

A high-speed train, primarily red with white and grey accents, is shown in motion, curving through a mountainous landscape. The train is on a track that follows the edge of a steep, forested hill. A paved path with a green metal railing runs alongside the tracks. In the background, more forested hills and a glimpse of a snow-capped mountain peak are visible under a clear sky. The overall scene conveys a sense of speed and integration with nature.

Gaining Momentum Together

TODAY. FOR TOMORROW. FOR US.



16/01

Double decker in Cityjet design

Around 100 DOSTO trains in local transport – as well as many TALENT1 and DESIRO Classic trains – will be upgraded to Cityjet standard. The conversion includes not only an interior and exterior design in the Cityjet look, but also many technical improvements such as WLAN or a multi-purpose area with space for bicycles, luggage and children’s pushchairs and prams.



23/01

RCG strengthens Hamburg transports

The Rail Cargo Group (RCG) in launching the TransFER Enns – Hamburg, introduces a twice-weekly non-stop inter-modal connection between the Enns container terminal and the North Sea port of Hamburg. This enables a direct connection to intercontinental flows of goods.

19/01

Nightjet connection to Brussels

Since mid-January 2020, Brussels has been newly included in ÖBB’s international night train network. Twice a week there are overnight services from Vienna via Linz and from Innsbruck via Munich to the EU capital. ÖBB is Europe’s largest provider of night trains, offering a total of 27 lines in Europe together with its partners. “Our new direct connection to Brussels sends out a clear signal: it must be possible to travel to the EU capital in a climate-friendly way,” says Andreas Matthä, CEO of ÖBB-Holding AG.

30/01

Increase in ROLA capacities

The extension of the sectoral driving ban in Tyrol has been in force since the turn of the year. The transit trucks affected by the driving ban therefore only have the rail option available on the route via the Brenner Pass. Since then, the ROLA at Brenner has been very busy, and the punctual and high-quality handling of up to 46 trains a day is working.



05/02

Koralm tunnel: Interior construction fully in progress

While the last kilometre of the Koralm Tunnel is being excavated on the Carinthia side, the interior work on the Styria side is in full swing. More than 40 percent of the inner shell of the entire Koralm Tunnel has already been completed. It is used as a seal as well as having structural functions.



20/02

Dry Port Villach

ÖBB-Infrastruktur AG’s 50 per cent stake in LCA Süd GmbH is an important milestone in the strategic and operational development of the Villach-Fürnitz terminal. This hinterland port (“Dry Port”) is to become a fully-fledged outpost of the Port of Trieste.

That was 2020

YEAR IN REVIEW. Alternative drive systems, power station construction, a new campaign, the reappointment of the CEO ...

09/04

Rail Cargo Group strengthens consumer goods transports

The Rail Cargo Group was able to provide additional transport capacities in order to keep the international flow of goods up and running while also securing supplies for the population and trade. Cross-border transports could likewise also be massively increased within a few days of the request.



29/04

Half of the Semmering Base Tunnel excavated

Despite geological challenges, a positive interim balance has been achieved for the Semmering Base Tunnel. The tunnel is being constructed from five locations simultaneously. After eight years of construction, the halfway point has now been reached – about half of the Semmering Base Tunnel has been constructed.



08/05

Regular operation & mask obligation

As trade, kindergartens and schools gradually ramped up, more and more people returned to their usual lives. As of Monday, 11 May, local and regional services throughout Austria were therefore back in regular service. What has changed, however, is the mandatory wearing of a protective mouth-nose mask.



“The Nightjet brings the night train back to Europe! We are however also talking to partners throughout Europe with the aim of offering even more night trains in the future. We are actively taking responsibility for climate protection in this regard”.

ANDREAS MATTHÄ, CEO ÖBB-HOLDING AG

15/06

Postbus “electric” in continuous use

The ÖBB Postbus is in continuous “electric” operation in Wolfsberg, Carinthia, for the first time, with a climate-friendly drive system that is 100 per cent emission-free, low-noise, CO₂-free and particulate-free.



17/06

Koralm tunnel breakthrough

Since 2014, the miners have excavated exactly 11,208 metres through the mountain from the Carinthia Lavanttal using the “Kora” tunnel boring machine. After the first breakthrough in 2018 and the world records of the Styria tunnel boring machines “Mauli 1” and “Mauli 2”, the breakthrough of the North Tunnel has now been achieved.

Key financial data

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

	2020	2019*	2018*	2017	2016
Total income	6,724	6,945	6,726	6,755	6,416
Cost of materials and purchased services	-1,694	-1,781	-1,803	-1,926	-1,730
Personnel expenses	-2,743	-2,742	-2,631	-2,543	-2,478
Other operating expenses	-439	-476	-417	-462	-428
EBITDA	1,849	1,946	1,875	1,823	1,779
Depreciation and amortisation (incl. impairment)	-1,224	-1,191	-1,071	-1,033	-968
EBIT	625	755	804	790	811
Financial result	-566	-587	-636	-614	-645
EBT	59	169	168	176	166
ROCE (in %)	2.2	2.8	3.1	3.2	3.4

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

Total assets	33,103	31,254	29,710	28,351	27,344
Non-current assets	31,656	29,967	28,386	27,083	25,877
<i>thereof Property, plant and equipment</i>	29,847	28,246	26,809	25,576	24,386
Current assets	1,448	1,287	1,324	1,268	1,467
Shareholders' equity	2,768	2,645	2,529	2,306	2,093
Equity ratio (in %)	8.4	8.5	8.5	8.1	7.7
Financial liabilities	26,666	25,343	24,146	23,549	22,799
Net debt	26,318	24,963	23,674	23,101	22,113
Capital expenditure gross	3,353	2,700	2,591	2,503	2,400
Net debt/EBITDA (ratio)	14.2	12.8	12.6	12.7	12.4
Net gearing (ratio)	9.5	9.4	9.4	10.0	10.6

* Excluding outgoing business division.

Highlights 2020

95.3 mil. t

of freight was transported by the ÖBB Rail Cargo Group in 2020. To this end, the RCG is present in 18 European countries and operates in twelve of them with its in-house traction.

17.5

bn Euros is being invested in modern and efficient railway infrastructure on behalf of the federal government up to 2026.

41,872

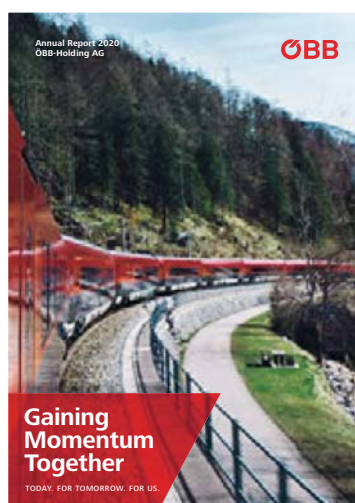
staff were employed by ÖBB in 2020 (as at 31.12. 2020). In addition, 1,787 apprentices were in training as well as 227 more through the General Private Foundation for Vocational Training.

286.5 million

passengers used ÖBB's mobility services in 2020, of which 142.2 million travelled on local trains, 20.6 million on long-distance services and 123.7 million travelled with ÖBB-Postbus.



New Group strategy 30



COVER. Still image from the final scene of our current commercial

DIGITAL. The Annual Report 2020 as PDF and videos on the topic are available at: konzern.oebb.at/gb2020

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Mobility in the Corona Year 12

AUPTBAHN



“Our ambitious target from the very beginning was to achieve a black zero even in the crisis year 2020.”

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

ANNUAL REPORT 2020: Statement from the Board of Management

Dear Reader, 2020 was a remarkable year in many respects. Around the globe, people and businesses were hit hard by COVID-19, a pandemic unlike anything we have ever known or experienced. The consequences are well known: Multiple lockdowns in almost all countries of the world led to a massive economic slump, which caused unemployment – in many countries only cushioned by short-time work schemes – to skyrocket and put many companies in severe turmoil. Of course, ÖBB was also adversely affected as a result, yet we were always able to fulfill our task of getting people and goods safely to their destinations, even during the most difficult phases of the pandemic.

Naturally, there were no instructions on how to deal with such a crisis, nor was it possible to foresee in March 2020 the time horizon for operating in crisis mode. It quickly became clear to us as the Managing Board of ÖBB-Holding AG, however, that all available means would be needed in an effort to counteract these developments financially. Our ambitious target from the outset was to achieve a “black zero” even in the crisis year 2020. A target that we did achieve with an enormous effort.

Credibility and liquidity

Ultimately, all subgroups were able to generate a slightly positive result in the past year. Infrastructure contributes just over Euro 10 million, passenger transport Euro 6.3 million and freight transport around Euro 7.6 million in EBT to the Group’s overall result. The ÖBB-Holding AG result and that of its direct operating subsidiaries, as well as consolidation and deferral effects enables the Group to report EBT of Euro 58.6 million for 2020. In view of the extremely difficult general conditions, this is a result that was not expected by everyone, but at the same time a necessary one in order to ensure our credibility on the capital market and also to provide for the urgently needed liquidity of the company.

The “black zero” is never an end in itself, but always has very tangible reasons: In addition to the credibility and liquidity of the company mentioned above, the primary concern is to continue to act as a reliable employer. It is important to avoid redundancies at all costs and to continue the necessary generational change – with around 16,000 new recruits by 2026 – as planned in order to be able to guarantee the company’s operational capability during and, above all, after the crisis in the usual quality.

In addition, we need to ensure the value of our investments in technology, vehicle fleet (and infrastructure), because depreciation ultimately costs taxpayers' money and does not correspond to the responsible handling of national assets practised in the company.

“Last year we all demonstrated one thing together: The railway system can be counted on in the crisis, and ÖBB functions even under the most difficult conditions.”

Successful countermeasures and sector support through the political system

Many railway companies around Austria closed the crisis year 2020 with figures that were deep in the red. In contrast, ÖBB was able to generate a positive result for a variety of reasons. For instance, the Austrian federal government ensured quick and EU-compliant support measures for the benefit of the entire domestic railway sector: with emergency awards on the western line for Westbahn GmbH and ÖBB-Personenverkehr AG as well as with additional orders in the transport services contract (VDV) between ÖBB and Schieneninfrastrukturgesellschaft (SCHIG) totalling around Euro 110 million. Both support measures contributed decisively to the fact that the mobility services in Austria could be maintained throughout, despite multiple lockdowns. In addition, as a cost minimisation measure, the infrastructure charge has been suspended for all railway undertakings. The loss of revenue for ÖBB-Infrastruktur AG was borne by the federal government. ÖBB's freight transport division (and ÖBB's own public passenger transport) saved around Euro 60 million through these measures in the past financial year.

However, the negative overall effects of the corona crisis amounting to almost Euro 700 million could only be partially compensated for by this assistance from the federal government and by the public funds from short-time work. The second part of closing the financial gap caused by the crisis was contributed by the ÖBB Group from its own resources by means of a savings package worth almost Euro 350 million. The internal countermeasures were mainly aimed at the areas of material and personnel costs as well as the reduction in the areas of marketing and rent. One key factor in particular was the rapid (re) assimilation of outsourced services.



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

The railway keeps its promises!

What we were all able to show together as railway companies last year was that the railway system is reliable, that ÖBB functions even under the most difficult conditions. Our goods trains were unimpeded even at the height of the crisis and were thus able to secure the supply of all vital and also less vital products in Austria. Likewise, our passenger trains were always on track – albeit at a somewhat reduced frequency at times – to bring all those who still needed to get to their workplace during the crisis safely to their destination. ÖBB-Postbus is on the road every day in around 1,800 communities, providing the only means of public transport for about one third of them. In this way, ÖBB's buses make a significant contribution to the provision of mobility in our country – even in times of crisis, of course.

Once again, our Infrastructure AG played a decisive role in the past year. As a result, work at our construction sites throughout Austria was able to continue for the most part despite the pandemic, thus cushioning the economic decline at least to a certain extent. Not only have we secured thousands of jobs, but we have also invested almost two billion euros in the railway system in 2020: in faster routes, in modern stations, in Park & Ride and Bike & Ride facilities. In short: into the future of mobility!

What does the future hold?

There are some gripping months ahead of us. The economic consequences associated with the pandemic will continue to have an impact in the current business year and will again present us with major challenges. In 2021, we will therefore again have to pay very close attention to ensuring that every single Euro is used one hundred percent in a targeted manner.

The overall economic consequences of the pandemic, such as the timing of the full recovery of railway services, are impossible to assess conclusively at the moment. We are however convinced that there will be a complete recovery. Even more: We are convinced that the railway will be even stronger afterwards than it was before the crisis. Because the railways – as proven once again in the crisis – have clear system advantages, as we are the guarantors of successful climate protection and because our employees give their all!

With this in mind, we would like to once again express our heartfelt “thank you” to all our staff for their outstanding performance in the past year.




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

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

A photograph of three young people walking on a city street. They are all wearing white face masks. The person on the left is a woman with dark hair, wearing a light blue jacket over a white shirt and blue jeans. The person in the middle is a man with dark hair, wearing a dark jacket over a red shirt and blue jeans. The person on the right is a man with dark hair, wearing a black leather jacket over a blue and white striped shirt and blue jeans. They are walking towards the camera. In the background, there are blurred buildings and other people, suggesting a busy urban environment. The text is overlaid on the lower half of the image.

“In summary, ÖBB is
good for the environment,
good for people and
good for the economy.
And they have also
come through the crisis
of 2020 well.”

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

Statement from the Chairwoman of the Supervisory Board

Dear Reader, Last year, ÖBB proved more than clearly that it is a reliable partner for the mobility of people and the transport of goods. That is a sound foundation for successfully mastering the challenges ahead.

As we all know, first impressions count. Being appointed to the Supervisory Board in May 2020, I got to know an ÖBB in the midst of the biggest crisis Austria has experienced since the Second World War. I was impressed by the calmness and professionalism with which they acted in order to maintain the mobility services for our railway customers and to guarantee the transport of system-relevant goods – this was accompanied by a high sense of responsibility for the health of the passengers through the use of the highest hygiene standards, the care for the required safety distances and the obligation to wear FFP2 masks. ÖBB employees have thus made an enormously important contribution to guaranteeing the functioning of our society, just like many other professional groups who have perhaps been applauded more publicly.



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

Efficient crisis management

In any case, last year impressively confirmed that ÖBB, as a reliable mobility guarantor, kept the country running with its services and at the same time was able to maintain the economic stability of the group with efficient crisis management.

Sharply declining passenger numbers, declines in freight transport volumes and a multitude of pandemic-induced challenges permeated all of the Group's business areas, causing revenue and earnings to plummet. The management was able to prevent losses caused by the crisis thanks to the swift and determined implementation of countermeasures, to which ÖBB employees contributed significantly.

Corona-related revenue losses were compensated for by sector support from the federal government's railway package (including mainly the reduction of the infrastructure usage charge, which is an important support for the entire RU sector) and by federal government orders (emergency awards) on own-operated routes to maintain transport services for passengers, as well as about half from own resources, including a comprehensive internal savings package.

It was therefore possible to close the 2020 financial year marginally in the black, which is necessary in particular to maintain liquidity and to meet the requirements of the capital market.

In view of the general conditions – also in the light of the economic situation of comparable RUs in the European environment – the key performance indicators shown in the annual report and the positive annual result represent a remarkable management achievement. ÖBB was able to maintain operations throughout, took comparatively little state aid and was able to secure every single, important job.

And quality of management will also be needed in the future. After all, the market will not only change dramatically due to the economic consequences of the pandemic. The welcome introduction of the

1-2-3 ticket strengthens the cooperation of all transport providers and requires an adjustment of the ÖBB services model. The liberalisation of passenger transport will bring new competitors and thus a tougher price war. ÖBB has proven with the Postbus and the Rail Cargo Group that it can hold its own in a competitive environment, which requires in any case and imperatively fair framework conditions for all transport providers.

Economic competitiveness

In addition to regulatory framework conditions, however, the ÖBB Group is still required to continue its dynamic path towards structural and economic competitiveness, to press ahead with the modernisation of the fleet and the expansion of the rail network in order to meet the climate-friendly mobility needs of railway customers with more train connections and shorter intervals. This also includes the expansion of the cross-border night train fleet decided in 2020 or the networking of the 360° mobility service (train, bus, e-car, car sharing and bicycle) in cooperation with municipalities and companies in order to meet the customer-oriented demand to cover the first and last mile.

This makes the commitment of politicians to the expansion of rail and public transport as a central response in the fight against climate change all the more gratifying. Even though we will hopefully soon have the virus and its consequences under control, global warming remains one of the most important challenges for us as a society in the next decade. The volume of traffic on the roads and in the air is one of the most significant drivers of greenhouse gas emissions and it is necessary to create attractive, affordable and climate-friendly mobility alternatives. As the country's largest climate protection company, ÖBB has already played a very central role in achieving the national climate targets and will continue to fulfil its responsibility as a reliable partner for a climate-neutral change in transport.

Record investments for climate-friendly transport

The continued electrification of railway lines, the expansion of railway services and the modernisation of rail vehicles, together with the focus on photovoltaics, but also with the conversion of the vehicle fleet to e-cars, represent selected examples for the years 2021 onwards.

The Framework Transport Plan 2021 to 2026, which was adopted in October 2020, creates important and correct incentives for this and, with a record investment volume, guarantees the necessary foundations for a climate-friendly transport policy as a driver for a sustainability transformation. At the same time, however, the implementation of long-discussed fiscal and regulatory framework conditions is necessary to increase the attractiveness and affordability of environmentally friendly mobility by shifting from road and air to rail. The abolition of the energy levy on traction current was a welcome first step towards creating a level playing field for all modes of transport.

Innovation, digitalisation and generational change are the big issues of the day for the entire Group. Digitalisation is now everywhere and not only influences infrastructure, railway systems and processes, but also increases competitiveness in the long term through the customer- and demand-oriented use of smart technologies.

Many classical occupational fields are changing. And even tasks that are predominantly manual are increasingly developing into highly specialised jobs. This creates new, challenging job profiles and increases ÖBB's attractiveness as an employer. All the more so given that ÖBB stands for a climate-friendly and meaningful growth industry. It is gratifying to see the strong commitment of all

“This makes it all the more gratifying to see the politicians’ commitment to expanding rail and public transport as a key response in the fight against climate change.”

