and these related parties on the other, as well as the receivables and liabilities outstanding from these transactions at the end of the financial year, are as follows:

	Associated companies		Subsidiaries, not consolidated	
in EUR million, rounded	2021	2020	2021	2020
Sale of goods/rendering of services (total revenue)	30.4	30.3	2.4	0.5
Purchase of goods/services (total expenditure)	45.4	46.6	4.3	3.9
Receivables as of Dec 31	4.9	5.4	0.4	0.1
Liabilities as of Dec 31	4.1	4.1	0.7	1.2

There were no reportable transactions with members of the Board of Management and Supervisory Board of the reporting entity ÖBB-Holding AG or related parties. No advances or loans were awarded and no contingent liabilities were entered into to the benefit of any of these individuals.

There were no guarantees or investment grants to affiliated companies that were not fully consolidated, nor were any guarantees or investment grants accepted from them. There were no transactions carried out in both financial years with Board members that required disclosure. No guarantees were issued to associated companies in both reporting years. The liabilities and guarantees assumed by the Republic of Austria or Österreichische Kontrollbank AG are disclosed in Note 25.

Transactions and service relationships with the Republic of Austria, framework plan for infrastructure investments and the liability of the Republic of Austria

ÖBB-Personenverkehr sub-groups and Rail Cargo Austria

Public service contracts for local and long-distance passenger rail transport are concluded with the Republic of Austria in accordance with the Federal Railways Structure Act. Accordingly, public services are provided by ÖBB-Personenverkehr AG. The services charged to the Republic of Austria for this service amount to approx. EUR 1,198.2 million (py: approx. EUR 1,187.9 million). Services are provided to the federal provinces and municipalities on the basis of transport service contracts, for which approx. EUR 277.3 million (py: approx. EUR 256.7 million) were offset.

Rail Cargo Austria AG, as well as all other railway undertakings providing services in the production forms of single-wagon transport, unaccompanied combined transport and "rolling highway", receive subsidies under the aid programme for rail freight transport notified by the Republic of Austria to the European Commission. The funding granted by the Republic of Austria to Rail Cargo Austria AG for the year 2021 amounts to approx. EUR 107.0 million (py: approx. EUR 92.3 million).

ÖBB-Infrastruktur sub-group

General information

ÖBB-Infrastruktur AG is a railway infrastructure company whose tasks are in the public interest and are defined in more detail in § 31 of the Federal Railways Act. The basis for the financing of the company is § 47 of the Federal Railways Act, according to which the federal government must ensure that ÖBB-Infrastruktur AG has the funds necessary to fulfil its tasks and maintain its liquidity and equity, insofar as the tasks are covered by the business plan pursuant to § 42 (6) of the Federal Railways Act. The commitment regulated by the Federal Government in this provision is implemented specifically in the grant agreements pursuant to § 42 (1) and (2) of the Federal Railways Act.

It is the understanding of the contracting parties that the objective of the grant agreements, irrespective of the respective term of the contract, is to permanently ensure the value of the assets of ÖBB-Infrastruktur AG used for the tasks pursuant to § 31 of the Federal Railways Act, which also complies with the legal mandate of the Federal Railways Act.

ÖBB-Infrastruktur AG bears the costs for the fulfilment of its tasks. The Federal Government provides, for this purpose,

- a grant to ÖBB-Infrastruktur AG pursuant to § 42 (1) of the Federal Railways Act at the request of ÖBB-Infrastruktur AG, in particular for the operation of the railway infrastructure and its provision to users, to the extent that and for as long as the revenues to be generated by the users of the railway infrastructure under the respective market conditions do not cover the expenses incurred in the event of economical and efficient management, and
- pursuant to § 42 (2) of the Federal Railways Act, grants for the maintenance, planning and construction of rail infrastructure.

Two separate agreements, each with a term of six years, are to be concluded between the Federal Ministry for Climate Protection, Environment, Energy, Mobility, Innovation and Technology (BMK) in agreement with the Federal Ministry of Finance (BMF) and ÖBB-Infrastruktur AG regarding the grants pursuant to § 42 (1) and (2) of the Federal Railways Act, in which the object of the grant, the amount of the grants to be awarded for it, the general and special grant conditions and the payment modalities are to be stipulated.

The Schieneninfrastruktur-Dienstleistungsgesellschaft mbH (SCHIG) monitors the compliance with the obligations assumed by ÖBB-Infrastruktur AG in the grant agreements pursuant to § 42 of the Federal Railways Act. Monitoring refers to the economical, efficient and appropriate use of funds in the planning, construction, maintenance, provision and operation of a demand-oriented and safe rail infrastructure.

The framework plan 2021 to 2026 was adopted by the Republic of Austria in the Council of Ministers on 14.10.2020 and approved by the Supervisory Board of ÖBB-Infrastruktur AG on 03.12.2020.

In March 2020, the grant agreements pursuant to § 42 of the Federal Railways Act (Zuschussverträge gemäß § 42 Bundesbahngesetz), which govern the grants from 2018 onwards, were formally drawn up by the Republic of Austria, represented by the Federal Ministry for Climate Protection, Environment, Energy, Mobility, Innovation and Technology (BMK), in agreement with the Federal Ministry of Finance (BMF), and ÖBB-Infrastruktur AG. These grant agreements are thus also valid for the year 2021.

In December 2020, the grant agreement pursuant to § 55b of the Railway Act and § 42 (1) of the Federal Railway Act for the framework planning period 2018 to 2023, signed in March 2020, was increased by approximately EUR 89.2 million.

Financing of the infrastructure

The grant agreement pursuant to § 42 (2) Federal Railways Act is based on the business plan to be prepared by ÖBB-Infrastruktur AG pursuant to § 42 (6) Federal Railways Act. One component of the business plan is the six-year framework plan to be drawn up by ÖBB-Infrastruktur AG in accordance with § 42 (7) of the Federal Railways Act, which must contain the funds for maintenance (in particular repair and reinvestment) and for expansion investments on an annual basis. The business plan and framework plan are to be supplemented annually by one year each and adjusted to the new six-year period.

The grant agreement 2018 to 2023 stipulates that the share to be assumed by the federal government for expansion investments and reinvestments in accordance with the framework plan 2018 to 2023 (with the exception of the Brenner Base Tunnel) amounts to 80% of the annual capital expenditure, for which grants are paid in the form of an annuity spread over 30 years. The Brenner Base Tunnel project receives a 100% subsidy from the federal government in the form of an annuity spread over 50 years. The long term financing rate of ÖBB-Infrastruktur AG currently in effect is used as the interest rate.

The share to be assumed by the federal government for expansion investments (excluding the Brenner Base Tunnel) and reinvestments will be continuously reviewed and, if necessary, adjusted to current requirements for future subsidies.

The federal government also provides a subsidy for inspection and maintenance, fault clearance and repair of the rail infrastructure operated by ÖBB-Infrastruktur AG. The amount of the grant is determined taking into account the liquidity requirements on the basis of the business plan of ÖBB-Infrastruktur AG, the specified limit of the total grant according to § 42 of the Federal Railways Act and the achievement of the targets (performance and output targets) according to the grant agreement pursuant to § 42 (1) of the Federal Railways Act. Changes in the functionality and/or scope of the rail infrastructure operated by ÖBB-Infrastruktur AG will result in an increase or decrease of the subsidy. ÖBB-Infrastruktur AG must therefore reach an agreement with the Federal Ministry of Transport, Building and Urban Affairs and the Federal Ministry of Finance before making such changes.

In 2021, an amount was granted for expansion and reinvestment on the basis of the valid subsidy agreement 2018 to 2023 pursuant to § 55b of the Railway Act of approx. EUR 1,078.0 million (py: approx. EUR 986.4 million). An amount was granted for inspection, maintenance and fault clearance of approx. EUR 603.3 million (py: approx. EUR 594.1 million).

ÖBB-Infrastruktur AG has provided investment grants for the construction costs of the Brenner Base Tunnel amounting to approx. EUR 30.0 million (py: approx. EUR 190.0 million) to BBT SE. The payments contractually agreed with the province of Tyrol in the course of the share acquisition and the payments made by the federal government to ÖBB-Infrastruktur AG in connection with the cross-financing of the road amounted to approx. EUR 6.0 million (py: approx. EUR 49.4 million).

Operation of the infrastructure and apprenticeship costs

ÖBB-Infrastruktur AG is required to submit an annual rationalisation and savings plan with a forecast to the Federal Ministry of Transport, Innovation and Technology and the Federal Ministry of Finance.

The basis of the agreement on the subsidy pursuant to § 42 (1) Federal Railways Act is in particular the business plan to be drawn up by ÖBB-Infrastruktur AG for a period of six years pursuant to § 42 (6) Federal Railways Act with a precise description of the measures required for the fulfilment of its tasks to provide the rail infrastructure in a demand-oriented and safe manner, including the time and cost plans as well as the rationalisation plans and a preview of the usage and other charges.

Pursuant to § 45 of the Federal Railways Act, the BMK has commissioned SCHIG to monitor compliance with the obligations assumed by ÖBB-Infrastruktur AG in the grant agreement.

This grant agreement defines the targets to be achieved by ÖBB-Infrastruktur AG in connection with the grant pursuant to § 42 of the Federal Railways Act.

The targets to be specifically achieved by ÖBB-Infrastruktur AG are divided in particular into general, quality, safety and efficiency targets, which are agreed with due regard to the statutory tasks of ÖBB-Infrastruktur AG; they are laid down in the business plan agreed between the Federal Government and ÖBB-Infrastruktur AG pursuant to § 42 (6) of the Federal Railways Act.

Compliance with the obligation for ÖBB-Infrastruktur AG arising from the Federal Railways Act to ensure and continuously improve the quality and safety of the rail infrastructure to be operated is assessed in connection with the granting of grants by applying key figures.

Unless otherwise agreed between ÖBB-Infrastruktur AG and the federal government, the annual grant amounts are to be reduced in the course of the update by the pro rata operating expenses for those rail infrastructures that are transferred to other operators or are no longer operated by ÖBB-Infrastruktur AG in deviation from the provisions of the business plan pursuant to § 42 (6) of the Federal Railways Act.

The total subsidies granted pursuant to § 42 of the Federal Railways Act in 2021 amount to approx. EUR 2,594.4 million (py: approx. EUR 2,412.7 million). The grant for expansion and reinvestment investments amounting to approx. EUR 1,078.0 million (py: approx. EUR 986.4 million) was reduced due to the investment measures undertaken and a more favourable interest rate development in the income statement by approx. EUR 92.8 million (py: approx. EUR 16.6 million) to approx. EUR 985.3 million (py: approx. EUR 969.8 million). The grant for operational management as well as inspection, maintenance, fault clearance and repair amounting to approx. EUR 1,516.4 million (py: approx. EUR 1,426.3 million) was reduced by a total of approx. EUR 531.1 million (py: approx. EUR 379.4 million) as a result of an improvement in the operational business development and the more favorable interest rate development in the income statement.

The grant attributable to the interest capitalised in accordance with IAS 23 amounting to approx. EUR 103.6 million (py: approx. EUR 104.6 million) is to be seen as an investment grant and serves to cover future expenses incurred in the form of depreciation. The disclosure in the financial statements is made as a reduction of the subsidy pursuant to § 42 (1) of the Federal Railways Act and is presented as a cost contribution. This means that operational management as well as inspection, maintenance, fault clearance and repair, was recognised in the income statement amounting to approx. EUR 985.2 million (py: approx. EUR 1,046.9 million). The accrued amounts in connection with the grants for expansion and reinvestment amounting to approx. EUR 89.1 million (py: approx. EUR 12.9 million) and in connection with operational management and apprenticeship training amounting to approx. EUR 206.1 million (py: approx. EUR 61.7 million) are reported under other liabilities, the deferred amount from maintenance of approx. EUR 6.4 million (py: EUR 16.8 million) under deferred income. The peak calculation of the annuity for the Brenner Base Tunnel results in a repayment share for ÖBB-Infrastruktur AG of approx. EUR 3.7 million (py: approx. EUR 3.6 million), recognised under deferred income.

The development of the grants in the year 2021 is therefore as follows:

in EUR million	Total grant	Accruals and repayments	Recognized in income 2021
§ 42 (1) Operation	913.1	-524.7	388.4
§ 42 (2) Inspection, maintenance, disposal and repair	603.3	-6.4	596.9
§ 42 (2) Expansion and reinvestment	1,078.0	-92.8	985.2
Total	**2,594.4**	**-623.9**	**1,970.5**

In the reporting year in December, an amount of approx. EUR 582.5 million (py: approx. EUR 150.0 million) was refunded.. The repayment relates both to liabilities already recognized as of 31.12.2020, and to federal grants received in 2021.

The development of grants in the year 2020 was as follows:

in EUR million	Total grant	Accruals	Recognized in income 2020
§ 42 (1) Operation	832.2	-362.6	469.6
§ 42 (2) Inspection, maintenance, disposal and repair	594.1	-16.8	577.3
§ 42 (2) Expansion and reinvestment	986.4	-16.6	969.8
Total	**2,412.7**	**-396.0**	**2,016.7**

See Note 25 with regard to the guarantees and financing assumed by the Federal Government since 2017, which have primarily been raised through loans from the Republic of Austria in settlement by the Austrian Federal Financing Agency (OeBFA).

In addition, there were further grants (generally investment grants to investment measures) from the Austrian provincial governments and municipalities amounting to approx. EUR 69.1 million (py: approx. EUR 77.3 million). In addition, EU development funding amounting to approx. EUR 42.4 million (py: approx. EUR 9.5 million) was awarded. The investment grants and EU subsidies are investment grants from the public sector or the EU that were recognised as a reduction in acquisition costs.