“As the largest climate protection company, ÖBB will continue to fulfil its responsibility as a reliable partner for a climate-neutral transport transition.”

management levels to sustainably increase the very low proportion of women and to include this as a strong pillar of ÖBB’s recruitment policy. ÖBB also plays a central role as an economic driver and stimulus for the Austrian economy in the truest sense of the word, with a gross value added volume of about five million euros per

year, and as such stands for securing and expanding employment. Already with an investment volume of one billion euro, around 15,000 jobs have been secured and created. And that is what matters now, especially now.

In summary, ÖBB is good for the environment, good for people and good for the economy. And they have also come through the crisis of 2020 well.

Best possible support

I am therefore pleased that the successful course in the management and further development of ÖBB has been confirmed with the reappointment of Andreas Matthä as Chairman of the Board of Management. This management team, together with CFO Arnold Schiefer, will lead the Group through the no less challenging year 2021 and into the post-corona era.

ÖBB – intelligently digitalised, climate-neutral, guaranteeing high customer and service quality, designed to be pandemic-compatible, economically efficient and living diversity and equal opportunities – is well positioned to lead our railways into the digital future, building on forward-looking transport and logistics strategies and a strong focus on innovation and technological development. There is still a lot to do and a few hurdles to overcome.

As Chairwoman, it is my concern on behalf of the entire Supervisory Board to accompany and support the Executive Board as best as possible along the way. On this note, I would once again like to thank the Board of Management, all managers and all employees of the Group for their great commitment to keeping ÖBB on track in the past extraordinary year!

The pandemic will probably continue to hold us at bay for the next few months and we all hope that sufficient vaccine will be available as soon as possible. Please stay healthy!

Mag.^a Andrea Reithmayer

Chairwoman of the Supervisory Board
of ÖBB-Holding AG

A photograph of two men standing on a train platform. They are both wearing bright orange high-visibility jackets with reflective white stripes and face masks. The man on the left is bald and wears a red face mask. The man on the right has short hair and wears a black face mask. They are looking towards a high-speed train that is blurred in the background, suggesting it is moving. The platform has a green emergency exit sign and a digital display board in the background.

"ÖBB 360° is an all-round public transport service package tailored to regional needs, including a door-to-door mobility solution."

Andreas Matthä, CEO



Gaining Momentum Together

Rail defies the pandemic

ONE YEAR OF CORONA. Up to 70 percent fewer passengers at peak times, freight transport despite pandemic and railway expansion using FFP2 masks. ÖBB together with its employees is also systemically relevant in times of crisis.

On Friday, 13 March 2020, ÖBB employees in the offices had switched off their computers as usual and wished each other a nice weekend. But then “till Monday” was not to be. “On 16 March 2020, all of Austria was “shut down” and sent into the first lockdown.

All of Austria? No, thousands of ÖBB employees could not switch to the home office either, but were needed to be on the trains, on the platforms and in the stations. The reason being that many of the systemically important workers, such as nurses and supermarket staff, relied on public transport to get to and from their jobs safely.

Safely through the crisis

Even on the weakest days, around 3,000 trains – in non-pandemic times 4,000 – but also the majority of the post buses were on the road to ensure the maintenance of public transport as well as the supply of important goods.

Trucks were stuck at the borders, but ÖBB trains could operate. The Chairman of the Board of ÖBB-Holding AG, Andreas Matthä, explains how this was possible despite entry and exit travel bans: “In the past, the crew of a train was always swapped at the borders. We reactivated this procedure to ensure that goods and commodities were not held up unduly.” This was despite the fact that the ÖBB employees on the trains, on the platforms and in the loading stations knew that they were at risk of being infected with the coronavirus. Matthä: “It was clear from a purely statistical point of view that a certain percentage of travellers must be infected and that there was therefore a risk of infection.”

>



ENSURE MOBILITY.

Even on the weakest days, 3,000 trains and a large number of post buses were on the road to maintain public transport despite the pandemic



ÖBB



SUPPLY MANDATE. Trucks were held up at the borders, but ÖBB was able to ensure the transport of important goods and merchandise

Protection as a top priority

This made it all the more important in March 2020 to get protective measures “on track” as quickly as possible. Matthä is convinced that ÖBB benefited from the renewed focus on the subject of “safety” three years ago: “Safety is an important element of ÖBB’s value framework. There is no difference whether it is a matter of public, company or personal safety and health.” This is also confirmed by the number of people suffering from COVID-19, which has always been kept below the level of the overall population in ÖBB. Numerous steps have been taken to ensure the best possible protection for travellers and employees. One of the central ones in the truest sense of the word was that a “Taskforce Support COVID-19 Crisis Staff” and a “Group Coordinator COVID-19” were immediately set up in ÖBB’s crisis management.

Safety is an integral part of ÖBB’s value framework. No distinction is made as to whether it is a matter of public, company or personal health and safety.

Task Force and Group Coordinator

Their tasks are explained by the Chief Financial Officer of ÖBB-Holding, Arnold Schiefer: “There were a lot of legal and organisational issues to be solved right from the start. The task force’s job was to guarantee that the protective measures were implemented in unison across the Group. The Corona Task Force therefore included representatives from all divisions and sub-companies, as well as a dedicated Corona Officer for the whole of ÖBB.”

In this way, it was possible to ensure that the measures for maintaining operations and safety were taken together with the safety experts, the human resources, communications, legal and health management departments, as well as the sub-subsidiaries. Schiefer: “The task force has worked well together and has absolutely proven its worth. Especially when it comes to coordinating with ÖBB’s crisis team.”

The “Group COVID-19 Coordinator” in the person of Stefan Kammerhofer, in turn, had the task of “coordinating the derivation of measures from decisions of the crisis team, the management of the most important issues concerning COVID-19 and the coordination with non-operational departments in order to ensure a uniform approach”. In addition, Kammerhofer was the central point of contact for all questions and topics concerning the necessary protective measures. Kammerhofer: “My aim was to offer everyone in the group a non-bureaucratic, low-threshold route to receive and exchange information.” In addition, there are regular updates for all employees via various internal channels such as newsletters, intranet, and / or notices.



ALL EMPLOYEES are tested on an ongoing basis

Secure and contactless chain of travel

The most important protective measure in the fight against the spread of the virus was and is a safe and largely contactless chain of travel. This begins with the purchase of tickets and seat reservations being conducted online. Reservation via the internet also allows seats to be allocated in a chessboard pattern to increase the distance between travellers. Contactless ticket controls and automatic doors are further measures to reduce physical contact, and on the open-air platforms it is already easy to keep your distance. For this purpose, FFP2 masks are compulsory in ÖBB trains, and hand disinfection dispensers are installed in many long-distance trains.

As further measures, ÖBB has significantly increased cleaning services since the beginning of the COVID 19 pandemic. Every day, more than 1,000 cleaners are on duty at the stations and on the trains, performing more than 100,000 cleanings per month. The cleaning and disinfection of the stations alone requires 400 employees who clean two million square metres of floor, 220,000 square metres of glass surfaces, 12,800 linear metres of benches and 59,000 linear metres of handrails. In addition, there are 712 lifts, 192 escalators and approximately 5,500 waste bins. But that is not all: The short turnaround times of the trains are also used to complete around 3,200 cleanings with disinfectants every day.

400

employees continuously clean and disinfect **two million square metres of floors**, 220,000 square metres of glass surfaces, 12,800 linear metres of benches and 59,000 linear metres of handrails. In addition, there are 712 lifts, 192 escalators and approximately 5,500 waste bins.

Travelling by train is really safe

Numerous studies confirm that the risk of infection is no greater in public transport than in other areas of public life. This is ensured in particular by vertical air flows, i.e. ventilation is from the ceiling to the floor or vice versa, and a high proportion of fresh air.

ÖBB's **Railjet** achieves a fresh air rate of approximately 1,700 cubic metres per hour (m³/h) in cooling and heating mode, enabling an **air exchange of 11 times per hour**.

ÖBB's **Cityjet** has an occupancy-dependent fresh air control system. The more people in the vehicle, the greater the proportion of fresh air. The value is between 1,000 and 1,500 m³/h, which allows an **air change of 10 times per hour** on average.

This does not include the supply of fresh air due to the frequent door openings in local services. The longer a trip lasts, the more important other protective measures become, such as FFP2 masks and keeping your distance.

Supply of goods and commodities

In addition to providing safe mobility for people, ÖBB employees organised additional transport capacity at very short notice. The Rail Cargo Group, with its services during the most difficult phases of the pandemic, was the backbone for the supply of important goods for daily needs and for the domestic economy.

The digitalisation offensive of the last few years has also made a decisive contribution to this in freight transport, enabling companies of all sizes to enter railway logistics and multi-modality smoothly (and almost contactless). Arnold Schiefer: "We are currently seeing that demand is increasing for small consignment sizes. In this situation, our single wagon

network, which we operate as the only railway company in Austria, but also our trans-European network of TransFER connections, is indispensable. This enables small quantities to be transferred from road to rail even at short notice."

Secure jobs externally and internally

After all, ÖBB was and still is an important economic locomotive in the corona crisis.

Work at the 200 construction sites, for example, was resumed as quickly as possible in consultation with the companies involved. And internally, too, every effort was undertaken to avoid corona-related redundancies. With success! Short-time work, the reduction of overtime and a rapidly implemented savings programme ensured that no ÖBB employee lost his or her job because of COVID-19. <

Driving away from the crisis

PASSENGER TRANSPORT. The pandemic year 2020 has placed massive demands on ÖBB. ÖBB is counteracting this with rapid and targeted economic measures and a COVID-19 protection package and is continuing to drive forward the necessary renewal of the vehicle fleet.

Corona has massively restricted our mobility. Lockdowns, home offices and travel restrictions meant that significantly fewer people were able to use the railway. As a result, ÖBB was forced to reduce connections in national and international train services. As a result, the clear upward trend in passenger numbers that had lasted for years was interrupted for the time being. A total of 162.8 million people travelled on ÖBB's local and long-distance trains in 2020. That is more than 100 million fewer passengers than in 2019.

Instead of going into a state of shock, however, ÖBB reacted quickly: In a very short time, the team developed a comprehensive range of protective measures that make safe rail travel possible in times of pandemic. Customers and employees are continuously provided with information on all safety precautions around corona – in mailings, on oebb.at, with posters and announcements, on info screens, onboard portals,

social media channels etc. In the trains and stations, hygiene and cleaning measures have been stepped up even further – especially surfaces that passengers come into contact with, such as ticket machines, handrails and door handles, are disinfected on an ongoing basis.

In addition, the ÖBB team constantly monitors compliance with the MNS or FFP2 mask requirement – both at the stations and on the trains. ÖBB Lounges were closed for security reasons. A chessboard reservation pattern provides more distance when booking seats.

There are now 1,500 disinfectant dispensers available in Rail and Nightjet sets, and passengers are able to buy hand disinfectants and protective masks directly on the trains. COVID-19 test routes have also been available for the ÖBB team since the beginning of 2021.

Investment in the future

The comprehensive package of measures shows: Especially in times of crisis, ÖBB faces new challenges quickly and flexibly. The company is also thinking about the time thereafter: The ÖBB is sticking to its quality campaign, which aims to inspire even more people to take the train as the environmentally friendly mode of transport.

Local and regional services continued to receive investment in rolling stock. The last eleven of a total of

200 new Siemens Cityjet Desiro ML trains have been ordered and will be on domestic routes from 2022. The state-of-the-art trains provide significantly more comfort for the latest figure of around 142.2 million passengers on local and regional services. In addition,

Mobile

ÖBB trains covered almost **seven billion passenger kilometres** in passenger transport in 2020, more than half in long-distance transport.

the modernisation programme for local transport will be continued. There are now 109 upgraded Cityjet Talent 1 trains travelling

throughout Austria. The newest trains have recently been delivered to Upper Austria, and the existing trains on the Franz-Josefs-Bahn are also being replaced with improved Cityjet double-decker trains.

Major investment for Europe's largest overnight train operator

In long-distance transport, 166 international trains are in operation every day, around 20.6 million passengers used the service in 2020 – and ÖBB continues to invest heavily in this area as well. In the period from 2020 to 2025, more than three billion euros will be invested, primarily in new-generation Railjets and Nightjets. To this end, ÖBB has concluded a framework agreement that covers a total of up to 700 single wagons. 163 wagons have already been ordered, >

ÖBB night trains now also serve Brussels – a connection to Paris is being planned.



PASSION FOR THE RAILWAY.

In the period from 2020 to 2025, more than three billion euros will be invested, primarily in new-generation Railjets and Nightjets. 163 wagons have already been ordered, including eight Railjets of nine wagons each and 33 Nightjets of seven wagons



REACTS QUICKLY. Comprehensive protective measures make safe rail travel possible even in pandemic times

including eight Railjets of nine wagons each and 33 Nightjets of seven wagons each.

A highlight in long-distance transport is ÖBB's 28 night train connections, 19 of which are Nightjet lines, nine are operated with partners. The connection to the Belgian capital was added to the range of services: On 20 January 2020, ÖBB's first Nightjet from Austria arrived in Brussels. Just as environmentally friendly and comfortable, however, is

the way of travelling to cities such as Zurich, Basel, Hamburg, Berlin, Munich, Florence, Rome, Venice or Amsterdam. This means that ÖBB is now Europe's largest provider of night trains, offering a climate-friendly and convenient alternative to air travel. Paris is planned as the next destination. Nightjet connections from Switzerland are also to be expanded from six to ten routes – including to Amsterdam, Rome and Barcelona.

The existing trains are being significantly upgraded so that even more people have the option of switching to the night train for their city trips: The interiors of 22 carriages in the Nightjet fleet will be modernised, and the latest generation of couchette wagons will be available in future for families and passengers with reduced mobility.

First hydrogen train in test operation

The subject of sustainability also continues to dominate passenger transport. As pioneers in environmentally friendly drive systems, ÖBB tested a hydrogen train

Continues on track

In 2020, just under **163 million passengers** were on the move on ÖBB trains. Around 142 million in local transport and 21 million in long-distance transport. A corona-related decrease compared to 2019.

from the manufacturer Alstom for the first time in Austria in 2020. It could be used as an environmentally friendly diesel multiple

unit alternative – especially on non-electrified routes. During the approximate ten-week test phase, the "Coradia iLint" train was underway with passengers on routes in Lower Austria and Styria. The pilot project provided essential insights into how to be CO₂-neutral on the road in the mobility sector by 2030.

In 2020, ÖBB launched "ÖBB 360°", a new concept for even more flexible mobility, so that people will soon no longer need their own cars and can travel the first and last mile comfortably and in a time-saving manner. Those arriving at the station by train have no problem using sustainable means of transport for inner-city travel and make an important contribution to climate protection. <

As pioneers in environmentally friendly drive systems, ÖBB tested a hydrogen train from the manufacturer Alstom for the first time in Austria in 2020.



EVERY E-BUS saves around 90 percent of CO₂ emissions compared to a diesel bus

The backbone of mobility

ÖBB-POSTBUS. The Postbus is indispensable for mobility in rural areas. Moreover, it remains clearly on track in the direction of alternative drive systems.

The Postbus is on the road every day in around 1,800 communities and is as such an essential lifeline for rural areas. Where there are no other public transport connections, Austria's largest bus company provides services of general interest in the countryside.

Every year, more than 200 million passengers – mainly schoolchildren and commuters – travel on the company's 2,400 buses. Passenger numbers fell to 119 million in 2020 as a result of the corona crisis. However, this drop in passenger numbers is by no means slowing down the momentum of innovation on the domestic bus market. After all, the company wants to continue actively shaping the future of bus transport with new, environmentally friendly technologies.

E-buses on the way forward

The objective is to convert bus transport completely to alternative drive systems in the long term and thus make a significant contribution to climate protection. This enabled the first battery-powered electric buses to go into regular operation in 2020, replacing their diesel-powered

predecessors.

In Judenburg (Styria), an emission-free e-citybus has already been on the road since 2019, and in Wolfsberg (Carinthia) since June 2020. Since February 2020, another four e-buses have been in regular operation in Vorarlberg and are also proving to be true climate heroes. This is because each of the buses saves around 90 percent of CO₂ emissions over its lifetime compared to a diesel bus.

100 percent emission-free

A new era of public transport is on the horizon in the Weinviertel region, where ÖBB-Postbus is implementing Lower Austria's first e-bus line in regional services together with Verkehrsverbund Ost-Region (VOR – transport association). Two new e-bus lines will go into operation for the next eight years in the Schweinbarther Kreuz region (Gänserndorf district).

Eleven e-buses will serve the total of 1.3 million service kilometres from summer 2022. A twelve-metre long low-

floor electric bus with pantograph – i.e. current collector – has a range of up to 290 kilometres.

Hydrogen pioneer in the fast lane

ÖBB-Postbus is also a pioneer in Austria in the development of hydrogen as a green propulsion technology. ÖBB-Postbus works closely with the transport associations in implementing the innovative projects and introducing them into regular operation. After successful tests in Vienna in 2018 and in Graz and Klagenfurt in 2019, the go-ahead was given in July 2020 for a project that is unique in Europe and has ushered in a new era for climate-neutral bus transport in the entire central region of Carinthia. Politicians, leading companies and partners from science signed a declaration of

Climate heroes on the road

Each e-bus saves around 90 percent of CO₂ emissions over its lifetime compared to a conventional diesel bus.

Almost 4,000 employees work for Österreichische Postbus AG.

ÖBB-Postbus remains consistently on track towards emission-free drive technology in bus operation.

It is possible to save more than 110 tonnes of CO₂ per year per 12-metre e-bus compared to a diesel bus.

intent to launch "H₂Carinthia". This project aims to convert an entire transport region to hydrogen-powered and thus climate-neutral buses, while at the same time using the locally produced hydrogen as an energy source – among other things for refuelling buses. Postbus is thus

well on the way to making all bus transport in Carinthia CO₂-neutral. An important step towards climate neutrality. <

Reliable partner even in times of crisis

ÖBB RAIL CARGO GROUP. The COVID-19 pandemic shows what role rail freight transport plays in security of supply. 2020 was also a year full of innovations, new products and, above all, an important milestone on the way to a digital RCG.