Remuneration of members of the Board of Management

The Board of Management of ÖBB-Holding AG consists of two members at the reporting date. The remuneration of the Board of Management of ÖBB-Holding AG pursuant to § 266 (2) UGB for the active members of the Board of Management in the reporting years amounted to approx. TEUR 1,296 (py: approx. TEUR 1,170). This includes entitlements from previous periods and benefits in kind. In addition, payments of statutory contributions to the employee pension fund amounting to approximately TEUR 20 (py: approximately TEUR 18) and payments to a pension fund amounting to approximately TEUR 48 (py: approximately TEUR 49) were made in the reporting year. Compared to the previous year, provisions for vacations increased from approx. TEUR 221 by approx. TEUR 40 to approx. TEUR 261. The current employment contracts do not provide for any severance payment obligations. As at 31.12.2021, the provisions relating to target agreements amount to approx. TEUR 371 (py: approx. TEUR 368).

The total remuneration of the members of the Board of Management is composed of a fixed, variable, and in-kind component. The amount of the variable annual component is subject to the achievement of objectives agreed with the Executive Committee of the Supervisory Board at the beginning of each financial year.

In view of the difficult economic conditions resulting from the COVID-19 crisis, the members of the Board of Management have agreed to make a voluntary solidarity contribution by foregoing one month’s salary.

The employment contracts of the top executives (board members of the parent companies and subsidiaries and managing directors of companies at similar levels) include a performance-based component, whereby the success of the company is significantly reflected in the remuneration. In principle, 2/3 of the salary of the top executives is fixed and 1/3 is a performance-related component. At the beginning of each financial year, an individual score card is developed for each company for the purpose of agreeing upon clearly defined, mainly quantitative objectives. These objectives are based on the Group’s overall results, its strategy and the focus of the Group’s activities. The variable components of the salaries that were paid out are included in the remuneration of the Board of Management indicated above.

The members of the Board of Management of ÖBB-Holding AG participate in a defined contribution external pension fund model, unless they are employees with a definitive ÖBB employment relationship on leave for the period of the Board member's activity in accordance with the general contractual conditions for employment relationships with the Austrian Federal Railways (AVB). The company itself assumes no pension commitments.

Remuneration of members of the Supervisory Board

Remuneration may be awarded to the members of the Supervisory Board in accordance with the Rules of Procedure for the Supervisory Board of ÖBB-Holding AG. The basic remuneration for a Supervisory Board mandate is - as in the previous year - TEUR 14 per year. In addition, each Supervisory Board member receives an attendance fee of EUR 800 for each meeting of the Supervisory Board, the Executive Committee or any other committee. A Chairperson of the Supervisory Board receives double the basic remuneration, a Vice Chairperson in ÖBB-Holding AG receives one and a half times the basic remuneration. Members of the Supervisory Board who are members of the Board of Management, employee representatives, general managers or employees of the ÖBB Group do not receive any Supervisory Board remuneration.

The Supervisory Board remuneration of the capital representatives of the members of the Supervisory Board of ÖBB-Holding AG for their activities in ÖBB-Holding AG and in other Group companies amounted to approx. TEUR 349 (py: approx. TEUR 357). The remuneration of the remaining Supervisory Board members at the Group companies amounted to approx. TEUR 295 (py: approx. TEUR 307).

33. Notes on the Cash Flow Statement

The cash flow statement shows the change in cash of the ÖBB Group from inflows and outflows of funds in the reporting year. The cash flow statement is divided into cash flows from operating activities, from investment activities and from financing activities. Operating parts of the cash flow statement are presented using the indirect method.

In addition to cash and cash equivalents (Note 22), the fund of cash and cash equivalents also consists of other current financial liabilities and liabilities to credit institutions in the amount of approx. EUR 29.2 million (py: approx. EUR 18.2 million), which are due on demand and thus meet the requirements of IAS 7 for classification as part of the fund of liquidity. That part of the interest payment that is capitalised, in accordance with IAS 23, as part of the cost of production of qualifying assets, is reported in the operating cash flow. The federal subsidies received in this context amounting to approx. EUR 103.6 million (py: approx. EUR 104.6 million) are also presented in the operating cash flow under changes in trade payables and other liabilities and accruals.

The significant non-cash transactions in both reporting years mainly relate to changes in former and current CBL transactions as well as the reversal of deferred income due to finance lease transactions. See Note 34 and the terms in brackets with regard to cash inflows and outflows from or for the acquisition of consolidated companies.

The table shows the information on the changes to financial liabilities for which the cash received and cash paid are presented in the Statement of Cash Flows in cash flows from financing activities.

in EUR million	As of Dec 31, 2020	Changes with an effect on cash flow	Changes in exchange rates	Other changes in borrowed capital	Other changes in equity	As of Dec 31, 2021
Non-current financial liabilities						
Bonds	10,370.5	0.0	4.1	-1,495.7	0.0	8,878.9
Bank loans	5,508.2	-79.1	-1.3	-70.8	0.0	5,357.0
Financial liabilities leasing	463.4	-12.2	0.1	-9.9	0.5	441.9
Other financial liabilities	7,659.3	3,251.6	-1.6	111.6	-9.9	11,011.0
Total non-current financial liabilities	**24,001.5**	**3,160.2**	**1.3**	**-1,464.8**	**-9.4**	**25,688.7**
Current financial liabilities						
Bonds	1,050.1	-1,050.0	0.0	1,498.5	0.0	1,498.6
Bank loans	309.6	-51.4	0.0	78.7	0.0	336.9
Financial liabilities leasing	213.3	-120.8	0.0	59.9	1.3	153.7
Other financial liabilities	1,073.5	-508.7	0.0	-14.6	0.5	550.7
Total excluding financial liabilities, which are part of cash and cash equivalents	**2,646.6**	**-1,730.9**	**0.0**	**1,622.4**	**1.8**	**2,539.9**

in EUR million	As of Dec 31, 2019	Changes with an effect on cash flow	Changes in exchange rates	Other changes in borrowed capital	Other changes in equity	As of Dec 31, 2020
Non-current financial liabilities						
Bonds	11,423.7	0.0	-4.4	-1,048.8	0.0	10,370.5
Bank loans	5,009.0	525.5	6.0	-32.3	0.0	5,508.2
Financial liabilities leasing	571.2	-35.8	3.6	-75.3	-0.3	463.4
Other financial liabilities	5,819.1	2,033.0	0.0	-183.2	-9.6	7,659.3
Total non-current financial liabilities	**22,823.0**	**2,522.8**	**5.2**	**-1,339.6**	**-9.9**	**24,001.5**
Current financial liabilities						
Bonds	1,299.1	-1,300.0	0.0	1,051.0	0.0	1,050.1
Bank loans	290.4	-90.6	0.0	109.8	0.0	309.6
Financial liabilities leasing	94.5	-68.1	0.0	186.9	0.0	213.3
Other financial liabilities	674.8	271.4	0.2	129.5	-2.4	1,073.5
Total excluding financial liabilities, which are part of cash and cash equivalents	**2,358.8**	**-1,187.3**	**0.2**	**1,477.3**	**-2.4**	**2,646.6**

34. Group companies

The business activities of the ÖBB Group are as follows:

ÖBB-Personenverkehr

This sub-group combines all activities of the passenger transport and services division. The business areas relate to long-distance rail, local rail and bus transport, as well as the travel agency activities of Rail Tours Touristik GmbH and, since 01.01.2021, Technical Services (TS AT: Rolling Stock Maintenance).

As of 01.01.2021, ÖBB-Personenverkehr AG took control of ÖBB-Technische Services-Gesellschaft mbH and acquired 26% of the shares in ÖBB-Technische Services-Gesellschaft mbH from Rail Cargo Austria AG, so that ÖBB-Personenverkehr AG became the majority owner of ÖBB-Technische Services-Gesellschaft mbH and its associated subsidiaries (Technical Services Slovakia, s.r.o., ÖBB STADLER Service GmbH and TS-MÁV Gépészet Services Kft.).

Rail Cargo Group

The business objects are divided into five complementary, cross-border rail businesses to enable the Rail Cargo Group to present itself to customers in a demand- and market-oriented manner and to offer customised solutions in addition to binding performance promises.

- Freight forwarding: Rail Cargo Logistics (RCL) - rail forwarders with industry expertise
- Operator: Rail Cargo Operator (RCO) - for high-frequency long haul shuttles (intermodal, conventional, mix) between economic regions
- Carrier: Rail Cargo Carrier (RCC) - RU (railway undertaking = carrier service) for own traction (e.g. basic load, single-wagon transport)
- Wagons: Rail Cargo Wagon (RCW) - Wagon Leasing company
- TS-HU: Technical Services (TS) - Maintenance Manager rolling stock

ÖBB-Infrastruktur

The tasks of the ÖBB-Infrastruktur sub-group are:

- Planning and construction of rail infrastructure including high-capacity lines, planning and construction of related projects as well as provision of rail infrastructure including facilities and equipment
- Provision, operation and maintenance of demand-oriented and safe rail infrastructure (maintenance, inspection, repair, operational planning and shunting)

The core activities of the ÖBB-Infrastruktur sub-group also include energy purchasing, energy supply and electricity portfolio management as well as the leasing, development and utilisation of real estate.

Holding / Other activities

The numerous management, financing and service functions of ÖBB-Holding AG, its other holdings (e.g. ÖBB-Business Competence Center GmbH, ÖBB-Finanzierungsservice GmbH, ÖBB-Werbung GmbH) and ÖBB-Produktion Gesellschaft mbH (provision of traction services) are combined here.

Information on the subsidiaries, associated companies, equity investments, other shares and changes in the ÖBB Group existing as at 31.12.2021 in the financial year 2021:

The following disposals are not shown in the overview:

ÖBB-Postbus GmbH was merged with Österreichische Postbus Aktiengesellschaft in the reporting year with retroactive effect from 01.01.2020. The European Contract Logistics d.o.o. subsidiary was liquidated in 2020 and is therefore no longer included in the group of fully consolidated companies.

In the reporting year, the shares in HAELA Abfallverwertung GmbH were sold, meaning that this company is no longer included in the consolidated financial statements using the equity method.

Further acquisitions, new establishments and changes in consolidation types are noted in the list of investments shown as follows in parentheses. The effects of first-time consolidations or deconsolidations are of minor significance overall and can be seen in the section "Composition of and changes in the scope of consolidation" in Note 2.

As of the reporting date, ÖBB-Holding AG held investments in the following companies, either directly or indirectly via other affiliated companies (excluding investments in short-term joint ventures).

Parent company	Country, registered office	Type of consolidation
100% Österreichische Bundesbahnen-Holding Aktiengesellschaft	A-1100 Vienna	V

ÖBB-Personenverkehr	Country, registered office	Type of consolidation	
100% ÖBB-Personenverkehr Aktiengesellschaft	A-1100 Vienna	V	
├► 100% Österreichische Postbus Aktiengesellschaft (merger with ÖBB-Postbus GmbH as of Jan 01, 2020)	A-1100 Vienna	V	
└► 100% ČSAD AUTOBUSY České Budějovice a.s. (Transfer to Österreichische Postbus Aktiengesellschaft with merger as of Jan 01, 2020)	CZ-37001 České Budějovice	V	
├► 100% Rail Tours Touristik Gesellschaft m.b.H.	A-1100 Vienna	V	
├► 100% ÖV Ticketshop GmbH (April 2021: New incorporation)	A-1100 Vienna	V	
├► 100% iMobility GmbH (June 2020: Intra-group acquisition from ÖBB-Holding AG)	A-1040 Vienna	V	
├► 100% Allegra Deutschland GmbH (July 2021: 100% acquisition of shares)	D-80333 Munich	V0	
├► 100% OBB ITALIA S.R.L. (March 2020: New incorporation)	IT-20121 Milano MI	V (py: V0)	
├► 100% (py: 98.57%) FZB Fahrzeugbetrieb GmbH (January 2022: Acquisition of remaining shares)	A-1100 Vienna	V0 (py: V)	
├► 50% (100%) ÖBB-Produktion Gesellschaft mbH	A-1100 Vienna	V	*)
├► 49.9% City Air Terminal Betriebsgesellschaft m.b.H.	A-1300 Vienna-Airport	E	
├► 75% (100%) ÖBB-Technische Services-Gesellschaft mbH (January 2021: intra-group acquisition of further 26%)	A-1110 Vienna	V	*)
├► 100% Technical Services Slovakia, s.r.o. (June 2020: Acquisition of remaining 49%)	SK-91701 Trnava	V	
├► 60% ÖBB STADLER Service GmbH	A-1150 Vienna	V	
├► 51% TS-MÁV Gépészet Services Kft.	HU-1097 Budapest	V	
├► 49% LTS Immobilien GmbH	A-2320 Schwechat	E0	
└► 40% ETL Lokservice GmbH	A-2320 Schwechat	E0	
├► 10% Railteam B.V.	NL-1012 AB Amsterdam	0	
├► 7.628% Eurail B.V. (October 2021: Acquisition of shares)	NL-3511 SB Utrecht	0	
└► 6.71% (7.38%) Bureau central de clearing s.c.r.l.	B-1060 Brussels	0	

*) The remaining shares are held by other companies in the ÖBB Group.