For all the challenges posed by the COVID-19 pandemic, it has also clearly demonstrated one thing: Rail freight transport is not only relevant to the climate, but also to supply and the system. The comprehensive production network of the ÖBB Rail Cargo Group (RCG) – twelve of its own freight railways and strong teamwork across national borders – as well as railway forwarding activities in 18 countries maintained the flow of goods in all phases of the corona pandemic.

The RCG reliably delivered every tonne even during the peak times at the beginning of the corona crisis. Road volumes were diverted at short notice to avoid disrupting supply chains.

RCG is a hub in the centre of Europe, starting from the home markets

of Austria and Hungary and connecting the most important ports, economic and industrial centres from Europe to Asia. It transports goods of all kinds, from cars to sugar beet. ÖBB Rail Cargo Group supplies manufacturing companies with raw materials, transports intermediate and finished products and maintains the flow of goods on the Eurasian continent – in everyday life as well as in times of crisis.

System-relevant transport by rail

Trucks were stuck in traffic jams at the borders, whereas the RCG shifted some road volumes to rail in the spring of 2020. For example, transports for Salinen Austria to Hungary, Italy and Croatia were temporarily massively increased – an important contribution to securing supplies to the food, pharmaceutical and cleaning industries internationally. In addition, more shipments to Austria from Italy were handled by rail, such as coffee for Julius Meinl or tomatoes for Lande-

na, in order to continue canned goods production without interruption. As the number of infections rose, the demand for disinfectants naturally increased as well – RCG transported the necessary AGRANA bioethanol to the manufacturers' production sites from April onwards. And finally, due to international import restrictions on road transport, the coveted toilet paper, for example from

the Austrian hygiene products producer Essity Austria, increasingly reached Germany, Croatia and Serbia by rail.

Extensive countermeasures

It was possible to successfully counteract this, starting with the acquisition of

Supply for consumers and the economy

The flow of international goods was kept going in the spring of 2020 by transporting more consumer goods, especially foodstuffs and toilet paper, but also bioethanol for the production of disinfectants by rail.

new customers and road volumes, through ongoing coordination with existing customers regarding their business development, to daily management based on volume fluctuations.

In view of the travel restrictions, which also affected railway staff, the coordination of international transport services was a particular challenge. It is particularly noteworthy that despite this significant additional workload, short-time work was extensively used as part of the countermeasures and overtime was massively reduced. The contribution of each and every individual as well as the support of the rail freight sector by transport policy was decisive for the positive pre-tax result.

Rail freight transport is becoming increasingly flexible

The short-term adaptation of the production network has been successful thanks in particular to the measures that >

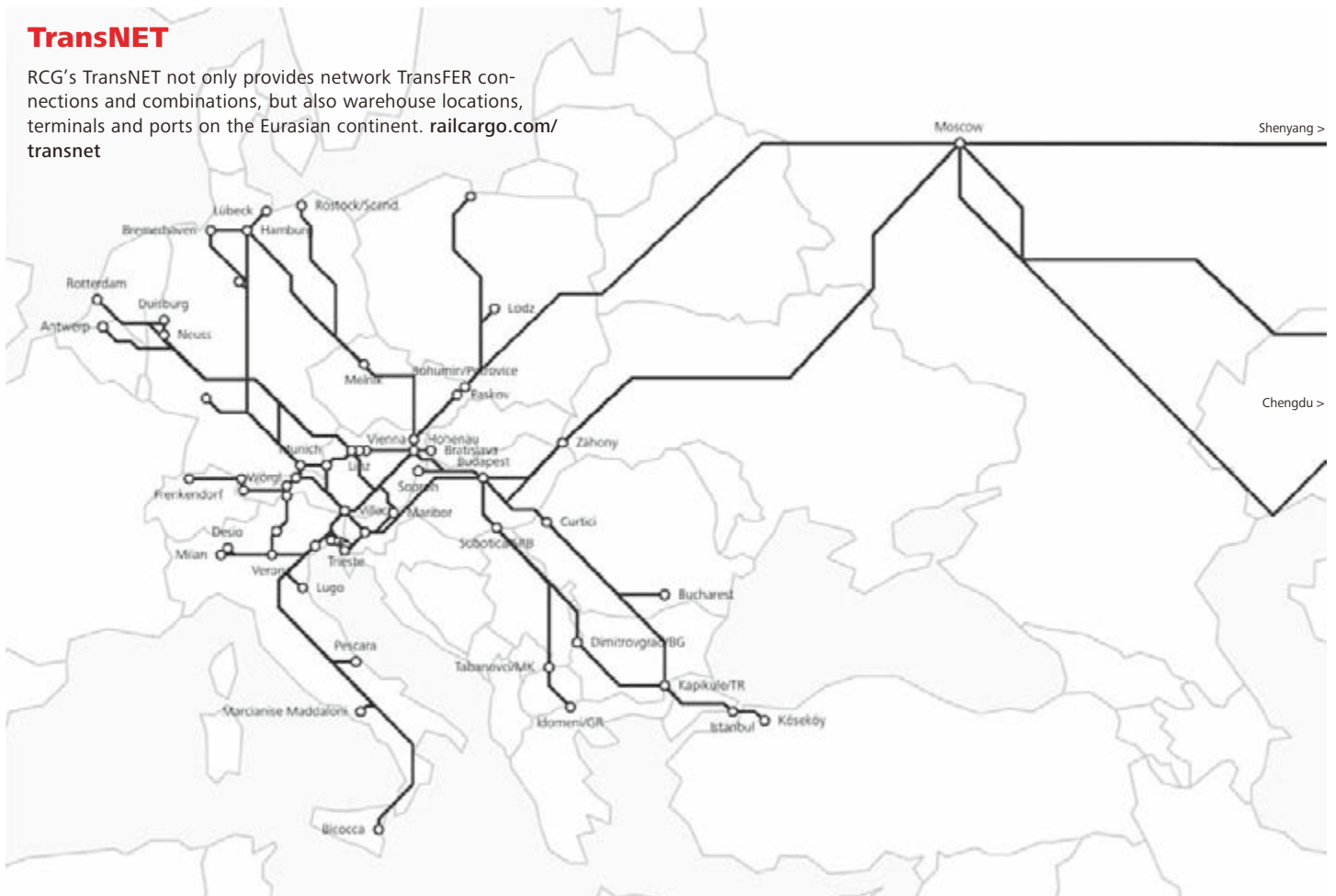
The short-term adaptation of the production network was successful thanks to the measures in the areas of digitalisation and customer centricity.



GREEN RAILS. The modal shift from truck to rail saves the environment around four million transit trucks and 1.1 million tonnes of CO₂ annually across Austria

TransNET

RCG's TransNET not only provides network TransFER connections and combinations, but also warehouse locations, terminals and ports on the Eurasian continent. railcargo.com/transnet



STRONG TRANSNET. The RCG network – with TransFER connections and individual combinations – from Europe to Asia

ÖBB Rail Cargo Group has already taken in the areas of digitalisation and customer centricity, but also thanks to the integrated mobility solutions from the first to the last mile. Important modules for this are above all the comprehensive single wagon network, which RCG is the only one to operate in Austria, but also its TransNET trans-European network with over 50 network TransFER connections and many possible combinations. In TransNET, RCG is on the move with different transport units – from whole

wagonloads to intermodal transports and single containers. This means that it is possible to transfer small consignments from road to rail at short notice. It also ensures that industry continues to produce and retailers are able to supply the population.

Digitalisation offensive pays off

The digitalisation offensive made an increasingly smooth entry into railway logistics and multi-modality possible. It is particularly in the area of digitalisation and innovation where the ÖBB Rail Cargo Group is stepping up its efforts to make the rail system easily accessible and rail freight transport fit for the future. SmartLINK, the digital performance spectrum, created the link for digital RCG in 2020. MIKE, the digital assistant, already supports many customers with initial digital services such as tracking, ordering and capacity planning; further customer solutions are being added on an ongoing basis. The objective is to use MIKE to digitalise the entire value chain and consequently the entire RCG.

Sustainable backbone of the economy

RCG will continue to work hard in the future to become **faster, more modern and more customer-centric** – and to make its contribution to putting the European climate targets on track.

Innovations: DAC, TransANT, SmartCargo

The ÖBB Rail Cargo Group continuously invests in innovative rail freight transport: RCG is

taking major steps towards automation and digitalisation of the industry by equipping the freight wagon fleet with state-of-the-art telematics and sensor technology (SmartCargo) and pushing ahead with digital automatic coupling (DAC) throughout Europe. DAC has the potential to revolutionise European rail freight transport: Four prototypes of the DAC are already being intensively tested as part of a European pilot trial. In the long term, all freight wagons are to be equipped with the DAC and as such with an integrated power and data supply. This creates the basis for significant productivity increases in shunting as well as for the comprehensive use of sensor technology up to the intelligent freight train.

Flexibly through the pandemic: The RCG's TransNET also allows small consignments to be transferred from road to rail at short notice.



DAC. Digital automatic coupling is set to revolutionise rail freight transport

The implementation of the modular wagon innovation TransANT, developed together with voestalpine, was also finalised. An important milestone was reached at the end of 2020 with the official founding of TransANT GmbH, and now the planning of plant construction and production is underway.

Expansion of rail freight transport for climate targets

All these innovations and investments are not only crucial for the future of RCG – but also the basis for sustainable land transport in Europe. On the way to a multi-modal, sustainable mobility of the future, rail freight transport has a key role to play: The modal shift from truck to rail saves the environment around four million transit trucks and 1.1 million tonnes of CO₂ annually across Austria. The ÖBB Rail Cargo Group operates in Austria and Germany with 100 percent green traction current from renewable energy sources and hence makes a significant contribution to environmental protection. In Austria, this means 40 times less CO₂ compared to transport

by road. The further shift of freight transport from road to rail is therefore a decisive lever for achieving the European climate targets. <

#30by2030

RCG is a founding member of the Rail Freight Forward (RFF) initiative, an association of European freight railways. The common objective is to drastically reduce the negative impact of freight transport on the planet and mobility through innovation and a smarter transport mix. The share of rail freight transport in the modal split is to be increased to 30 percent by 2030. In doing so, RFF aims to involve railway undertakings (RUs), infrastructure managers and policy makers across Europe in the measures to make this modal shift a reality. This primarily requires three prerequisites:

Infrastructure: unified rail infrastructure for Europe

If the ambitious objectives are to be achieved, an efficient, Europe-wide standardised rail infrastructure (keyword interoperability) with sufficient capacity for rail freight transport is needed. This means no different electrical power systems, train control systems or local regulations and peculiarities. Driving a train across Europe must be as easy as doing so with a truck.

Politics: fair competitive conditions vis-à-vis the road

The second prerequisite is a fair economic framework so that the freight railways may offer their services at competitive prices. This is due to the high system cost disadvantages that European rail freight transport has compared to road transport resulting from unequal competitive conditions. Expressed in concrete figures, these disadvantages amount to more than Euro 300 million per year compared to truck transport. This is due to factors such as full tolling of railways, while tolls are only payable on high-priority roads. Or the highest tax rate in the EU on traction current, while diesel is subsidised. So there is an urgent need for fair economic framework conditions and more cost transparency between road and rail. External costs such as CO₂ emissions, road safety and congestion costs should also be taken into account. The impact of the COVID-19 crisis has further exacerbated these competitive rail disadvantages. Road transport benefits – besides low social standards – from low fuel prices and EU Green Lane corridors. There is a threat of an increasing shift of transport back to the roads. Much transportation that was shifted to rail because of the travel restrictions in March and April 2020 is now back on the roads for cost reasons.

RUs: Doing your homework

Finally, rail freight operators need to further improve their services and become even more customer-oriented and productive. A lot has already happened – but there is still plenty to do.

The railway of tomorrow: better, denser, faster

INFRASTRUCTURE. Over the next few years, Euro 17.5 billion will be invested in the expansion of the railway infrastructure. This not only creates more railway for Austria, but also jobs – and it protects our climate.

It is not possible to achieve the climate targets in Austria without rail transport. The shift of transport to rail is associated with major challenges for the infrastructure. Only absolutely reliable, efficiently used facilities with state-of-the-art technology create the necessary conditions to optimally manage the transport flows of the future. The new 2021 to 2026 framework plan adopted by the government sets new priorities and develops the rail infrastructure to achieve all these goals. It is the largest investment package for the expansion of the railway infrastructure in Austria that has ever been brought on track.

Euro 17.5 billion has been earmarked for expansion throughout the country over the next six years. New projects with a total volume of Euro eight billion are included and are to

ensure better connections, denser timetables and even more speed in the domestic rail network. “We are very pleased about the strong commitment to the railway. These are investments for sustainable climate protection and as such an investment for generations,” explains Silvia Angelo, Chief Financial Officer of ÖBB-Infrastruktur AG. “In addition, jobs are also created or secured and many small and medium-sized enterprises benefit from our orders.”

Providing capacity

It is no coincidence that Austrians are the most diligent rail travellers in the EU and the third most diligent in the world. After all, our country already has a particularly compact and high-quality rail network. However, as the attractiveness of the service grows, so does the demand. The service must be further condensed and improved at an early stage in order to be prepared for the passenger capacities of tomorrow.

This does not however only apply to passenger transport. The railways are to take over large volumes of freight transport from the roads. The Federal Environment Agency has calculated that Austria will need to reduce its petrol and diesel consumption by a third in the next nine years if it really wants to achieve its climate targets for 2030. This can only be done with a powerful, fast,

affordable and convenient railway. Chief Financial Officer Silvia Angelo: “Our task is to provide the capacity that makes it possible to get more people and goods to their destinations conveniently, quickly, economically, punctually and reliably at shorter intervals.”

Three billion euros per year

ÖBB will invest almost three billion euros

Economic engine

About **15,000 jobs** in Austria have already been created or secured with **one billion euros in railway investments**. In addition, two jobs at ÖBB enable and secure another job outside the railway.

per year until 2026 in state-of-the-art and efficient railway infrastructure on behalf of the Federal Ministry for Climate Protection. This

will make lines, tunnels, stations, safety technology and traffic control systems, customer information and energy supply fit for the future. The following four priorities have been set:

Expansion of local transport in conurbations.

The number of passengers in the Eastern region of Austria alone has increased by a third in recent years to 150 million per year. This meant that – at least before corona – especially at peak times, the capacity at focal points was already fully utilised. Since, however, it cannot be assumed that the pandemic will lead to long-term changes in demand, more services are needed, especially in local transport

The framework plan 2021 to 2026 is the largest investment package for the expansion of the railway infrastructure in Austria that has ever been put on track.



**INTERIOR WORK IN
THE KORALM TUNNEL.**
While the last kilometre
of the Koralm Tunnel is
being excavated on the
Carinthia side, the inter-
ior work on the Styria
side is in full swing

Euro 17.5 billion will be invested throughout the country by 2026. Eight billion euros of this is earmarked for new construction projects.



A total of almost Euro 900 million will be invested under the title "Quality Assurance in Local Transport" in Vienna alone over the next six years. In addition, the feeder lines will also be

In addition to all this, the completion of the three large tunnel construction projects at Brenner, Semmering and Koralm will also follow in the coming years. "These three centennial projects, which we are handling in parallel, mark the beginning of a new era for ÖBB. There will be massive reductions in journey times and benefits for freight transport," says Franz Bauer, CEO of ÖBB-Infrastruktur AG, happily.

Attractiveness of regional railways and an ambitious electrification programme. About Euro 1.1 billion is being invested in the modernisation and electrification of the regional railways.

“And especially in the corona crisis, we have shown that we can be relied on. We have been able to continue building in accordance with the highest safety standards and have therefore given the Austrian economy urgently needed impetus,” says Board Member Franz Bauer.

Further expansion of infrastructure facilities for freight transport. Further improvement of the infrastructure facilities is planned for freight transport. For example, the Vienna South freight centre is entering Expansion Phase 2 and, thanks to its good location, is an important transshipment point for European rail transport. The terminal has

Digitalisation is leading the railway into a new era. So many things are made possible that seemed unthinkable just a few years ago.



HENNDORF STATION wins BigSee Award 2020 for its innovative concept and implementation

been the main station for freight transport in the Eastern Region since 2016. Currently, 210,000 intermodal transport units (ITE) are transhipped per year as containers, semi-trailers or exchangeable containers. The expansion will increase the handling capacity to 315,000 ITE.

A central concern is also the need to protect neighbouring residents from noise. In addition to the further expansion of noise barriers and other measures, freight wagons are being converted by Rail Cargo Group to whisper brakes, which can halve noise emissions.

Digitalisation and efficiency enhancement. An essential factor in making ÖBB's infrastructure more attractive and modern is digitalisation. Johann

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 in accordance with § 42 of the Federal Railways Act. 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.

Pluy, Member of the Management Board of ÖBB-Infrastruktur AG: Digitalisation is leading the railways into a new era. So many things are made possible that seemed unthinkable just a few years ago. Digital railway operation makes it possible, for example, to significantly reduce train times. As a result, digitalisation is making an important contribution, for example, to increasing capacity on Vienna's rapid transit system."

In fact, the entire railway operation benefits from digitalisation – from an integrated "traffic management system" to the creation of a "digital twin" of the complete route network. "This enables us to control trains even more intelligently and efficiently. This creates capacities and reduces costs. In the interests of passengers, we are increasing safety, punctuality and the transparency of transport operations," emphasises Pluy.

Railway of tomorrow, economy of today

The framework plan is not only shaping the railways of tomorrow, however; the local economy is already benefiting from the investments today. Especially in economically difficult times like the current ones, ÖBB is a very important economic engine that creates value and jobs.

About 15,000 jobs in Austria have already been created or secured with one billion euros in railway investments. In addition, two jobs at ÖBB create and secure another job outside the railway.

Every year, ÖBB brings about five billion euros in added value to the country. This means that better access to regions means more growth and prosperity for them, as well as an upgrading of the business location. Apropos: Austria's railway industry is among the absolute top internationally and celebrates great success in exports. This is also a consequence of the commitment to the railway in Austria and the associated investments. In this way, the tax funds made available to ÖBB for the expansion of the railway in Austria are well invested. Secure orders for the economy mean secure jobs and bring enormous relief for the environment. Or, says Chief Financial Officer Silvia Angelo: "Austrian taxpayers are thus getting a triple return on their investment in rail infrastructure: a modern, high-performance rail infrastructure, important steps towards a climate-neutral Austria and impetus for jobs and value creation." <

Safety continues to have right of way

CORE VALUE. ÖBB has seen a positive development in the area of “safety” – safety has improved significantly in many areas.