Rail Cargo Austria	Country, registered office	Type of consolidation
100% Rail Cargo Austria Aktiengesellschaft	A-1100 Vienna	V
├► 100% Rail Cargo Logistics – Austria GmbH	A-1100 Vienna	V
├► 100% Rail Cargo Terminal – Sindos Societe S.A.	GR-57022 Thessaloniki	V
├► 100% Rail Cargo Logistics – Bulgaria EOOD	BG-1303 Sofia	V
├► 100% Rail Cargo Logistics – Croatia d.o.o.	HR-10000 Zagreb	V
├► 100% Rail Cargo Logistics – Czech Republic s.r.o.	CZ-61400 Brno	V
├► 100% Rail Cargo Logistics – Environmental Services GmbH	A-1100 Vienna	V
├► 50% AUL Abfallumladelogistik Austria GmbH	A-2201 Gerasdorf bei Wien	E0
├► 100% Rail Cargo Logistics – Germany GmbH	D-60329 Frankfurt am Main	V
├► 100% Rail Cargo Logistics – Hungaria Kft.	HU-1133 Budapest	V
├► 100% Rail Cargo Logistics – Italy S.r.l.	I-20832 Desio	V
├► 100% Rail Cargo Terminal – Desio S.r.l.	I-20832 Desio	V
└► 100% Rail Cargo Terminal – S. Stino S.r.l.	I-30029 Santo Stino di Livenza	V
├► 100% Rail Cargo Logistics – Poland Sp.z o.o.	PL-02-796 Warszawa	V
├► 100% Rail Cargo Logistics – Romania Solutions SRL	RO-075100 Otopeni	V
├► 100% ooo "Rail Cargo Logistics – RUS"	RU-620014 Yekaterinburg	V
├► 100% Rail Cargo Logistics Uluslararasi Tasimacilik Lojistik ve Ticaret Limited Sirketi	TR-34303 Halkali-Istanbul	V
├► 74% Rail Cargo Logistics, železniška špedicija d.o.o.	SLO-1000 Ljubljana	V
├► 51% Rail Cargo Logistics – BH d.o.o.	BiH-71000 Sarajevo	V
└► 49% Rail Cargo Logistics – Goldair S.A.	GR-19300 Athen/Aspropyrgos	E

Rail Cargo Austria (continued)	Country, registered office	Type of consolidation	
├▶ 100% Rail Cargo Carrier Kft.	HU-1133 Budapest	V	
├▶ 100% Rail Cargo Carrier – Germany GmbH	D-85055 Ingolstadt	V	
├▶ 100% Rail Cargo Carrier d.o.o.	SLO-1000 Ljubljana	V	
├▶ 100% Rail Cargo Carrier – Bulgaria EOOD	BG-1303 Sofia	V	
├▶ 100% Rail Cargo Carrier – Croatia d.o.o.	HR-10000 Zagreb	V	
├▶ 100% Rail Cargo Carrier – Czech Republic s.r.o.	CZ-130 00 Praha 3	V	
├▶ 100% Rail Cargo Carrier – Romania SRL	RO-075100 Otopeni	V	
├▶ 100% Rail Cargo Carrier – Slovakia s.r.o.	SK-82105 Bratislava	V (py: V0)	
├▶ 100% Rail Cargo Carrier – Poland Sp.z.o.o.	PL-02-017 Warszawa	V0	
└▶ 75% (100%) Rail Cargo Carrier – Italy s.r.l.	I-20832 Desio	V	*)
├▶ 100% Rail Cargo Operator – ČSKD s.r.o.	CZ-13000 Praha 3	V	
├▶ 100% Rail Cargo Operator – Austria GmbH	A-1100 Vienna	V	
├▶ 100% Rail Cargo Operator – Hungaria Kft.	HU-1133 Budapest	V	
├▶ 100% Rail Cargo Operator – Port/Rail Services GmbH	D-28195 Bremen	V0 (py: V)	
├▶ 100% Rail Cargo Terminal – Praha s.r.o	CZ-13000 Praha 3	V	
├▶ 85% Rail Cargo Terminal – BILK (Sale of 15% of shares in August 2020)	HU-1239 Budapest	V	
├▶ 100% LOGISZTÁR Kft.	HU-1239 Budapest	V0	
└▶ 33.33% boxXagency Kft.	HU-1239 Budapest	E0	
└▶ 29.39% Railport Arad SRL	RO-315200 Judetul Arad	E	
├▶ 33.07% Terminal Brno, a.s.	CZ-61900 Brno	E	
└▶ 32.56% ADRIA KOMBI d.o.o.	SLO-1000 Ljubljana	E	
├▶ 99.99% Rail Cargo Hungaria Zrt.	HU-1133 Budapest	V	
├▶ 100% Technical Services Hungaria Jármüjavitó Kft. (intra-group acquisition by Rail Cargo Hungaria from ÖBB-Technische Services-Gesellschaft mbH in January 2021)	HU-3527 Miskolc	V	
├▶ 30% Agrochimtranspack Kft.	HU-4623 Tuszér	E0	
└▶ 0.67% (7.48%) Bureau central de clearing s.c.r.l.	B-1060 Saint-Gilles	0	
├▶ 66% Rail Cargo Logistics GmbH	A-1100 Vienna	V	
├▶ 100% Rail Cargo Logistics s.r.o.	CZ-619 00 Brno	V	
└▶ 47.5% VADECO SRL	RO-900733 Constanta	E	
├▶ 25% (100%) ÖBB-Technische Services Gesellschaft mbH (intra-group sale to ÖBB-Personenverkehr AG of 26% of shares in January 2021)	A-1110 Vienna	V	*)
├▶ 100% Technical Services Slovakia, s.r.o. (Acquisition of remaining 49% as of Jan 01, 2020)	SK-91701 Trnava	V	
├▶ 60% ÖBB STADLER Service GmbH	A-1150 Vienna	V	
├▶ 51% TS-MÁV Gépészet Services Kft.	HU-1097 Budapest	V	
├▶ 49% LTS Immobilien GmbH	A-2440 Gramatneusiedl	E0	
└▶ 40% ETL Lokservice GmbH	A-2440 Gramatneusiedl	E0	
├▶ 50% (100%) ÖBB-Produktion Gesellschaft mbH	A-1100 Vienna	V	*)
├▶ 19.8% (Vj: 50%) TransAnt GmbH (January 2021: intra-group acquisition by Rail Cargo Austria AG from ÖBB-Technische Services-Gesellschaft mbH, January 2022: Reduction due to dilution)	A-4020 Linz	E0	
├▶ 25% (100%) Rail Cargo Carrier – Italy s.r.l.	I-20832 Desio	V	*)
├▶ 18.4% Xrail AG	B-4058 Basel	0	
├▶ 3.53% Intercontainer-Interfrigo (ICF) SA	B-1060 Brussels	0	
└▶ Partnership Kombiverkehr Deutsche Gesellschaft für kombinierten Güterverkehr mbH & Co. Kommanditgesellschaft	D-60486 Frankfurt am Main	0	

*) The remaining shares are held by other companies in the ÖBB Group.

ÖBB-Infrastruktur	Country, registered office	Type of consolidation
100% ÖBB-Infrastruktur Aktiengesellschaft	A-1020 Vienna	V
├► 100% Austrian Rail Construction & Consulting GmbH	A-1020 Vienna	V0
├► 100% Austrian Rail Construction & Consulting GmbH & Co KG	A-1020 Vienna	V0
├► 100% Güterterminal Werndorf Projekt GmbH (sale in March 2022)	A-1020 Vienna	V
├► 100% Mungos Sicher & Sauber GmbH	A-1150 Vienna	V
├► 100% Mungos Sicher & Sauber GmbH & Co KG	A-1150 Vienna	V
├► 100% Netz- und Streckenentwicklung GmbH	A-1020 Vienna	V0
├► 100% ÖBB-Güterzentrum Wien Süd Betriebsgesellschaft m.b.H.	A-1020 Vienna	V0
├► 100% ÖBB-Immobilienmanagement Gesellschaft mbH	A-1020 Vienna	V
├► 100% ÖBB-Projektentwicklung GmbH	A-1020 Vienna	V
├► 100% ÖBB-Realitätenbeteiligungs GmbH & Co KG	A-1020 Vienna	V
├► 100% Elisabethstraße 7 Projektentwicklung GmbH & Co KG	A-1020 Vienna	V
├► 100% Elisabethstraße 9 Projektentwicklung GmbH & Co KG	A-1020 Vienna	V
├► 100% Gauermanngasse 2–4 Projektentwicklung GmbH & Co KG	A-1020 Vienna	V
├► 100% Mariannengasse 16–20 Projektentwicklung GmbH & Co KG	A-1020 Vienna	V
└► 100% Operngasse 16 Projektentwicklung GmbH & Co KG	A-1020 Vienna	V
├► 100% ÖBB-Stiftungs Management Gesellschaft mbH	A-1020 Vienna	V0
├► 100% Rail Equipment GmbH	A-1040 Vienna	V
├► 100% Rail Equipment GmbH & Co KG	A-1040 Vienna	V
├► 50% LCA Logistik Center Austria Süd GmbH (Acquisition Nov. 2020)	A-9586 Fürnitz	E
├► 51% WS Service GmbH	A-3151 St. Georgen am Steinfeld	V
├► 50% Galleria di Base del Brennero – Brenner Basistunnel BBT SE	I-39100 Bozen	E
├► 43.05% Weichenwerk Wörth GmbH	A-3151 St. Georgen am Steinfeld	E
├► 27.74% (py: 25%) Breitspur Planungsgesellschaft mbH (Increase in shares in January 2021)	A-1010 Vienna	E
├► 8% HIT Rail B.V.	NL-3511 SB Utrecht	0
├► Partnership UIRR s.c.r.l. (International association for combined road- rail transport)	B-1000 Brussels	0
└► Partnership Tiefgarage Stuben Gesellschaft m.b.H. & Co. KG	A-6762 Stuben/Arlberg	0

Others	Country, registered office	Type of consolidation
100% ÖBB-Business Competence Center GmbH	A-1030 Vienna	V
└► 34% Wellcon Gesellschaft für Prävention und Arbeitsmedizin GmbH	A-1030 Vienna	E
100% ÖBB-Finanzierungsservice GmbH	A-1100 Vienna	V
100% ÖBB-Werbung GmbH	A-1100 Vienna	V
100% OmegaTelos GmbH	A-1100 Vienna	V0 (py: V)
├► 100% European Contract Logistics - Slovakia s.r.o. „v likvidácii"	SK-81103 Bratislava	V0
├► 95% European Contract Logistics - Serbia d.o.o.	SRB-11070 Novi Beograd	V0
└► 45% logMASter Kft.	HU-2151 Fot	E0 (py: E)
26% Verkehrsauskunft Österreich VAO GmbH	A-1150 Vienna	E0
2% EUROFIMA Europäische Gesellschaft für die Finanzierung von Eisenbahnmaterial AG	CH-4001 Basel	0

Shares in % in parentheses show the recognised investment held by multiple companies within the entire ÖBB Group. Any information marked with py: relates to the previous year.

Abbreviations

V	Affiliated, fully consolidated company
V0	Associated company not fully consolidated due to minor significance
E	Investee accounted for using the equity method (associated company)
E0	Investee not accounted for using the equity method due to minor significance
0	Other investee company
i. L.	in liquidation

The following table shows the equity and net profit for the year of those subsidiaries that are not included in the consolidated financial statements and in which at least 20% of the shares are held. The information on equity and the annual result was taken from the annual financial statements in accordance with the respective national accounting law; exceptions were marked with corresponding footnotes.

The equity of foreign companies is translated to EUR at the closing rate. The annual result is translated to EUR at the average exchange rate. The values were determined in accordance with the respective national accounting laws.

		Shareholders' equity in TEUR		Profit or loss in TEUR		
ÖBB-Personenverkehr Group		Dec 31, 2021	Dec 31, 2020	2021	2020	
100%	Allegra Deutschland GmbH, Munich	25	New 2021	25	New 2021	
100%	FZB Fahrzeugbetrieb GmbH, Vienna	35	35	13	570	

		Shareholders' equity in TEUR		Profit or loss in TEUR		
Rail Cargo Group		Dec 31, 2021	Dec 31, 2020	2021	2020	
100%	Rail Cargo Operator Port/Rail Services GmbH (fully consolidated until Dec 31, 2020)	138	52	85	13	
100%	Rail Cargo Carrier - Poland Sp.z.o.o.	175	-112	-10	8	
100%	LOGISZTÁR Kft.	527	571	-37	-36	
50%	AUL Abfallumladelogistik Austria GmbH	409	550	-141	-184	1)
33.33%	boxXagency Kft.	83	81	68	65	1)
30%	Agrochimtranspack Kft.	n/a	329	n/a	3	

		Shareholders' equity in TEUR		Profit or loss in TEUR	
ÖBB-Infrastruktur Group		Dec 31, 2021	Dec 31, 2020	2021	2020
100%	Austrian Rail Construction & Consulting GmbH	166	137	28	0
100%	Austrian Rail Construction & Consulting GmbH & Co KG	207	208	-3	-2
100%	Netz- und Streckenentwicklung GmbH	102	83	19	-6
100%	ÖBB-Güterzentrum Wien Süd Betriebsgesellschaft m.b.H.	24	23	1	-4
100%	ÖBB-Stiftungs Management Gesellschaft mbH	99	72	27	0

		Shareholders' equity in TEUR		Profit or loss in TEUR		
Others		Dec 31, 2021	Dec 31, 2020	2021	2020	
100%	OmegaTelos GmbH (fullly consolidate until Dec 31, 2020)	2,885	2,276	609	-2,709	
100%	European Contract Logistics - Slovakia s.r.o. "v likvidácii" (i. L.)	i. L.	i. L.	i. L.	i. L.	
95%	European Contract Logistics - Serbia d.o.o.	198	249	-13	0	
45%	logMASter Kft. (Equity consolidation until 31.12.2020)	489	275	245	62	
26%	Verkehrsauskunft Österreich VAO GmbH	3,045	2,441	-307	-559	1)

Abbreviations and footnotes

1) Preliminary values for 2021.
i. L. in liquidation
n. a. not applicable

35. Events after the reporting date

The fully consolidated company Güterterminal Werndorf Projekt GmbH ("GWP") is wholly owned by ÖBB-Infrastruktur AG as of the balance sheet date and will be sold to Steirische Infrastruktur-Beteiligungs GmbH and Cargo-Center-Graz Betriebsgesellschaft m. b. H. & Co KG by way of a share deal in March 2022.