Safety is the foundation of all activities in the ÖBB Group and is a daily promise to all customers, to all employees and their families as well as to service providers and third parties.

In November 2019, as part of the first group-wide safety day, the three existing ÖBB corporate values – “We before I”, “Convincing services for our customers” and “Taking the initiative” – were therefore supplemented by the new value “Living safety”. The aim is to integrate the fundamental topic of “safety” into all communication channels and management tools and in this way to reach all ÖBB employees in their daily work.

Three standards of conduct have been defined for the new value in order to provide managers and employees with a simple practical guide:

- I work attentively and behave in accordance with the rules. I always set a good example and am a role model for others.

Establishing “Living Safety” as a corporate value also makes an important contribution in dealing with the COVID 19 pandemic.

- I watch out for myself and for my colleagues. I address unsafe practices or situations openly.
- I actively contribute to learning from mistakes. Meaning: Identify causes and fix them so that we become better.

With success. ÖBB’s safety index continues to improve. The standards of conduct and the key elements derived from them (see info box) were, however, also an important orientation aid in dealing with the coronavirus, as Bernd Fößleitner from operational safety reports: “It has been demonstrated that being a role model, wearing protective gear, addressing unsafe practices as well as looking out for each other fit perfectly to the best possible behaviour even in a pandemic.”

Safety as a matter of attitude

Safety in the ÖBB Group is made up of four defined “safety areas” in the sense of focused safety management: operational safety, occupational safety, public safety and information security. In addition, safety culture is an interdisciplinary aspect. Its further development is a core concern of the strategic safety management within the holding company. Fößleitner: “Safety is a matter of attitude. Our vision is that ÖBB employees are always role models in safety, which



WARNING APP. The introduction of the warning app is

means that we live safety – also in our private surroundings.”

A sustainable safety culture re-

quires orientation and continuity. Since 2020, “Living Safety” has therefore been anchored in many processes – in the Team Goal Dialogues (TZD), in staff appraisals, but also in the proactive dialogue on safety. Other measures include

The key to “Living Safety”

Nine key elements ensure the continued development of the safety culture at ÖBB:

- Be a role model
- Pay attention
- Work to the rules
- Wear protective gear
- Keep order
- Pay attention to each other
- Address unsafe practices
- Identify and eliminate causes
- Learn from mistakes

“safety briefings”, but also the “safety walks” conducted by managers on site with the employees. Special methods are available for error and cause analysis. A corresponding safety campaign and an award for the “Safety Role Model of the Year” will also support the measures throughout the Group.



a showcase example of the Group-wide efforts to improve safety in the technical area

Showcase project Warning app

In the technical area, the introduction of the warning app to support the train driver in signal observance is a showcase example of the Group-wide efforts. The app was developed in 2019 and rolled out across the board in 2020. "Several Group divisions are involved in the development and implementation of the warning app," says Fößleitner. The success story means that the new technical achievement is now to be developed further and the scope of application gradually expanded as a result.

Top railway in Europe

In the coming year, the focus will also be on simplifying the reporting of unsafe practices and situations as well as in-depth analysis of the underlying causes of (near) accidents. Fößleitner: "It is important, in order to systematically learn from mistakes and unsafe actions and to proactively counteract them, not just to establish that a mistake happened and who, for example, was the culprit. Here we are keen to understand the 'why'

and identify those factors that facilitated the event."

The sharpening of the safety strategy, the strengthening of cooperation across the Group and the efforts to further develop the safety culture in a positive way set the course for achieving the 2024 safety targets. In concrete terms, the aim is to further improve key figures, such as train accidents, accidents when shunting, accidents at work, etc., and to ensure that ÖBB remains one of the safest top railways in Europe. <

What is safety at ÖBB?

Safety at ÖBB is made up of four defined safety areas centred around the common safety culture:

Operational safety: Operational safety refers to safe railway operation. Safety of facilities and technical operations are essential components.

Occupational safety: Occupational safety refers to the efforts to ensure that no ÖBB employees are exposed to dangers or hazards in the course of their work.

Public safety: Public security refers to protection against criminal activities that affect customers, employees or the company or company operations holistically, but also to protection against criminal activities that are directed at property, facilities and assets as well as transported goods.

Information security The aim of information security is to protect information and the information and communication technologies necessary for its processing in an appropriate manner in the interest of ÖBB Group companies, employees, business partners and customers.

Connecting the future

GROUP STRATEGY. The pace of change in the market and the demands of customers is enormous. As a result, some priorities have shifted and it was time to revise ÖBB's existing strategy.

The starting position is good: ÖBB is the market leader in passenger and freight transport in Austria, it is the most punctual railway in the EU and one of the strongest freight railways in Europe with state-of-the-art infrastructure. The speed of change in the market and the demands of customers however is enormous. The mobility and logistics market will be characterised by a strong increase in competitive and price pressure as well as technological change. This in turn enables new mobility and logistics services.

The demands of travellers and companies in terms of price, quality and service are changing. The company is also facing a major generational change that will permanently alter structures, processes and working models at ÖBB. Finally, the effects of climate change call for ecological mobility solutions and lead

to an increasing demand for "green" products.

An answer for the future

The answer to all these opportunities and challenges is: We connect to the future. ÖBB will continue to shape mobility for people and goods of tomorrow with this corporate strategy – reliably, sustainably and with foresight. It offers orientation, defines specific goals and fields of action.

Three basic elements guide the strategy: Customer centricity, mobility service, networks. The fact that ÖBB is oriented towards its customers is not new – but customer centricity goes beyond that. Regardless of whether private, business or logistics customers – their needs are located clearly at the centre. Customers are, in a sense, part of ÖBB's service, as this is derived from their individual wishes and needs. ÖBB needs to get to know its clientele even better and understand what is important to them for this purpose.

The demands of a business, holiday or commuter trip differ greatly. Does the customer attach particular importance to not having to change trains or is it about the shortest possible journey time? How relevant is information in the different customer segments in the standard case and in the divergence case? Are cleanliness and safety at the station more

important than comfort in the waiting area, especially in times of pandemic? Do the reliability and security of the delivery have top priority for the logistics customer or is a short interim storage period more important? Is price the decisive factor or trust and a long-term customer relationship?

Accordingly, ÖBB can then offer the appropriate additional services. These do not always have the objective of generating large revenues – rather,

they help to attract and retain customers and thus further develop the core business.

Opportunities and challenges

Three basic elements guide the strategy **Customer centricity, mobility service and networks.**

In a way, the customers are part of the ÖBB service, as it is derived from their individual wishes and needs.



THE NEW CAMPAIGN stands for the diversity of customers' needs



THE STRATEGY directs the way to the future: It offers orientation, defines specific goals and fields of action



ADDED VALUE all along the line: ÖBB is evolving from a pure transport service provider to a mobility and logistics service provider

Use networks and cooperation

The path therefore leads away from pure transport services to mobility and logistics service providers who offer their customers the corresponding added value. ÖBB sees its task as making mobility available as far as possible via sustainable, publicly accessible means of transport – whether this is the railway, the Postbus or a cooperation partner of ÖBB such as scooter rental or trucks. Rail and bus will be integrated into an

efficient mobility and logistics ecosystem as the backbone of public transport.

A diverse network is necessary so that these interests can be fulfilled. ÖBB wants to open up further in the future and use cooperations to better integrate suitable products from the market into its services – and thus make it easier for customers to decide in favour of rail. For example, through pick-up stations at the station, car and bike sharing services, but also through digital distribution and access to ÖBB services for end customers (e.g. wayfinder), companies (digital freight forwarding and customer platforms), infrastructure (digitally and analogue networked multi-modal infrastructure) and maintenance (platform as a service, digital incident management). Loosely based on the motto: If ÖBB want more, they have to share a bit of themselves.

A strong signal

“We connect the future” results from its most important elements: People connecting with each other and forming

Core messages of the strategy

ÖBB has set itself the objective of creating a **customer-centric mobility network** for Austria. In doing so, it offers added value for its customers and connects people, markets and technology.

a network that creates added value (+). The four (celestial) directions stand for the pioneering nature of the strategy and create the

link to the strategy implementation programme “North Star (Nordstern)”. <

ÖBB wants to open up further in the future and use cooperations to better integrate suitable products from the market into its services.

A ground-breaking symbol for network and added value

THE FOUR DIMENSIONS “New Services”, “Competitiveness”, “Operational Excellence” and “Strong Team” contain specific instructions for action and objectives for the Group-wide implementation of the strategy.

New services

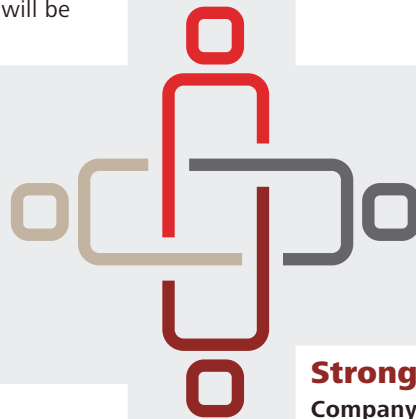
Increase in turnover – growth through innovation and digitalisation

ÖBB wants to further strengthen public transport and inspire more passengers to use public transport. To this end, it is essential to make access to mobility and logistics services easier for customers. Technical support also needs to have easier access to maintenance services such as servicing and repairs. This is to be achieved through the continuous removal of access barriers and the ongoing development of customer-oriented services – especially via digital opportunities and networks as well as along the entire value chain. Multi-modal mobility and logistics hubs for barrier-free and customer-oriented interfaces to the railway are being pushed. In practice, this means, for example, that the gap between the first and last mile, the delivery to and from logistics hubs, will be reduced even further.

Operational excellence

Safety, reliability and sustainability

The cornerstone of this strategy is to deliver on ÖBB's service commitments: The railway is safe, punctual, reliable – and sustainable. As Austria's largest mobility service provider, ÖBB also bears a special social responsibility. The efficient use of resources, the reduction of emissions and working towards CO₂ neutrality are central tasks in the Group – and not an added benefit, but a matter of course. Tangible measures to better manage and counteract the consequences of climate change have already been developed and published in the climate protection strategy. Safety for customers as well as for employees is a central concern of ÖBB – whether on the train, at the station, on the track at the operating sites, construction sites or workshops.



Competitiveness

Focus on competitive costs

Sustained survival in the liberalised passenger transport sector and in the international freight transport market requires ÖBB to optimise its cost structures in all companies and at all levels of the value chain. Automation and digitalisation are to simplify processes, the depth of value creation is to be aligned with system-relevant key activities and capacity utilisation is to be increased through efficient capacity utilisation management. This makes it easier to network and expand the services offered by all ÖBB companies and creates scope for ongoing improvements to customer-centric services. The specific targets are to reduce the expenditure per track kilometre and the unit costs per service kilometre in passenger transport and to increase the gross margin in freight transport.

Strong team

Company culture and organisation

The way ÖBB works together as a team, how quickly it manages to react to challenges and implement products and services for customers will be a decisive competitive advantage in the future. Accordingly, another focus is on the further development of cross-divisional cooperation in Team ÖBB, the promotion of employees and the development of leadership quality. Actively promoting diversity also brings diverse skills to the teams and makes ÖBB an attractive employer. The generational change is being addressed with an orderly transfer of knowledge, where colleagues pass on their many years of experience and know-how to the next generation.

Sustainable into the future

SUSTAINABILITY STRATEGY. ÖBB sees sustainability as the key to long-term success and has defined 17 modules for its strategic orientation.

Sustainability extends far beyond the central issues of climate protection and the conservation of resources at ÖBB. The structure of the new sustainability strategy was presented in mid-2020: It consists of 17 modules in which ambitions, goals and direction for a more sustainable ÖBB overall and also for sustainable mobility in Austria are defined – the formulation of the ecological modules was already completed in 2020.

Times have changed. The subject of “sustainability” is becoming increasingly important for companies. The European Green Deal and the demands of customers have placed it firmly in the mainstream of society. Moreover, the financial sector in Europe is also massively adapting to the development of sustainability. ÖBB sees sustainability as the key to long-term success. Sustainable action in the true sense requires the use of opportunities, but also the mitigation of risks in the medium and

long term. Intensive interactions arise here from a corporate perspective, particularly between economy and ecology, which the new ÖBB sustainability strategy is intended to address. “Green sustainability” is very closely linked to the sustainable safeguarding of ÖBB’s corporate success, not the least due to the expected increase in the monetarisation of ecological effects. A sustainability strategy that has its finger on the pulse of the times and looks to the future is essential in this context.

Finding out what is really important

The structure and set up of ÖBB’s sustainability priorities was based on the United Nations Sustainable Development Goals (SDGs) and the results of stakeholder consultation. In the course of a so-called materiality analysis, stakeholder groups of ÖBB, such as customers of passenger and freight transport, industrial and commercial enterprises, politics and authorities, research and innovation institutions as well as various interest groups, were asked which topics were considered to be particularly relevant in connection with the railway system. The sustainability experts of the ÖBB Group used the external feedback and an internal opportunity and risk assessment to form the 17 modules of the integrated ÖBB sustainability strategy in the classic pillars of ecology, economy and social affairs. <

The ÖBB Group clearly aligns its agendas with the principles of sustainability.



THE CITYJET ECO is the CO₂-neutral solution for use on

A clear sustainability structure for ÖBB

The main issues along the 17 modules at a glance



Climate Protection. CO₂-neutral ÖBB mobility sector by 2030; CO₂-neutrality in the Group in 2040 by 2050; further modal shift by making the system more attractive and expanding capacity (conventional expansion and use of new technologies).



Adaptation to Climate Change. Preparing for the consequences of climate change; minimising disruption for customers and employees



Emission incl. noise (excl. CO₂). Noise protection: further reduction of railway noise and impacts from shocks / vibrations; air pollutants: Reduction of air pollutants from traffic and stationary sources as well as minimisation of dust and fine dust pollution; minimisation of light pollution, taking into account safe railway operation, reduction of the impact of electromagnetic fields.



Resource management, waste, area / soil, water. Use raw materials / materials or products efficiently and sustainably; reduce chemical substances / pollutants as far as possible; avoid waste as far as possible, reuse waste materials or treat / dispose of them in accordance with the law; use land / soil / water efficiently; promote a recycling economy.



non-electrified routes



Biodiversity and diversity of species. Protection of biodiversity and species diversity, measures to conserve biodiversity, design of new habitats



Sustainable Procurement / Green Procurement. Increased focus on environmental sustainability in purchasing; ÖBB pioneering role in public procurement in Austria



Innovation and Technology. Emission reduction and resource efficiency through innovation with the aim of increasing productivity and quality of products; capacity increase through use of new technologies to enable further modal shifts



Green Finance. Be adequately prepared for the ever-increasing challenges of the financial market; proactively establish ESG ratings for the ÖBB companies financing on the market (ESG = Environment, Sustainability, Governance).



Affordable and Accessible Mobility. Design of affordable and easily accessible mobility services; public services of general interest through safe, punctual and reliable mobility services; investment in "barrier-free offers and services"; development and expansion of integrated mobility services



Health, Safety, Security. Health and safety as the foundation of all activities in the Group (part of the ÖBB identity); expansion of technology; further development of organisation / processes / procedures; strengthening of safety culture; ÖBB safety strategy (safety and security); health management and employee protection



Diversity and Equality of Opportunity. Promote diversity in the overall staff portfolio; establish an inclusive corporate culture; expand women's advancement programmes; increase the proportion of women, work-life balance programmes.



Compliance. Optimisation behaviour and compliance; compliance as part of ÖBB's company culture



Social Responsibility and Cooperation. Diverse social commitment with a focus on environmental protection, education and integration projects as well as humanitarian aid; national and international cooperation and memberships with long-standing partnerships and trustworthy partners



Reliable and Attractive Employer. Long-term corporate goals and reliable orientation; new working worlds (digitalisation / enhancing flexibility), diverse, sustainable job and broad range of training and further education opportunities; ÖBB as Austria's largest apprentice trainer (incl. trainees)



Generational change. Knowledge transfer as a central issue of generational change; managing the transfer and safeguarding of success-critical knowledge; optimising re-staffing; work and age: age-appropriate working time models



Economic Driver ÖBB. Safeguarding investments in the rail system; using the climate as a strategic growth opportunity; taking "green finance" into account; rail investments secure business locations and jobs



Personnel development / Vocational and further development. Demand-oriented training and further education; implementation of digitalisation in new working environments ("New Work"); ÖBB academy; railway training centre and apprenticeship system; expansion of cooperation with UASs / universities

Right now: #gemeinsamdurchstarten

EMPLOYER BRANDING. Despite the crisis and unprecedented challenges: ÖBB remains a secure and meaningful employer and takes on thousands of new employees.

ÖBB has a lot to offer as an economic engine, an international group, an innovation driver and an environmental protector. This also applies to the range of job opportunities: from vehicle technicians to civil engineers, from logistics to IT, from train drivers to train dispatchers. Apprenticeships, internships and our own trainee programme complement the range on offer. ÖBB seeks and finds its future employees on career platforms, at job fairs, at vocational schools and with targeted campaigns, among other places.

And: ÖBB has used the crisis to get itself in shape for what will continue to be a challenging economic period. The “new normal” in the Group means: working even more efficiently, intelligently and cost-effectively while maintaining the basis of safety and quality. This is where the commitment made by ÖBB comes into effect in these demanding times: As safely as they navigate their passengers through the corona crisis, they also bring their employees through the difficult time of the pandemic.

“We before I” – one of the core values that is brought to life at ÖBB.

ÖBB. Today. For tomorrow. For us.

More than 41,800 dedicated employees and around 1,800 apprentices ensure that ÖBB trains and buses reach their destination every day. Even though massive declines in passenger numbers and turnover – triggered by the corona crisis – have hurt ÖBB 2020: They remain a top employer, defying both the economic and climate crises.