In January 2022, it was decided to gradually reduce the corporate income tax rate in Austria from the current 25% to 23%. Thus, effective 01.01.2023, the currently applicable corporate income tax rate will initially be lowered to 24% in calendar year 2023, to reach the targeted 23% in the following calendar year 2024. This reduction does not affect the deferred tax assets and deferred tax liabilities recognised as of 31.12.2021. If the new tax rates had been used to calculate taxable temporary differences and tax losses as of 31.12.2021, deferred tax assets would have decreased by approx. EUR 12.5 million.

After the balance sheet date of 31.12.2021, the trend of electricity price increase continued, combined with increased volatility and reduced liquidity on the energy markets. The main reasons for this are the continuing tense geopolitical situation and the uncertainties surrounding the shift away from fossil fuels in favour of renewable energies. The high electricity prices had an impact on the ÖBB Group's results in that the Group's own generation in January 2022 was below the forecast value and the shortfall had to be purchased at high spot market prices.

The geopolitical situation on the Eastern European border, which has been tense for months, escalated in late February 2022 when Russian forces invaded sovereign Ukraine. Sanctions against Russia and Belarus were immediately imposed by the European Union and its partners. Further, more stringent embargo measures cannot be ruled out from the current perspective. Direct or indirect effects of the current crisis can also be assumed for the ÖBB Group. Direct adverse effects are to be expected for the freight transport sector, in which business is conducted in the countries affected by the war. In Russia, there is currently a subsidiary with 57 employees; there are no branches in Ukraine or Belarus.

In addition to the implications due to the loss of transport services and infrastructure usage fees as well as the possible limitation in certain markets, possible effects are also to be expected in the supply chains, in the energy and raw materials sector, the procurement of spare parts, the procurement of new vehicles, as well as in the topic of cyber security. Developments in the financing and banking sectors are monitored and reported on an ongoing basis. In the short term, the consequences of the conflict for the ÖBB Group are not yet of profound proportions; in the longer term, there may be increased disruptions.

Immediately after the crisis became known, a coordination platform was set up in the ÖBB Group with employees from all subcompanies in order to be able to react quickly to the tasks arising and to ensure a coordinated approach - also with public authorities. Extensive measures have been taken to meet the currently applicable compliance requirements, to reduce the risk of a breach of sanctions and to avoid liability cases. Transport activities of the Rail Cargo Group are subjected to a risk assessment and rerouted if necessary.

The risks caused by the crisis are regularly evaluated and updated, and measures that can be implemented in the short term are also identified. The monitoring of the situation and the possible impact on the ÖBB Group is ongoing. Basically, it is hardly possible at this point in time to make any statements about the course of events in the coming weeks or months and the concrete economic implications for the ÖBB Group.

In extraordinary general meetings of ÖBB-Holding AG and ÖBB-Personenverkehr AG in March 2022, the management measures due to Russia's war against Ukraine were approved by the owners.

The Board of Management of ÖBB-Holding AG released the audited consolidated financial statements as at 31.12.2021 for forwarding to the Supervisory Board on 29.03.2022. The Supervisory Board is charged with reviewing the Consolidated Financial Statements and declaring whether it approves the Consolidated Financial Statements.

There are no further reportable events after the reporting date that have a material effect on the net assets, financial position and results of operations.

36. Executive bodies of the parent company of the ÖBB Group

In the financial year 2021 (up to the date of preparation of the consolidated financial statements), the following persons were appointed as members of the Management Board or as members of the Supervisory Board of ÖBB-Holding AG:

Members of the Board of Management

Ing. Mag. (FH) Andreas Matthä	Chairman of the Board of Management
Mag. Arnold Schiefer	

Members of the Supervisory Board

Mag.[a] Andrea Reithmayer	Chairperson
Dr. Kurt Weinberger	1st Vice Chairperson
Dipl.-Ing. Herbert Kasser	2nd Vice Chairperson
Roman Hebenstreit	3rd Vice Chairperson/Employee Representative
Dr.[in] Cattina Maria Leitner	
Mag.[a] Elfriede Baumann	
Mag.[a] Brigitte Ederer	
Mag. Markus Himmelbauer	
Dr.[in] Angela Köppl	
Mag. Andreas Matthä:	Employee representative
Günter Blumthaler	Employee representative
Mag.[a] Olivia Janisch	Employee representative

A presentation of remuneration granted in the reporting period is shown in Note 32 ("Related party transactions").

Vienna, dated 29.03.2022

The Board of Management

Ing. Mag. (FH) Andreas Matthä mp		Mag. Arnold Schiefer mp

Auditor’s Report*

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of **Österreichische Bundesbahnen-Holding Aktiengesellschaft, Vienna,** and of its subsidiaries (the Group) comprising the consolidated statement of financial position as of December 31, 2021, 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.

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, 2021 and cashflows and its financial performance for the year then ended in accordance with the International Financial Reportings 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 Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISA). Our responsibilities under those regulations and standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor’s report is sufficient and appropriate to provide a basis for our opinion by this date.

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 consolidated financial statements, the Group's management 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 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.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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.

Comments on the Management Report for the Group

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

Management is responsible for the preparation of the management 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 management report for the Group.

Opinion

In our opinion, the management report for the Group was prepared in accordance with the valid legal requirements, 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 management report for the Group came to our attention.

Vienna, March 29, 2022

Ernst & Young

Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Christoph Harreither mp

Wirtschaftsprüfer / Certified Public Accountant

Mag. Stefan Uher mp

Wirtschaftsprüfer / Certified Public Accountant

*) This report is a translation of the original report in German, which is solely valid.

Glossary

approx.	approximately
AVB	General terms and conditions of employment with Austrian Federal Railways
BMF	Federal Ministry of Finance
BMK	Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology
bn	billions
CBL	Cross Border Leasing
CER	Community of European Railway
CO_2	Carbon dioxide
COSO	Committee of Sponsoring Organisations of the Treadway Commission
EBIT	Earnings before Interests and Taxes. EBIT corresponds to operating profit (not including earnings of investments accounted for using the equity method) in the consolidated income statement.
EBITDA	= EBIT + depreciation and amortisation
EBIT margin	EBIT / total income.
EBT	Earnings before Taxes
ECB	European Central Bank
EMTN	European medium-term note
EP	European Parliament
Equity ratio	= Equity / total capital
EUR	Euro
Free cash flow	= Cash flow from operating activities + cash flow from investing activities
FTE	Full Time Equivalent
GDP	Gross domestic product
GWh	Gigawatt hour
GWL	Public services
IASB	International Accounting Standards Board
ICS	Internal control system
IFAC	International Federation of Accounts
IFRIC	International Financial Reporting Interpretations Committee
IFRS / IAS	International Financial Reporting Standards
ISAs	International Standards on Auditing
km	kilometre
mil.	millions
Net Debt	= Interest-bearing borrowings - interest-bearing assets
Net Gearing	= Net debt / equity

OeNB	National Bank of Austria
Payroll ratio	= Personnel expenses / total income
pkm	Passenger kilometres (= passengers transported x kilometres travelled)
PP&E ratio	= Property, plant and equipment / total assets
PP&E-to-net-worth ratio	= Equity / property, plant and equipment
PP&E-to-net-worth ratio II	= (Equity + non-current borrowings) / PP&E
py	prior year
R&D	Research and development
Railjet	New long-distance train
RCC	Rail Cargo Carrier
RCG	Rail Cargo Group
RCO	Rail Cargo Operator
Return on equity	= EBT / equity
Return on total assets	= EBIT / total capital
ROCE	= EBIT / Capital Employed
RS	Railway station
RU	Railway undertaking
SCHIG	Rail Infrastructure Service company (Schieneninfrastruktur-Dienstleistungsgesellschaft mbH)
SIC	Standards Interpretation Committee
t	tonnes
Tenured position	"Employees with a tenured position" are ÖBB employees who are subject to the "General Contractual Conditions for Employment Contracts with Austrian Federal Railways" (AVB), joined before 01.01.1995 and cannot be dismissed on the basis of the provisions of the AVB. This is generally taken to include the Postbus employees who were formerly employed by the Austrian postal service.
TEUR	Thousand Euro
TGTkm	Gross tonnage kilometres (= freight weight + weight of the train x kilometers travelled)
tkm	tonne kilometres (= tonnes transported x kilometres travelled)
Total income per employee	= Total income / average number of employees (headcount)
Traction	Propulsion for trains
Train-km	train kilometres
USD	United States Dollar
WIFO	Austrian Institute of Economic Research
Working Capital	= Inventories (excl. real estate recovery projects and prepayments on orders) + trade receivables - trade payables

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Disclaimer
This report also contains forward-looking assessments and statements that we have made on the basis of all the information available to us at the present time. These forward-looking statements are usually described using terms such as “expect”, “estimate”, “plan”, “anticipate”, etc. We would like to point out that the actual circumstances – and thus also the actual results – may deviate from the expectations presented in this report due to a wide variety of factors.

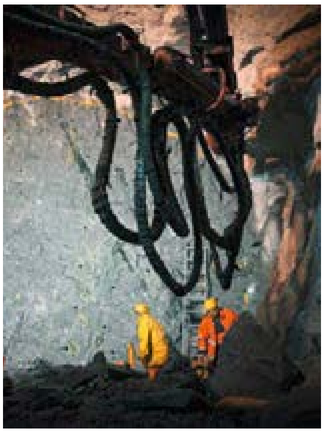
The information contained in this report has been prepared to the best of our knowledge and checked for accuracy with great care and attention. Typographical and printing errors reserved. This annual report is provided in electronic format only: **konzern.oebb.at/gb2021**

That was 2021

26/07
Solar offensive in Vorarlberg continued

After the Hohenems station, ÖBB-Infrastruktur AG has installed another photovoltaic system in Vorarlberg at the Rankweil station. Rankweil station can thus be supplied with 100 percent electricity from renewable energy. ÖBB is thus sending out another clear signal for more power generation from solar energy.

10/08
Construction milestone for Tauernmoos power plant



One of ÖBB's most sustainable construction projects is underway in the Pinzgau Stubach Valley. Work on the expansion of the power plant group has been in progress since the autumn of 2020. An important milestone was reached after only eleven months with the breakthrough of the 3.8-kilometer-long access tunnel.

12/08
Important stage for Koralm Railway megaproject

The last major shell section of the 130-kilometer high-capacity line from Graz to Klagenfurt is under construction between Graz and Weitendorf. The technical highlight is a 3.2-kilometer-long underground route. In the future, trains descend south of the A2 crossing, travel under the B67 past the airport and resurface at Zettling.

23/08
ÖBB-Technische Services to operate as ÖBB TRAIN TECH in the future

The services and performance provided on the market make ÖBB-Technische Services-GmbH one of the largest engineering companies in Austria today. In order to be even more present, Technical Services is to appear with a new logo in the future: ÖBB TRAIN TECH.

02/09
ÖBB launches new "Announcement for future" campaign

ÖBB is focusing on urgency in its new climate protection campaign. Shifting to rail is an important factor in meeting climate goals and creating green jobs. People should be motivated to become an active part of a movement towards the future.

30/09
Advance booking for KlimaTicket started

On 1 October, advance sales for the KlimaTicket (climate ticket) started at all ÖBB ticket offices at the Early Bird price of EUR 949. Since 26 October travel with the KlimaTicket is possible in all public means of transport throughout Austria – from 1 November then at the regular price of EUR 1,095.

» Continued from front cover

04/11

Next Level Teaching: ÖBB launches new apprentice campaign

ÖBB is looking for around 600 new apprentices every year. To reach the best minds here and get them excited about the No. 1 climate protection company, a new sci-fi game campaign was created that docks onto young people's lifeworlds.

22/11

With the Postbus shuttle free of charge to vaccination and testing

Since the beginning of April, the Postbus shuttle has been on the road in Steyregg, St. Georgen an der Gusen and Luftenberg, bringing people to their destinations from around 250 stops. With this service, Österreichische Postbus AG wants to contribute to a safe (pre)Christmas season and takes people to their appointments to the surrounding vaccination and test roads free of charge and on demand.

01/12

Rolling Highway (ROLA) develops well

The Rolling Highway (ROLA) is an important component of the shift from road transport to rail. In 2021, the results of previous years could already be exceeded in the autumn. By the end of October 2021, the total number of trucks recorded on all ROLA routes had reached 158,000.

03/12

Purple Light-up: ÖBB illuminate Vienna main station purple

On the occasion of the International Day of People with Disabilities, ÖBB participated in the global Purple Light-up campaign and illuminated Vienna Central Station entirely in purple – a special sign that puts the daily commitment of ÖBB colleagues to accessibility in a special light.

13/12

New Nightjet to Paris starts

On 13 December, the first ÖBB Nightjet departed from Vienna via Munich and Strasbourg to Paris. NJ 468 started its premiere run at 19:40 hrs. ÖBB, in cooperation with SNCF and DB, is to run the Nightjet from Vienna to Paris three times a week – Monday, Thursday and Saturday – starting 13 December 2021.

> "The KlimaTicket is a real gamechanger for public transport. A single, inexpensive ticket for public transport makes the switch from car to bus and train really attractive."

ANDREAS MATTHÄ, CEO ÖBB-HOLDING AG

4 m. t

CO_2 are saved annually by ÖBB in Austria's environment through its rail and bus transport services (excluding pandemic-related service reductions).

A trip by train is around

30

times more climate-friendly than a trip by car.

Each tonne of freight transported by train is

30

times more climate-friendly than by truck.

A trip by train is around

50

times more climate-friendly than a trip by plane.

A trip with the Postbus is around

3

times more climate-friendly than a trip by car.

In the area of mobility, ÖBB is the **largest climate protection company** in the country.

TODAY. FOR TOMORROW. FOR US.

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