This is because ÖBB offers the security of one of the country’s leading flagship companies. They learn from the crisis and at the same time continue to invest in the mobility of tomorrow. **They offer meaningful jobs – for every employee and for society as a whole. They also promote a working culture that is characterised by respect and trust and makes it possible to work together as equals.**

No mobility turnaround without ÖBB

The company’s strength is easily explained: When it comes to being mobile in the future, there is no way around ÖBB, as climate protection is inconceivable without the railway. The fleet, infrastructure and all services of the railway have been geared towards this objective for years. That in turn makes ÖBB a really meaningful employer – for the team and the environment.

Green jobs are therefore also a significant topic at ÖBB: In summer 2018,



SECURE EMPLOYER ÖBB is currently training around

ÖBB switched its operations to 100 per cent green traction current. The electricity required for this is partly generated in the company’s own hydroelectric power stations, which are situated all over the country. Expansion of these power stations is a constant effort to further increase the company’s own production of green electricity. Green jobs at ÖBB are by no means limited to hydroelectric or solar power stations.

As a company that plans, builds and operates railway infrastructure, the green idea reaches much further: For example, for the sustainable implementation of building construction, specialists are at work who specifically pay attention to the aspects of sustainable procurement and sustainable construction in the selection of materials, energy technology, building certifications or the choice of location.

ÖBB also has a need for natural risk managers who take care of the protective forests, for example, or ‘greening’ officers for the education and training sector. Environmental technology and waste management are other areas in which green jobs are being created. Sus-



1,800 apprentices and needs over 10,000 new workers to achieve its goals

tainability and economic efficiency are therefore perfectly compatible.

Jobs with good future prospects

At the same time, ÖBB remains a secure employer. After all, the future prospects are good: The funding approved by the government for the expansion of the railway infrastructure secures ÖBB's course towards becoming the largest climate protection company in the country. And since a large number of employees will be retiring in the near future, ÖBB will need up to 10,000 new workers to achieve its economic and climate protection goals. In 2020 alone, 3,500 new employees started their careers at the country's largest mobility service provider.

Diversity is decisive

ÖBB presents itself as a modern company that promotes diversity and considers equal opportunities for all as a matter of course. Since 2011, an equal opportunities policy has been in place to ensure

equal opportunities for all employees. Anti-discrimination – whether it is nationality, gender, religion or anything else – is part of the company culture. A substantial part of ÖBB's strategy is also the Diversity Charter, which, among other things, pushes for an increase in the proportion of women in the company as a whole. A very high priority in the company is to inspire more women

Dominant subject of corona

In 2020, almost **3,800 media articles** about ÖBB were about corona and its consequences. 52,590 interactions were generated for Facebook posts related to corona. Sentiment improved significantly, rising to over 75 percent positive or neutral user contributions.

dominant subject of communication in 2020, however, was – unsurprisingly – the corona crisis. It has permanently changed the world of work and driven digitalisation, also at ÖBB. Since March 2020, all channels have been dominated by its coverage. Almost 3,800 corona-related media articles were published

about ÖBB in 2020. In spring 2020, there were 38 media reports on the corona heroes and heroines.

There was also a lot going on in social media: 52,590 interactions were generated for Facebook posts related to corona. Sentiment improved significantly, rising to over 75 percent positive or neutral user contributions. Internal communication focused on providing employees with quick and transparent information about corona and ÖBB's safety measures. ÖBB News was sent out 32 times to almost 30,000 employees, and a landing page was launched on the intranet with an average of 5,000 page views per month. <

to work in a wide range of areas within the company.

Info-offensive

ÖBB's brand identity also shows that it is a modern, attractive employer. The

"Be a little proud of the ÖBB"

INTERVIEW. CEO Andreas Matthä and CFO Arnold Schiefer on positive and negative experiences in the 2020 financial year and what lessons they have learned from the corona crisis.



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

We should not expect a record result for 2020 ... How badly has the COVID-19 pandemic and three lockdowns to date affected ÖBB's balance sheet?

ANDREAS MATTHÄ: We have definitely been battered by corona, as every lockdown results in a drop in passenger numbers. In spring 2020, during the first lockdown, we saw a 90 percent drop in people travelling. The figure was 30 percent lower than the year before, even after the summer relaxations. Something like this cannot pass us by without leaving a trace. Nevertheless, we were able at all times to get people who were not in the home office to and from their place of work in good order. The same applies to freight transport, where we not only maintained supplies to industry, but also to the population. I think Austria can be a bit proud of the ÖBB.

There was however no clapping on the platforms or in the stations, was there?

MATTHÄ: It is apparently now taken for granted that the railways always work. More than 75 percent of our staff could

not go to the home office, but were outside, on site. This was at a time when it was not known exactly whether there would be people on the trains and buses who were infected. That in itself makes me proud of our team, which is doing a great job in this crisis.

Mr. Schiefer, the black zero has been achieved. How was that possible despite the enormous downturns in business?

ARNOLD SCHIEFER: Something like this only works if everyone really pulls together, and in the same direction. Our employees, the management and also our customers contributed to our success. It was important that we responded very quickly and comprehensively. As a result, we have managed to save more than Euro 350 million through our own efforts. This means that we were able to compensate for just under half of a 700 million euro drop in turnover.

Where and how could a saving of this amount be achieved?

SCHIEFER: Of course, a whole bunch of measures was necessary. Some of the employees were on short-time work, overtime was reduced, new hires were postponed. We have also brought back in-house services that would otherwise be outsourced. This gave us work for our own people and at the same time cost savings.

Are there any "positive" experiences from the pandemic or lessons learned to take away?

"More than 75 percent of our staff could not be in home office, but were outside."

ANDREAS MATTHÄ



ment Board members with wagon technician Roman Lauermann at the ÖBB production site in Matzleinsdorf

SCHIEFER: In principle, you can say: ÖBB can handle a crisis – actually manage it. We have proven that on many occasions. When it matters, you can rely on the ÖBB. The fact that the employees are willing not only to make a contribution, but to do so even under difficult conditions, was already a very positive experience; as was the flexibility and cohesion among the colleagues. Digitalisation has additionally been given a massive boost. I believe that also in future we will have fewer face-to-face meetings and fewer business trips. Likewise, it may be the case that not every action needs a countersignature to ensure things still work out. As Chief Financial Officer, I hope that will help us to optimise our processes.

Let's get to the details. How many fewer people travelled by train last year?

MATTHÄ: As I mentioned, at the beginning of the pandemic in March 2020, we had a 90 percent contraction. That means we only had 10 percent of the 2019 passenger numbers. The relaxations brought this figure up to 60 percent for long-distance services and 70 percent for local services by the summer,

only to collapse again. In December 2020, compared to 2019, we had only 30 percent of passengers on long-distance services and 40 percent on local services. It was interesting that we had a very good occupancy rate for the Nightjet in the summer, almost reaching the 2019 level.

Does this mean that the Nightjet success story continued unabated during the pandemic?

MATTHÄ: The risk of contracting COVID is basically no higher on a train than in public places. The Nightjet offers the option of travelling alone in a sleeper wagon or just with the family in a

compartment. This service is particularly safe and was used extensively last year, especially in the summer. Consequently, despite the significant cost-cutting measures throughout the Group, we have continued the Nightjet expansion programme. We have also concluded a cooperation agreement with Swiss Railways, German Railways and French SNCF that will enable us to massively expand our night train network.

And this is all happening under the Nightjet brand?

MATTHÄ: Yes, if you like, we bring Austrian hospitality to the whole of Europe and make our Nightjet brand a European one. Cooperation with SBB, DB and SNCF makes sense for everyone. We see the expansion of night trains as an alternative to short-haul flights as an important opportunity. Furthermore, by expanding the network together, we are creating a star alliance on the railways with the Nightjet.

And when do you expect increasing numbers in passenger transport again overall?

MATTHÄ: The COVID pandemic will probably continue to equalise working patterns and working hours to some extent in the future. If you can use it to smooth out the early or late peaks, there is no harm per se. I believe that we will still get more passengers through other measures, such as with the 1-2-3 climate ticket. Not in 2021, but in the coming years. Much will depend, however, on how quickly European and non-European tourist traffic returns. In addition, the general situation gives us a tailwind – there is a vaccination against the pandemic, but not against climate change.

“We were able to compensate for just under half of a 700 million euro drop in turnover.”

ARNOLD SCHIEFER



ANDREAS MATTHÄ Inquires about the wishes and needs of travellers from ÖBB Travel Centre employee Stefan Buchmayer

Let's stay with local transport. How have corona and lockdown affected the Postbus?

SCHIEFER: The Postbus has experienced a massive drop in passenger numbers, especially in the area of school trips during the lockdown. Nevertheless, we were available and driving the whole time, while some private operators terminated their bus services. The extent to which increased home office work will lead to a longer-term reduction in commuter flows will have to be looked at closely over the next few months. We expect a recovery however in the middle of 2021 – provided that the schools again have attendance classes then.

In freight transport, there was a significant upgrading of rail at the beginning of the pandemic. How did the Rail Cargo 2020 perform?

MATTHÄ: It has already been seen that rail freight transport is not only relevant to the climate, but above all to supply and to the system. Rail Cargo Group delivered every tonne of freight and maintained the flow of goods during the corona peak times in the spring of 2020. We have, however, also seen that

we still do not have a "level playing field". As soon as there were so-called "green lanes" on the motorways after the first lockdown for HGVs, many transports were shifted back again because there is no cost equality between rail and road.

How does that look on balance? And is Rail Cargo experiencing the same situation as the other railways in Europe?

SCHIEFER: On average, we incurred a decline in volume of around ten percent in 2020 compared to 2019. At the beginning of 2021, we were roughly at the previous year's level. In a European comparison, Rail Cargo is as such well underway and still number two. ÖBB's structure is fundamentally advantageous in a crisis. We are big, but not too big. And: A lot of things operate on demand. This allows us to be more flexible and we know our clients and their needs. The Republic of Austria has also made its contribution by reducing the rail usage fee and increasing the subsidy system.

Would these be measures that would make rail competitive even after the crisis?

SCHIEFER: In general, freight transport in Europe is at a crossroads. The European institutions must decide whether they want to strengthen ecological freight transport, in the long term and sustainably and not only in crises, or whether we slip back into the old cut-throat competition where simply the cheapest reigns.

MATTHÄ: In reality, it is a competition on unequal terms. One third of the costs of the transit truck is paid by the

"Something like this only works if everyone really pulls together, and in the same direction."

ARNOLD SCHIEFER



ARNOLD SCHIEFER. "The framework plan not only creates a better railway service, but also important jobs. Each billion secures 15,000 jobs"

general public in the form of external costs. Social dumping has ensured that truck drivers have not been cowboys for a long time, but rather slaves of the road. In a macroeconomic calculation, the transit truck is more expensive than the train. Meaning: There will be no long-term solution without fair CO₂ pricing! The federal government's eco-tax reform was a first important step in this direction.

What would be a fair CO₂ price then?

MATTHÄ: If you take a look at the Nordic countries, they prescribe prices of currently Euro 100 per tonne. In my view, that would be a lower limit that would ensure more fairness in competition. Apart from the fact that transport is currently not even included in emissions trading, the price in our country is currently just over Euro 20. This shows what a long way we still have ahead of us.

Is there nothing the railways themselves could do to compete more with the roads?

MATTHÄ: Of course. As in the aviation sector, we are now finally in need of a "Single European Rail Area". Driving a train across Europe must be as easy as doing so with a articulated truck. The fact that this is not the case has historical, and in some cases even military, backgrounds. Digital automatic coupling", however, is a future project that has the potential to be very important leverage in which six European freight transport companies are involved.

What can digital automatic coupling do?

MATTHÄ: The digital automatic coupler will replace the manual screw coupler and thus revolutionise rail freight transport in Europe. Longer and heavier trains can then move goods from A to B more quickly. Moreover, digital automatic coupling is the prerequisite for achieving further automation of the

European rail system.

In addition, how much progress has been made with digitalisation in freight transport?

MATTHÄ: Our objective is end-to-end logistics. There are industries where we are already able to offer such solutions to customers. We want to expand this further and thus ultimately also expand the customer base – towards small and medium-sized businesses, which are to be introduced to the rail network through container solutions. That is why SmartLINK was launched in 2020, which is our gateway to the world of rail logistics. We show the connections we serve, in some cases several times a week, both in container transport and in conventional freight transport. A sub-product of this is MIKE, a digital assistant with continuously new functionalities that make the processing of transport easier, more efficient and more transparent – from the transport request to invoicing. The next step to be taken here is train tracking as a complementary view to the customer's consignment.

When do you expect "normal operation" in the economy and in rail freight transport?

MATTHÄ: Back in September, we saw that despite the new lockdown, the supply chains still worked. In late autumn, transport volumes were then at 2019 levels, although it must be said that industrial production had already shown symptoms of crisis in 2019, especially in the automotive industry. However, the progression of the COVID pandemic has taught us that forecasting is difficult. We are all still driving in foggy conditions and hope that it will slowly clear by summer. Then we can go at full throttle again. We are indeed experiencing a huge setback, but nothing has been destroyed and the growth path has not gone away. That is why I am convinced: We will come out of the crisis in strong shape!

The new framework plan reveals a lot of promise. You, together with Federal Minister Leonore Gewessler, have brought the largest investment project of all time

"In a macroeconomic calculation, the transit truck is more expensive than the train."

ANDREAS MATTHÄ



ANDREAS MATTHÄ. "Social dumping has ensured that truck drivers have not been cowboys for a long time, but rather slaves of the road"

"on track". What will the Euro 17.5 billion be used for?

SCHIEFER: More correctly, it is the largest investment volume, since it is not one project, but many projects that will be realised in the next six years. The main focal points are the expansion of local transport in conurbations, making regional railways more attractive, an ambitious electrification programme, the further expansion of infrastructure facilities for freight transport, as well as digitalisation and increased efficiency. A large part of this, eight billion euros, flows into completely new projects. These investments not only create better railway services, but also important jobs. Each billion of the framework plan secures 15,000 jobs. Investing in the railways therefore works to counteract the economic and climate crises at the same time.

And how far is ÖBB on schedule with regard to the completion of the 2025+ target network?

SCHIEFER: Corona and the Semmering Base Tunnel show us that even the most careful planning is of no use if geology throws a spanner in the works. Overall, however, we are well on track with implementation and our contractors are also happy that the construction sites are going ahead.

Apropos climate ÖBB is already the largest climate protection company in Austria, but has nevertheless set itself ambitious climate targets. How does that work?

MATTHÄ: Our rail transport services are indeed actually saving around 4.2 million tonnes of CO₂ per year. Our goal, however, goes beyond that. We aim to achieve a climate-neutral ÖBB

mobility sector by 2030 and Group-wide climate neutrality by 2040. This climate protection strategy aims to significantly support the achievement of Austria's #mission2030 climate targets and achieve significant modal shifts from road and air to rail, as this is where the greatest potential exists for reducing CO₂

emissions. This requires however, that further steps be taken at the European level.

What would you like to happen in particular?

MATTHÄ: Currently, VAT is payable on rail tickets in seven member states, whereas cross-border air ticket prices are exempt from VAT. We also need a level playing field in cross-border passenger transport. A VAT exemption for rail tickets would be an important step; moreover, the different VAT rates create unnecessary complexity in ticket accounting for railway companies.

Which brings us once again to the topic of digitalisation. What are the elements of ÖBB's digitalisation strategy?

MATTHÄ: On the customer side, our goal must be to make it as easy as possible to get started with the railway system. We call this "Connected Traveller" and "Connected Logistics" and by this we mean the optimisation of the traveller's complete route chain from door to door as well as the entire supply chain of the customer's goods from loading bay to loading bay. In addition, digitalisation is also about connecting our facilities and rolling stock using sensors in order to optimise our core processes by using the data obtained. And finally, we have the "Connected Employee" as the objective of our digitalisation strategy – a major challenge, as the 17,000 employees of ÖBB are not yet digitally accessible. It is important though that digitalisation is not seen as an end in itself. Ultimately, it is always about strengthening our competitiveness and customer satisfaction.

"ÖBB 360°" is also intended to make an important contribution to customer satisfaction. What does it involve?

MATTHÄ: First and foremost, "ÖBB 360°" is an all-round public transport service package tailored to regional needs, including a door-to-door mobility solution. It is of no use to customers if they stand on the platform and find no services for their first and last mile. We therefore also organise these routes and

"Investing in the railways works to counteract the economic and the climate crisis at the same time." **ARNOLD SCHIEFER**



ARNOLD SCHIEFER on his way through the large hall of Vienna Central Station talking to two ÖBB security employees

package them in an overall product called “ÖBB 360°”. The Wayfinder app provides you with the appropriate means of transport – from electric cars and buses to e-bikes and e-scooters. Korneuburg was our pilot municipality; in the meantime there are other municipalities, tourism regions and also larger businesses that are interested.

What impact did corona have on staffing levels?

Have there been redundancies, short-time work?

SCHIEFER: Due to the crisis, we were forced to take a short term view, but we also did not want to brake completely in order not to jeopardise our future. The effect was felt primarily in the area of personnel and new admissions. We did postpone recruitment because many job profiles, such as train drivers or train dispatchers, also depend on in-house training, which we were unable to provide due to corona. At the end of the day, however, we did add nearly 3,000 new employees, as many as we did in 2019.

Has ÖBB gained or lost attractiveness as an employer through corona?

SCHIEFER: The corona crisis has certainly helped us as an employer as people see that a job at ÖBB is secure. This is reflected in a very positive influx of new employees. And we certainly need it, as we are planning 10,000 new hires over the next five years.

MATTHÄ: ÖBB is and remains an extremely attractive employer and trainer. We have the jobs that are missing in other sectors, with 27 apprenticeships and around 600 new apprentices every year. So why not go from the cable car to the train?

That offers hope for a return to normality in the near future. Have you already planned a private trip?


MATTHÄ: As soon as time permits, I'll take the Nightjet to Venice again and enjoy an espresso. Should something intervene, I can always change my booking.

And you, Mr Schiefer. Attersee again?

SCHIEFER: Yes, it is a short commute for me to Kammer-Schörfling. Amsterdam and Hamburg would also be of interest too. Those are my favourite cities with the Nightjet. <

“It is always about strengthening our competitiveness and customer satisfaction.”

ANDREAS MATTHÄ

A man with a shaved head and glasses, wearing a dark blue suit jacket over a white shirt and a red face mask, is leaning over a 3D printer. The printer is a Prusa model, with the brand name visible on the blue frame. A blue filament is being fed into the printer. The background is a blurred industrial or office setting with bright lights.

„Our team is achieving great results in the crisis. That actually makes me feel very proud.“

Andreas Matthä, CEO



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 the following subsidiaries
 - a. ÖBB-Finanzierungsservice GmbH
 - b. ÖBB-Werbung GmbH
 - c. ÖBB-Business Competence Center GmbH
 - d. OmegaTelos GmbH
 - e. European Contract Logistics – Serbia d.o.o.
2. ÖBB-Infrastruktur AG including the following subsidiaries
 - a. ÖBB-Immobilienmanagement GmbH
 - b. Rail Equipment GmbH und Rail Equipment GmbH & Co KG
 - c. Mungos Sicher & Sauber GmbH und Mungos Sicher & Sauber GmbH & Co KG
 - d. Güterterminal Werndorf Projekt GmbH
 - e. ÖBB-Projektentwicklung GmbH
 - f. Gauermanngasse 2–4 Projektentwicklung GmbH & Co KG
3. ÖBB-Personenverkehr AG including the following subsidiaries
 - a. Österreichische Postbus AG
 - b. Rail Tours Touristik GmbH
 - c. FZB Fahrzeugbetrieb GmbH
 - d. ČSAD AUTOBUSY České Budějovice a.s.
 - e. iMobility GmbH
4. Rail Cargo Austria AG including the following subsidiaries
 - a. Rail Cargo Logistics – Austria GmbH
 - b. Rail Cargo Logistics – Environmental Services GmbH
 - c. Rail Cargo Logistics GmbH
 - d. Rail Cargo Operator – Austria GmbH
 - e. ÖBB-Technische Services-GmbH
 - f. ÖBB-Produktion GmbH
 - g. Rail Cargo Logistics – Czech Republic s.r.o.
 - h. Rail Cargo Logistics s.r.o.
 - i. Rail Cargo Operator – ČSKD s.r.o.
 - j. Rail Cargo Terminal – Praha s.r.o.
 - k. Rail Cargo Carrier – Czech Republic s.r.o.
 - l. Rail Cargo Carrier – Germany GmbH
 - m. Rail Cargo Hungaria Zrt.
 - n. Rail Cargo Logistics – Poland Sp. z o.o.
 - o. Rail Cargo Logistics – Germany GmbH
 - p. Rail Cargo Logistics – Bulgaria EOOD
 - q. Rail Cargo Terminal – Sindos S.A.
 - r. Rail Cargo Logistics – Romania Solutions SRL
 - s. Rail Cargo Logistics Uluslararası Taşımacılık Lojistik ve Ticaret Limited Şirketi
 - t. Rail Cargo Logistics – Croatia d.o.o.
 - u. Rail Cargo Logistics – Italy S.r.l.
 - v. Rail Cargo Terminal – S. Stino S.r.l.
 - w. Rail Cargo Terminal – Desio S.r.l.
 - x. Rail Cargo Operator – Port/Rail Services GmbH
 - y. Rail Cargo Operator – Hungaria Kft.
 - z. Rail Cargo Carrier d.o.o.
 - aa. Rail Cargo Carrier – Croatia d.o.o.
 - bb. Rail Cargo Carrier – Italy S.r.l.
 - cc. Rail Cargo Carrier – Bulgaria EOOD
 - dd. Rail Cargo Carrier – Slovakia s.r.o.
 - ee. Rail Cargo Carrier – Romania SRL
 - ff. Rail Cargo Carrier – Poland Sp. z o.o.
 - gg. Technical Services Hungaria Járnyújtó Kft.
 - hh. Rail Cargo Logistics – Hungaria Kft.
 - ii. Rail Cargo Terminal – Bilk Zrt.
 - jj. Ooo Rail Cargo Logistics – RUS
 - kk. Rail Cargo Carrier Kft.
 - ll. TS-MÁV Gépészeti Services Kft.
 - mm. ÖBB Stadler Services GmbH
 - nn. Rail Cargo Logistics Železniška Špedicija d.o.o.
 - oo. Technical Services Slovakia s.r.o.
 - pp. TransAnt GmbH

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/cg2020.

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.

ÖBB 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.

The targets set in the MbO target agreements of the management bodies for maintaining / improving customer and employee satisfaction could not be maintained in the usual form (external survey) in the corona crisis year 2020, so that a change was made to the target agreements in this area (K Rule 9.3.6.6).

The ÖBB Group's top management has each waived part of the variable remuneration component for the 2019 financial year in order to make a solidarity-based contribution on the part of ÖBB's management to overcoming the effects of the corona crisis. This waiver became effective for disbursement in the 2020 financial year.

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. Ten regional equal opportunities officers accompany and support colleagues if they feel that they have been discriminated against or treated unfairly, for example because of their gender, ethnicity, sexual orientation or age. A gender equality committee supports the work of the regional gender equality officers and ensures their continuous qualification.

The strategic target of increasing the proportion of women to 16.3 percent by 2023 is supported by numerous measures: Women's network meetings, coaching offers, targeted personnel development, reintegration programmes after maternity leave, flexible working time models such as flexitime models, teleworking, parental part-time work or paternity leave, workshops for managers and employees as well as mentoring programmes promote development opportunities.

42.6 percent of the Supervisory Board mandates of the domestic public limited companies of the ÖBB Group were held by women as of the balance sheet date (female Supervisory Board members incl. employee representatives = 42.6 percent; female Supervisory Board members without employee representatives = 58.1 percent). The figure was 44.8 percent as of the previous year's balance sheet date.

13.8 percent (0.9 percent increase over the previous year) is the proportion of women in management. The cross-mentoring programme, in which high potentials and team leaders of Wiener Stadtwerke, Asfinag and ÖBB participate in a structured mentoring process for one year, is proving to be a successful measure to increase the proportion of women in management. The general proportion of women (HC) is 13.5 percent (0.4 percent increase on the previous year).

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

External Supervisory Board mandates or comparable functions:

Ing. Mag. (FH) Andreas Matthä:

- President of the Österreichischen Verkehrswissenschaftlichen Gesellschaft (ÖVG)
- Chairman of the CER Management Committee

Working methods and distribution of business

The Rules of Procedure for the Management Board regulate the allocation of responsibilities and the cooperation of the Management Board. In addition, the rules of procedure for the Management Board contain reporting and information obligations.

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.

The areas of responsibility of the Management Board were determined by the Supervisory Board as follows, without prejudice to the overall responsibility of the management:

Ing. Mag. (FH) Andreas Matthä	Mag. Arnold Schiefer
Group Strategy, Corporate Development and Organisation, Group Communications, Group Law and Executive Board Secretariat, Systems Engineering and Group Production, Corporate Affairs, Strategic HR Management	Group Accounting, 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)

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 2020 for the 2019 financial year is shown accordingly.

	Fixed remuneration	Variable remuneration	Total remuneration
Ing. Mag. (FH) Andreas Matthä	444	153	597
Mag. Arnold Schiefer	486	87	573

Supervisory Board

The basis for the activities of the Supervisory Board is primarily the Austrian Stock Corporation Act (AktG), the company's Articles of Association, the Rules of Procedure for the Supervisory Board and the Federal Public Corporate Governance Code (B-PCGK).

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
Mag. Gilbert Trattner Chairman	1949	06.04.2018	28.05.2020
Mag. Christian Weissenburger Second Deputy Chairman	1959	24.06.2019	16.03.2020
Mag. Wolf Dieter Hofer	1968	01.04.2019	28.05.2020
DI ⁱⁿ Dr. ⁱⁿ Monika Forstinger	1963	09.02.2018	28.05.2020
Dr. ⁱⁿ Barbara Kolm	1964	09.02.2018	28.05.2020
Karl Ochsner	1974	09.02.2018	28.05.2020
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 since 04.06.2020)
 Dr. Kurt Weinberger (Chairman until 28.05.2020,
 since 04.06.2020 Deputy Chairman)
 DI Herbert Kasser (since 04.06.2020)
 Mag.^a Andrea Reithmayer (since 04.06.2020)
 Mag. Gilbert Trattner (Deputy Chairman
 until 28.05.2020)
 Dr.ⁱⁿ Barbara Kolm (until 28.05.2020)
 Roman Hebenstreit (Employee representative)
 Mag. Roman Hebenstreit (Employee representative)

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 is transferred to the account of the Federal Ministry of Finance. The employee representatives receive no Supervisory Board remuneration.

Remuneration	Attendance fee
<ul style="list-style-type: none"> • EUR 14,000 annual basic quota per Supervisory Board member • Chairperson: Supplement 100 % • Deputy Chairman: Supplement 50 % (only in ÖBB-Holding AG) 	<ul style="list-style-type: none"> • 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 2020

Supervisory Board (meetings and conferences): 10
 Presiding Committee: 9
 Audit Committee: 3



“We have experienced a setback as a result of the COVID crisis. Our basis has proven to be very solid and we will come out of the crisis stronger than ever.”

Andreas Matthä, CEO



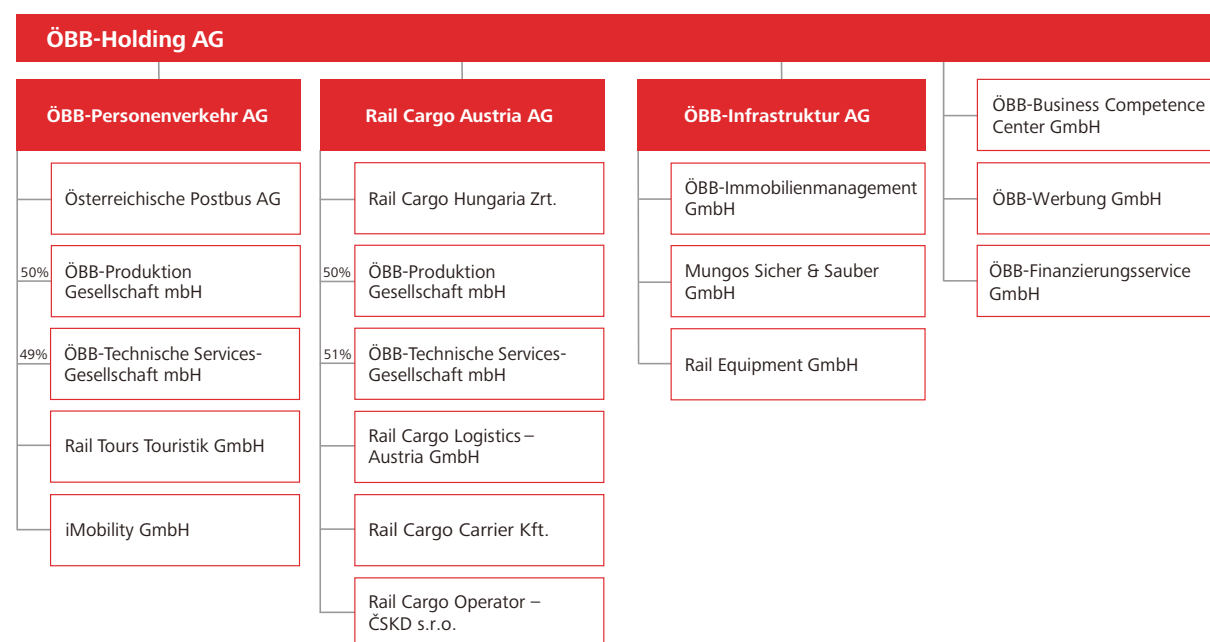
Group Management Report

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 31.12.2020 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 31.12.2020. In addition, a subsidiary of Österreichische Bundesbahnen-Holding Aktiengesellschaft (hereafter "ÖBB-Holding AG"), ÖBB-Infrastruktur Aktiengesellschaft (hereafter "ÖBB-Infrastruktur AG") is required to prepare sub-group financial statements in accordance with section 245 (3) UGB, as it has issued bonds that are admitted to trading on a regulated market. The sub-group financial statements of ÖBB-Infrastruktur AG are submitted to the commercial register under FN 71396 w at the Vienna Commercial Court.

A. Structure and Investments

ÖBB Group structure



As at: 31.12.2020

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 and ÖBB-Infrastruktur AG. These three joint stock companies with their subsidiaries are subsequently referred to as the ÖBB-Personenverkehr sub-group, the Rail Cargo Austria sub-group and the ÖBB-Infrastruktur sub-group. 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. OmegaTelos GmbH (formerly Q Logistics GmbH) appeared on the market as a direct subsidiary of ÖBB-Holding AG until 31.12.2019, offering general cargo, part and full load transport and warehouse logistics solutions. The operating business was sold on 31.12.2019, which means that OmegaTelos GmbH has been a subsidiary without an operating business since that date. 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 sub-group 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. ÖBB-Personenverkehr AG coordinates an optimally coordinated range of rail and bus services together with its subsidiary Österreichische Postbus AG (merger with ÖBB-Postbus GmbH with retroactive effect from 01.01.2020 in July 2020).

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 18 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** sub-group operates 1,046 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 sub-groups as well as by non-Group railway undertakings (RUs).

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

Number of shareholdings by sub-group

	ÖBB- Personenverkehr	Sub-group Rail Cargo Austria	ÖBB- Infrastruktur	ÖBB Group incl. others *)
Investments >50%	7	44	20	80
<i>thereof abroad</i>	2	37	0	42
Investments 20-50%	3	13	4	20
<i>thereof abroad</i>	0	7	1	9
Investments <20%	2	3	1	6
<i>thereof abroad</i>	2	3	1	6
Total	12	60	25	106
<i>thereof abroad</i>	4	47	2	57

*) 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 sub-group and country is given.

Outside Austria, the ÖBB Group holds shareholdings in 57 companies in 18 countries that have their registered offices in the following countries:



B. General Conditions and Market Environment

B.1. General economic conditions

Global economic development

The year 2020 was marked by the effects of the global corona pandemic. The immediate health consequences of the COVID-19 virus and the subsequent health policy measures taken to contain the pandemic have led to a massive global economic downturn. A contraction of 3.5% of global GDP is expected for 2020. That would be the worst recession since the Second World War.¹

Starting in China, where the first reports of a novel SARS COVID virus became known as early as the turn of the year 2019/20, the pandemic successively spread around the world by the end of the first quarter. The public health reactions were very heterogeneous. The duration and severity of the restrictions on public life to combat the pandemic, as well as the extent of the accompanying fiscal measures, were the determining factors for the effects in terms of the economic development of the individual countries.

After a comparatively drastic lockdown, China was already on the road to recovery from the second quarter onwards.² GDP growth for 2020 as a whole even amounted to 2.3%. Measures differed in Europe and in the US states. Compared to Asian and European countries, the latter in particular initially largely refrained from social or economic restrictions; accordingly, the economic downturn was much smaller in the USA, with a decline of 3.4% of GDP, while the entire Eurozone had to record an economic slump of 7.2%.³

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

Key figures and forecasts for global economic performance		2019	2020	2021
Gross domestic product, real	Eurozone	1.3	-7.2	4.2
	USA	2.2	-3.4	5.1
	China	6.0	2.3	8.2
	World trade	2.8	-4.4	5.5
Global trade (goods and services), real		1.0	-9.6	8.1
Value added in industrial production (manufacture of goods), real *)		2.3	-8.7	-
Crude oil price (USD)		-10.2	-32.7	21.2
Commodity price (USD)		0.8	6.7	12.8

*) Time series only available without a forecast.

Source: IWF, UNIDO.

The incipient recovery in China was also largely responsible for the fact that world trade picked up again in the middle of the year.⁴ Overall, the global trade volume nevertheless declined by 9.6% in 2020. The curtailment of global value chains as a result of trade restrictions also led to a collapse in global industrial production. The aviation and automotive industries and suppliers were particularly hard hit.⁵ Although there was a slight recovery in the industry from the second quarter onwards, a year-on-year decline of 8.7% was recorded for 2020 as a whole.⁶ The downturn in industry also saw the prices of copper and steel fall to record lows. However, their downward slide ended in the middle of the year and by the end of the year they were already above the pre-crisis level. The oil price could only be stabilised after a record low of around USD 26 in April following massive supply cuts by OPEC.⁷

Countries around the world have taken extensive fiscal measures to overcome the COVID-induced economic downturn. Their total size is estimated at around 12% of global GDP. These measures are largely shouldered by the Western industrialised nations and large emerging economies. Almost half of this was accounted for by direct liquidity provision or tax relief, the rest by state guarantees and commitments.⁸ In addition, the central banks have also taken measures to support liquidity. As a result, key interest rates in the USA, the euro area and Japan remain at zero for the time being. The measures have helped to stabilise the situation on the financial markets as well for the moment. At the end of the year, both the Dow Jones and the DAX had surpassed their pre-crisis levels and were trading at record levels.⁹

Nevertheless, the process of supporting the economy also harbours risks. The favourable liquidity and flanking fiscal assistance lead to corporate insolvencies, especially in the SME sector, being postponed. This, in turn, could ultimately affect the banking sector. In addition, poorer emerging and developing countries in particular are increasingly struggling with financing problems. At the same time, the financial markets are at risk of overheating.¹⁰ At the end of the year, there was a resurgence of the pandemic in many countries. The measures required as a result and different recovery cycles in the individual countries could cause a lasting shift in the global economic structure - especially towards a further strengthening of the Asian emerging markets.¹¹

² IMF.

³ IMF.

⁴ RWI/ISL and Baltic Exchange, Harper Petersen & Co.

⁵ Oxford Economics.

⁶ IMF and UNIDO.

⁷ Finanz.net.

⁸ IMF.

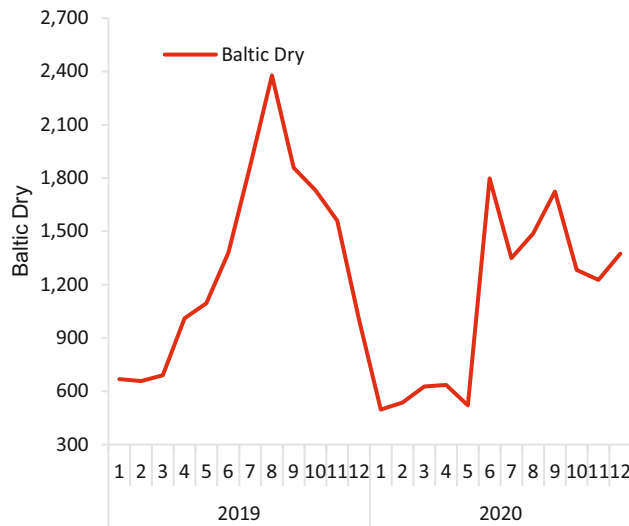
⁹ Finanz.net.

¹⁰ IMF.

¹¹ Economist.

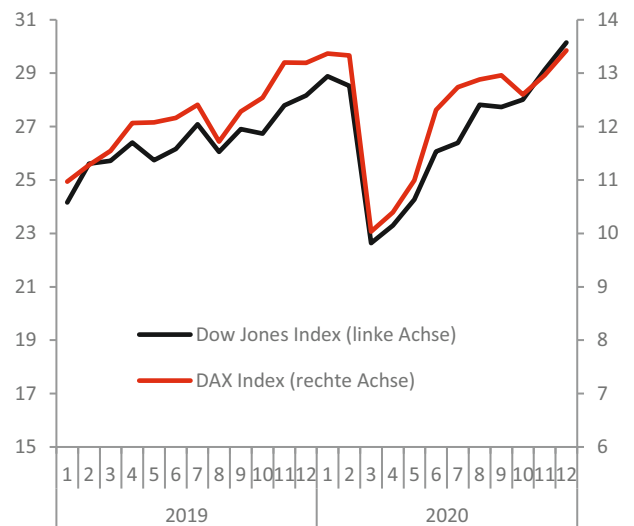
Development of transport prices and stock market indices

Baltic Dry Index for commodity transport prices
(index points)



Source: Baltic Exchange.

DAX and Dow Jones (index points in thousands)



Source: Finanz.net

European economic development

The European economy was already affected in the first quarter - for the time being indirectly - by the outbreak of the COVID pandemic in China and the accompanying lockdown. European industrial development was just starting to recover after a weak performance in 2019. The onset of the pandemic, however, caused a decrease in Chinese domestic demand. That resulted in a decline in world trade and a contraction of international value chains, which put a damper on the incipient upswing.¹²

Then, in February, Italy became the first country in Europe to be affected by the emergence of the virus. Proceeding from there, the public health crisis has led to far-reaching restrictions on the economy as well as on public life in most European countries - albeit with varying degrees of severity and speed. In the first phase of the pandemic alone, in the second quarter of 2020, the economy within the EU slumped by 13.9% compared to the same quarter of the previous year. The service sector was by far the most affected. Tourism, gastronomy and transport suffered a decline of around 25% in the pan-European region compared to the same period last year, followed by industry with a reduction of around 20%. Employment in Europe as a whole declined by around 3% in the same period.¹³ After the easing of measures and the recovery of world trade, many European countries experienced a catch-up process over the summer, from which industry in particular benefited. That momentum, however, was wiped out in the fourth quarter by a renewed flare-up of the pandemic, and the resulting renewed restrictions on social and economic life, in many European countries.

¹² European Commission.

¹³ Eurostat.

The global sales crisis has had a notable impact on the European vehicle, steel and aviation industries in particular, which had already been weakening in 2019. Despite extensive support measures, lasting structural changes are to be expected in those sectors. There is a noticeable tendency in the automotive industry to relocate production sites further east. At the same time important suppliers such as ThyssenKrupp or voestalpine are dismantling their automotive divisions.¹⁴

Most EU countries have engaged in extensive aid packages on a national basis to support the economy as well as employment. State-supported short-time work, tax relief at various levels, the moratorium of levies and charges as well as for insolvencies and the assumption of loan guarantees by the public sector count among the most prevalent measures taken in that regard. Direct subsidies in the form of cash and non-cash benefits flow in particular in connection with the (partial) assumption of ongoing fixed costs to enterprises. The prerequisite for this is that the restrictions on public life bring business activity to a standstill.¹⁵ At EU level, a total of around EUR 750.0 billion in corona aid has been allocated in the budget for the years 2021 to 2027. These are financed by raising collective funds on the financial markets. The ECB also massively expanded its bond-buying program to around EUR 1,350.0 billion.¹⁶

Economic development in core RCG markets from 2019 to 2021 (changes compared to the previous year in % real)

	Gross domestic product			Industrial production		
	2019	2020	2021	2019	2020	2021
Austria	1.6	-7.5	3.1	0.5	-6.9	4.0
Hungary	4.6	-5.7	3.2	5.5	-7.8	10.8
Germany	0.6	-5.6	3.7	-4.3	-11.5	7.6
Italy	0.3	-8.6	4.9	-1.1	-10.9	10.1
Romania	4.1	-5.1	3.5	-3.6	-10.2	6.9
Czech Republic	2.3	-6.9	3.8	-0.4	-8.8	8.3
Slovenia	2.4	-7.6	6.4	3.1	-6.1	7.1
Bulgaria	3.6	-4.3	3.6	0.6	-4.9	4.9
Croatia	2.9	-7.6	5.5	0.6	-3.3	6.0
Slovakia	2.3	-6.9	3.8	0.5	-9.2	9.3
Poland	4.6	-3.0	3.8	4.4	-3.5	5.7
Greece	1.9	-8.2	4.5	-0.8	-3.2	5.5

Source: Oxford Economics, IHS.

The individual states were and are affected differently by the coronavirus and have set different priorities. Accordingly, the economic consequences are very heterogeneous. The economic effects due to the pandemic and the health policy measures taken as a result could not yet be conclusively assessed in the fourth quarter - at the time of reporting. Overall, however, the expected growth rates for 2020 are consistently negative. Currently, some Eastern European countries such as Poland, Slovenia or Romania are expected to recover much faster in 2021 compared to Germany or Austria.

Nevertheless, all these forecasts are subject to the further development of the pandemic in 2021. The loss of income due to short-time work and high unemployment are a lasting factor of uncertainty. Private consumption in particular has been a key economic driver in Europe in recent years.¹⁷ Another factor of uncertainty for the European economy is Brexit. Although the withdrawal agreement, including transitional periods for the creation of final solutions in the various areas of the agreement, could be concluded by the end of 2020, there are still concerns about the further form of the relationship and the consequences of the practical implementation of the withdrawal agreement.

¹⁴ Handelsblatt.

¹⁵ European Commission.

¹⁶ European Commission.

¹⁷ European Commission.

Austrian economic development

As a small open economy, Austria was particularly affected by the collapse of the world economy and global trade volumes as a result of the corona pandemic in 2020. Merchandise exports and imports plummeted by 7.8% and 7.3%, respectively, in 2020. In contrast to previous crises, which were mostly driven by external effects, this time the economic shock also came from domestic developments. The measures to contain the pandemic led to shutdowns of social life for several months in the second and fourth quarters. That has slowed down large parts of economic activity, especially in the service sector. The shock initially appeared to be purely supply-side in nature. The 8.3% reduction in private consumption in 2020 indicates that this recession, unlike the 2008/09 crisis, has now taken on the character of a sustained demand crisis.¹⁸

The summer brought a clear economic recovery compared to the drastic slump in the second quarter. Private consumption and domestic tourism in particular developed more positively than expected. However, the renewed lockdown in the fourth quarter wiped out that trend. Contrary to expectations in the spring, however, industrial development was far less affected by the downturn due to the overall recovery in world trade.¹⁹ The GDP decline for 2020 overall was 7.5%. The forecasted growth of 3.1% for 2021 is thus not sufficient to compensate for the nominal GDP loss compared to the pre-crisis period. Accordingly, Austria's economic output will not return to its pre-crisis level until 2022 at the earliest.

Key data and forecasts for the economic situation in Austria

Parameter	Unit	2019	2020	2021
Gross domestic product, real		1.4	-7.5	3.1
Industrial production (Index)		0.5	-6.9	4.0
Goods exports		2.1	-7.8	4.5
Goods imports	Change in %	1.1	-7.3	6.3
Gross capital investment, real		4.0	-4.9	4.1
Private consumer spending, real		0.8	-8.3	5.5
Inflation rate (consumer prices)		1.5	1.4	1.6
Maastricht deficit	in % of the GDP	0.7	-10.7	-6.4
Unemployment rate	in % of the labor	7.4	9.9	9.7

Source: Statistik Austria, IHS, Oxford Economics.

Private consumption and gross fixed capital formation will also not return to their pre-crisis levels in 2021. The economic downturn also has a direct impact on the labour market. Despite the extension of short-time work schemes into the spring of 2021, the unemployment rate is expected to rise by more than 2 percentage points to 9.9% in 2020.

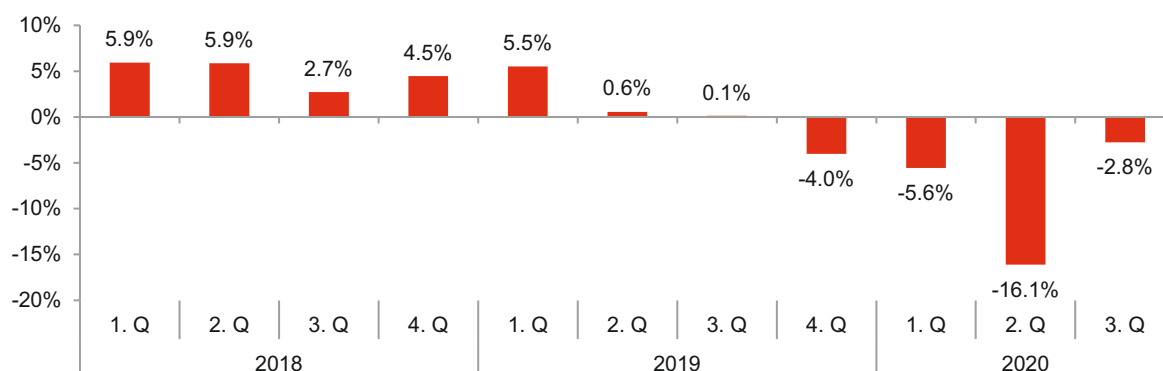
The manufacturing sector is expected to see a reduction in employment in 2021. After a decline in the number of employed persons of 2.0% in 2020, the employment level will also be below the pre-crisis level in 2021. The automotive supply and steel industries in particular are massively affected. The reduction in employment or the permanent closure of production sites at AVL, FAAC, voestalpine or MAN - to name just a few prominent examples - indicates that the industry is preparing for a prolonged crisis.²⁰ Furthermore, the recovery is likely to be very slow, especially due to the uncertain development of important trading partners such as France or Italy.

¹⁸ WIFO.

¹⁹ ÖNB.

²⁰ Orf.at, Trend.

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.

In Austria, too, extensive measures were adopted to support the economy and the labour market. Short-time work, tax relief and deferrals as well as subsidies for fixed costs are central elements as well in this regard.²¹ These, together with a decline in tax revenues, have led to a budget deficit of 10.7% of GDP in 2020. In 2021, the government's net lending/borrowing is expected to be -6.4% of GDP.²²

Capital markets and the state budget

Since 2017, the Austrian Federal Financing Agency (OeBFA), among others, has also been raising the necessary funds for ÖBB-Infrastruktur AG's infrastructure investments on the capital market. Financing costs are therefore determined by the interest rate level of federal bonds. The average yields on German government bonds for the period 2020 reached a historic low of -0.1% with an average maturity of around 17 years. Average issue yields were even negative throughout 2020, regardless of maturity, with the exception of the months of April and June. The average of yields on all Austrian federal bonds currently in circulation also remains in negative territory, as it has been in 2019, at -0.308%.²³ That means investors are willing to pay in return for a safe form of investment. This development is observed not only in Austria. In Germany, federal bonds with negative yields have already been issued since mid-2019. The reasons for this development lie in the massive expansion of money supply by the ECB combined with the subdued inflation and economic outlook due to the corona crisis.²⁴ Austria's credit rating remains high, the outlook of all major rating agencies is stable.²⁵

B.2. Political and regulatory framework

The interests of the ÖBB Group are represented externally by the Corporate Affairs department of ÖBB-Holding AG. The staff of the department continuously analyse the political framework conditions for that purpose. They formulate position papers and amendments for ÖBB-relevant legislative initiatives in Austria and Brussels and they prepare information for decision-makers. To this end, they are in continuous contact with ÖBB experts as well as external stakeholders.

The political and media debate in Austria and in Europe was dominated by one central issue last year with COVID-19. The global pandemic and its social and economic consequences for countries and companies were therefore also the focus of the work of the Corporate Affairs Department. Central aspects of that were the cushioning of the negative consequences for the company in passenger and freight transport and in the area of infrastructure.

In the course of that, ÖBB positioned itself as a reliable partner for people and the economy. As a result, even at the height of the pandemic, an almost unrestricted range of passenger trains and bus services was maintained. These services are available to all those who depend on public transport as a safe means of transport and reliable mobility, even in a crisis situation.

The same applies to rail freight transport. At times, especially at the beginning of the first lockdown, other international freight transport connections came to a standstill as a result of border closures. Here, rail transport made it possible to maintain an uninterrupted supply of everyday goods. ÖBB was able to position itself as a reliable partner that not only fulfils its tasks in normal operations, but also in a crisis situation in a stable and reliable manner.

²¹ BMF.

²² IHS.

²³ OeNB.

²⁴ Der Standard.

²⁵ OeBFA.

The second COVID-19-related focus of Corporate Affairs' work was to present the economic consequences of the pandemic for the transport sector and to develop appropriate countermeasures in that regard. The measures prepared and supported by Corporate Affairs ranged from the

- temporary direct award ("emergency award") of long-distance passenger transport between Vienna and Salzburg to the temporary reduction of the infrastructure charge for freight and private passenger transport on the basis of an initiative of the EU Commission,
- the temporary reduction of the infrastructure usage charge (IBE) for freight and passenger transport - based on a short-term regulation of the EU Commission,
- a significant increase in subsidy rates in the short term within the framework of the current aid model for rail freight transport up to
- an increase in equity capital for Rail Cargo Austria.

The aforementioned action and other measures, such as the use of short-time work offered

- by the legislature for 6,156 employees in the ÖBB Group, as well as
- internal cost-cutting measures,

have for the moment mitigated the enormous economic damage caused to the company by several hundred million Euros.

However, cushioning the economic impact of the slump in passenger transport and the decline in freight transport volumes in the crisis year 2020 was only the first step. It will, from the current perspective, take a longer period of time to return to the passenger numbers and transported freight volumes of the pre-corona era. The consequences of the pandemic will therefore continue to occupy the Corporate Affairs department of ÖBB-Holding AG in 2021 and in subsequent years.

Managing topics in Austria

The second central topic of 2020 was climate change and its consequences for society and the economy - although pushed somewhat into the background by COVID-19 compared to previous years. ÖBB was able to position itself more strongly as one of the most important climate protection companies in Austria and to place its concerns for fair competition between rail and road. Two long-standing demands of ÖBB were implemented as part of the eco-tax reform presented at the end of November. They will bring about a significant improvement in the competitive conditions between rail and road: Firstly, the amendment to the Electricity Tax Act exempts the 16.7 Hz traction current that railway companies produce themselves from the own-production electricity tax that has applied up to now. Secondly, the electricity levy on traction current will be reduced from the previous 1.5 cents/kWh to the EU average of 0.18 cents/kWh. Both reforms will come into force in July 2021 and will bring enormous tax savings for the ÖBB Group and the entire rail sector.

In addition, the adoption of the new ÖBB framework plan for the years 2021 to 2026 by the Austrian federal government in October 2020, with a record investment volume of around EUR 17.5 billion, was a first major success in the battle against climate change.

In the area of bus transport - keyword Postbus - ÖBB's Corporate Affairs team focused on direct dialogue with stakeholders at federal, provincial and municipal level in the past year. In this way, the basic supply function of the bus for rural areas and the feeder function of the bus lines to the railway hubs are to be given greater emphasis.

One of the focal points of activities in Austria and Brussels in the field of rail freight transport was the Rail Freight Forward (RFF) project. The current 18 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. The 30% additional increase in transport volumes forecasted by 2030 makes this initiative all the more important.

Furthermore, in the freight sector 2020, ÖBB together with the RFF partners committed to the introduction of the digital automatic coupler (DAC) throughout Europe. The DAC is considered a crucial element for the digitalisation and automation of the European railway system. It is the 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.

Managing topics in Brussels

In March 2020, ÖBB Holding CEO Andreas Matthä took over the chairmanship of the Management Committee of the European Railway Association CER. Since then, the Corporate Affairs team has focused on managing CER's work and supporting the CER Chair in representing European railways in Brussels. Given the COVID-19 crisis, work with and within the CER has been characterised by crisis management and joint efforts to obtain EU support for aid to the rail sector, analogous to the aid measures for the air sector.

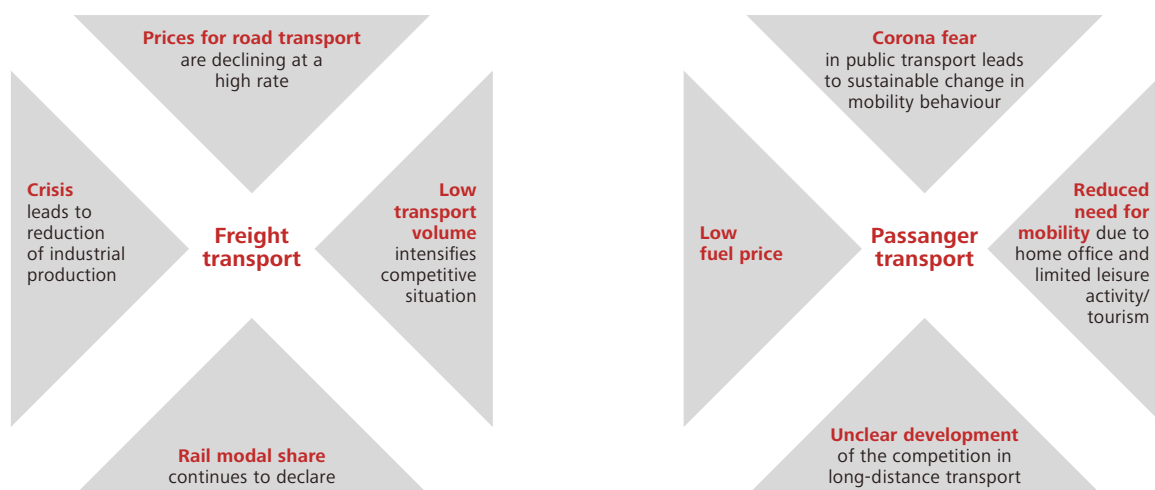
In the course of that, the CER Chair, together with other representatives of the rail (industry) sector, prepared 16 substantive position papers for the EU institutions. In these papers, the demands on the most important economic, legal and operational aspects of the pandemic were presented in detail. In addition, the CER Chair exchanged views on possible relief measures for the railway sector in conference calls with EU Commission Vice-President Frans Timmermans and Transport Commissioner Adina Vălean. Based in no small part on this intensive lobbying by the CER, an initiative was finally taken by the EU Commission to reduce the infrastructure usage charge (IBE) for railway undertakings in freight and passenger transport. For the first time, this allowed the infrastructure usage charge (IBE) to be reduced below the direct infrastructure costs. In December 2020, the EU Commission extended this measure until June 2021.

Corporate affairs activities regarding EU legislation focused on the European Green Deal, the roadmap for sustainable and climate-friendly economic growth. The vision for climate protection and economic growth, which aims to ensure a climate and environmentally friendly Europe by 2050, covers a total of 50 areas. A large number of legal initiatives of relevance to ÖBB were dealt with in Group-wide working groups, such as the strategy for climate protection and CO₂ reduction, the topic of sustainable mobility, the alternative fuels initiative, infrastructure expansion, the Western Balkans partnership, the emissions trading system, the Renewable Energy Directive and the Energy Efficiency Directive. In addition, the Corporate Affairs team actively participated in the European Commission's consultations on Green Deal issues relevant to the railways and drafts amendments in the European Parliament as well as in the EU Council working groups.

Corporate Affairs prepared position papers and arguments on the following areas and presented them to politicians and institutions in Austria and the EU:

- European Climate Change Act (part of the European Green Deal)
- Promote green energy for rail (part of the European Green Deal)
- Sector integration for the railway system
- European measures for improved intermodal rail freight connections to Eastern European Mediterranean ports (part of the European Green Deal)
- Strategy for sustainable and intelligent mobility (part of the European Green Deal)
- Shift more freight onto the rails
- Establish best bidder criteria in the Austrian bus market
- Sustainable implementation of the Clean Vehicles Directive in Austria
- Promote renewable traction current in Austria
- Bolster night trains in Europe

B.3. Market environment



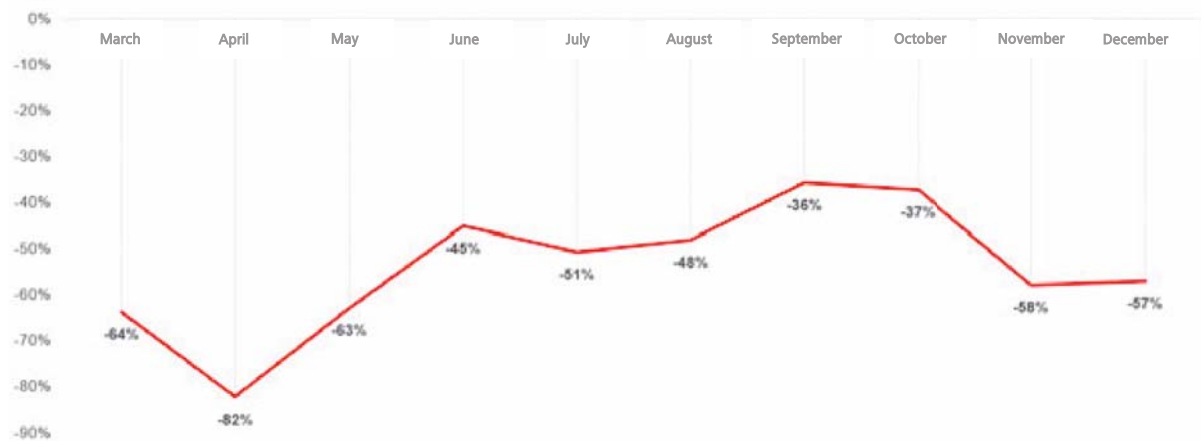
Passenger transport market environment

The development of public passenger transport as well as individual transport in 2020 was characterised by the effects of the coronal pandemic and the associated restrictions on national and cross-border mobility. The first lockdown in spring, for example, resulted in an 82% slump in the number of passengers on the ÖBB network in April alone compared to pre-crisis levels. The transport performance of ÖBB-Personenverkehr decreased by a total of 64.5% in the second quarter compared to the same quarter of the previous year. In comparison, car traffic contracted by only 37.2%. Public transport in Vienna meanwhile even decreased to below 20% of the previous year's level during the first lockdown.²⁶

Following the easing of restrictions over the summer, there was a significant recovery in transport development. Car traffic almost returned to its pre-crisis level in the third quarter.²⁷ The ramp-up in local passenger rail transport, in contrast, was much slower than in long-distance transport until the autumn. This is probably due in part to the increased need for safety in times of the pandemic. That is an implication which may have led to certain substitution effects in favour of the car, especially with regard to commuting. Low fuel prices have supported this development. As a result, the overall level of motorisation in Austria has also increased slightly despite the crisis.²⁸ Commuter traffic, by comparison, is on the decline. Reasons for this are the temporary school closures and the significant increase in home office use during and after the lockdown.²⁹ The slump in tourism and the more difficult conditions in cross-border transport are particularly inhibiting factors in long-distance transport. As a result, the night train connections were also discontinued again in autumn with the renewed increase in the number of infections.³⁰

Monthly development of passenger numbers in the COVID crisis in the ÖBB network

Development relative to reference benchmark at the beginning of March 2020 in %.



Source: ÖBB Infrastruktur AG, passenger flow analysis - passenger frequency, cooperation with A1, Invenium.

The renewed lockdown at the end of the year wiped out a discernible recovery. Passenger rail transport once again was affected much harder than private motorised traffic, albeit to a much lesser extent than in the spring. The decline in rail passenger transport performance in Austria for 2020 as a whole amounts to around 46%, while the decline in passenger car transport performance amounts to around 21%. Whether and to what extent these developments will also bring about sustainable changes in the modal split, however, is hardly possible to evaluate at present.

²⁶ Emberger.

²⁷ Asfinag.

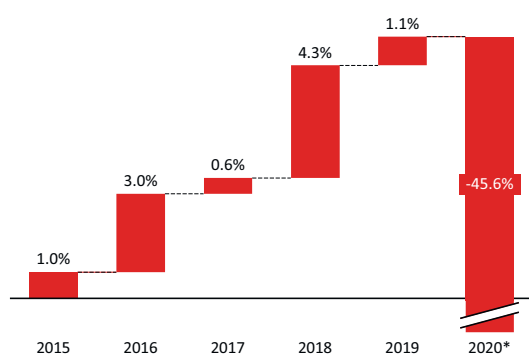
²⁸ Statistik Austria.

²⁹ Emberger.

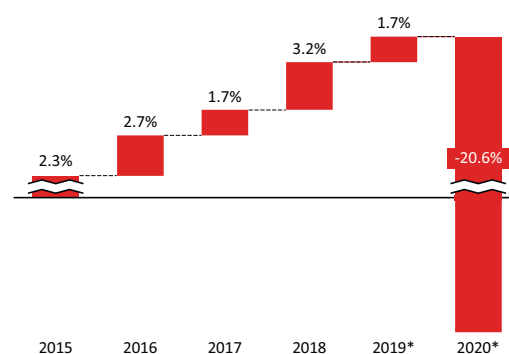
³⁰ Orf.at.

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

Rail passenger traffic (change in %)



Motorised private traffic (change in %)



* Preliminary estimate [data status up to and including 11/2020].

Source: European Commission, Statistics Austria, UIC, ÖBB, ASFINAG, own calculations.

Private competitors in passenger rail transport were also affected by the massive declines in mobility. The public sector has responded with a series of measures to support passenger rail transport in Austria. For example, traffic on the western line between Vienna and Salzburg was regulated by emergency contingency measures for the period from April to the beginning of October. The renewed lockdown extended this emergency allocation from mid-November 2020 until first the beginning of February and then April 2021 (as of the reporting date).³¹ In return for the commissioning of corresponding long-distance services, ÖBB and WESTbahn undertook to mutually recognise each other's tickets and to maintain the service at certain stations. At the same time, the infrastructure usage charge (IBE) for all own-account services on the ÖBB network was waived for the fourth quarter of 2020.³² Despite the crisis, RegioJet has launched a new service and will operate the connection from Prague to Budapest via Brno and Vienna twice daily from July 2020.³³

Rail companies across Europe are also struggling with the consequences of the crisis. For example, passenger transport services at DB and SBB each declined by around 38% in the first half of the year alone. This also affects the economic development of the corporations. DB's turnover declined by almost 12% in the first half of the year, SBB's by 8%. The French State railway SNCF expects a corona-related loss for the full year 2020 of around EUR 3.0 billion.³⁴ The renewed lockdown in the fourth quarter again led to a massive slump in passenger rail transport in Germany. At the end of the year, DB's average load factor was 25% for long-distance services and 35 to 40% for local services.³⁵ As a result of the Corona crisis, DB's competitors in the liberalised regional rail transport sector are also facing existential difficulties. Margins in this area were already at rock bottom before the crisis. It was only possible to maintain the business models by exerting massive cost pressure.³⁶

Accordingly, the individual states have taken measures to support passenger rail transport. This essentially includes the maintenance of procurement contracts and the raising of debt ceilings or assumption of liability. In the case of Deutsche Bahn, the injection of equity capital is also planned. In France, state aid for SNCF is linked to measures for a sustainable modal shift to rail transport. This includes the resumption of night train services to and from France.³⁷

The restrictions, especially on cross-border mobility, have also hit aviation hard. The number of passengers travelling to and from Austria fell by around 77%. Although Vienna Airport has waived landing fees for 2020, numerous airlines are still struggling for economic survival. Rail transport is also directly affected by the reduction in air traffic, as the modal share of rail among airport feeder services was already 45.9% in 2019.³⁸

³¹ APA OTS.

³² Orf.at.

³³ International Railway Journal.

³⁴ IRJ.

³⁵ Handelsblatt

³⁶ Handelsblatt.

³⁷ BAV, Handelsblatt, lok-report.

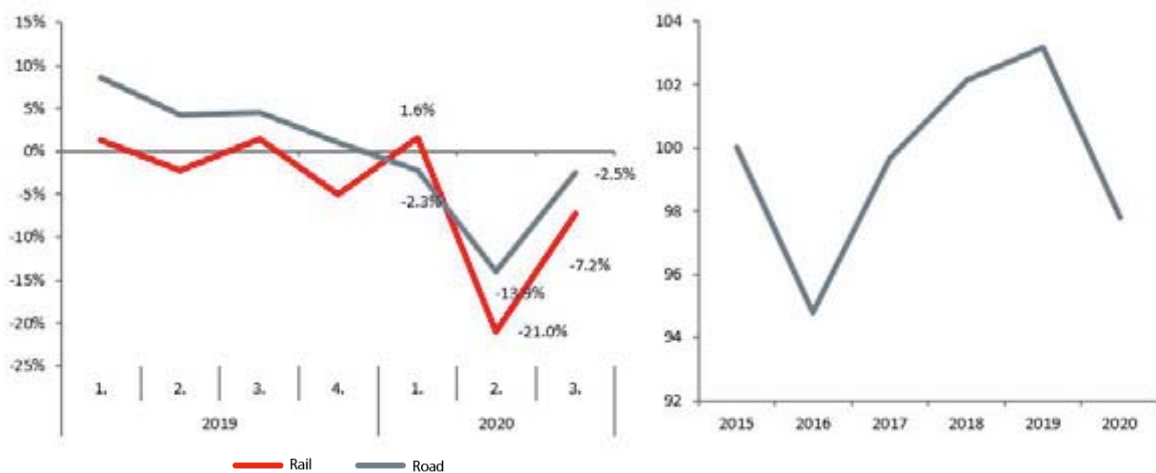
³⁸ Vienna Airport.

Freight transport market environment

Similar to passenger transport, the Corona crisis also hit freight transport hard. The development of railway logistics was already characterised by a cooling of the economy in 2019. In the first months of the pandemic, border and factory closures led to a disruption of global value chains, which abruptly reduced logistics demand. This development quickly had an impact on Austrian freight transport as well. At the peak of the crisis so far in the second quarter of 2020, transport performance fell by 21% on rail and by around 14% on road.³⁹

Development of freight transport performance and prices

Rail and road transport performance (Net tkm, change compared to the same quarter of the previous year in %) Road transport prices (Index 2015 = 100)



* Preliminary estimate [data status up to and including 11/2020].

Source: Eurostat, Statistik Austria, ASFINAG, Timconsult

The overall lower transport volume caused by the economic crisis subsequently intensified competition in freight transport. This led to rapidly falling transport prices in road freight transport. In 2020, they were almost as low as in 2016.⁴⁰ In this price-competitive environment, the decline in the modal share of freight railways in Austria continued in 2020. It is currently estimated that the modal share will be around 28% in 2020, having fallen below the 30% mark for the first time in 2018.⁴¹

Despite this trend, Austria is still among the European leaders in terms of modal share. By way of comparison: In the EU, the average modal share of rail was 17.8% in 2018, according to the most recent figures.⁴² However, current political measures such as the European Commission's Green Deal give reason to hope that the modal share of rail in freight transport could gain in importance as a political parameter.⁴³ Measures in connection with combating the current economic crisis, such as the reimbursement of the infrastructure usage charge in Austria, could also contribute to a trend reversal here.⁴⁴

A look at the developments of the past years shows the different starting situations of road and rail freight transport in the crisis. According to current estimates, freight transport performance on the roads will slump by 4.7% in 2020, falling back to its 2018 level. In contrast, rail freight transport has lost all the gains of recent years. The currently estimated 6% slump in transport performance by rail brings the sector back below its 2015 level.⁴⁵

³⁹ Statistik Austria, ASFINAG.

⁴⁰ Timconsult.

⁴¹ Statistik Austria, Eurostat, own calculations.

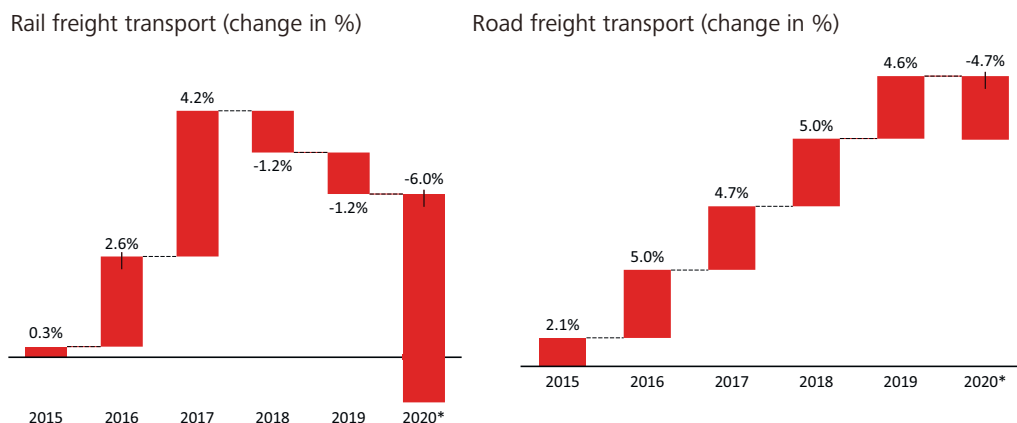
⁴² Eurostat, own calculations

⁴³ European Commission.

⁴⁴ Der Standard.

⁴⁵ Statistik Austria, ASFINAG.

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



* Preliminary estimate (data status up to and including 11/2020).

Source: Statistik Austria, ASFINAG, ÖBB Infrastruktur, own calculations.

A look at other European countries in which Rail Cargo Group operates shows however, that the reduction in freight transport performance is unevenly distributed. Austria, for example, tops the list with a decline of -21% in the second quarter, followed by -17.9% in Italy and -14.9% in Germany. In some Eastern European countries, on the other hand, there were even increases in the second quarter, for example of 9.2% in Hungary. This is attributable to the fact that the previous year's quarter, which is used here for comparison, was already very weak in Hungary due to the decline in industrial production.⁴⁶

A trend that has continued in 2019 is the increase in the market share of private freight railways in Austrian rail freight transport. Rail Cargo Group's market share has declined to 68.2% due to increasing competition in the block train business, which is easier to provide in terms of production.⁴⁷ Single wagon transport, which is particularly relevant for medium-sized companies, is almost exclusively provided by ÖBB.⁴⁸

Market environment

The Federal Railways Act stipulates that the six-year framework plan for planned investments in rail infrastructure must be adjusted annually. The update of the year 2020 indicates a total investment volume of around EUR 17.5 billion is planned from 2021 to 2026 - including the Austrian share in the Brenner Base Tunnel.⁴⁹ The framework plan follows the guiding strategy for the expansion of the ÖBB network. A central requirement is to create the conditions for the gradual introduction of a regular timetable in passenger transport. Furthermore, the requirements for the railway system of the European Union are to be taken into account, including cooperation with neighbouring third countries.

The ongoing Brenner Base Tunnel project and its access lines are of primary international importance. Final adjustments to the planning for the four-track expansion in the Wörgl area were agreed on the Austrian side for the northern approach in 2020. The regional planning procedure for the route selection has begun on the German side.⁵⁰ The greatest international importance in eastern Austria is accorded to the Baltic-Adriatic axis with its ongoing construction projects, the Semmering base tunnel and the Koralm railway, in addition to the central Danube axis.

⁴⁶ Eurostat.

⁴⁷ Rail Network -Control.

⁴⁸ Rail Network -Control.

⁴⁹ Parliament.

⁵⁰ Brennernordzulauf.eu.

Several other rail connections to our neighbouring countries will be upgraded and expanded in the coming years in accordance with the framework plan:⁵¹

- Expansion of the northern railway between Vienna and the Czech border
- Electrification of the line from Wiener Neustadt to the Hungarian border at Schattendorf and electrification of the Steiermark Ostbahn to the Hungarian border at Jennersdorf
- Upgrading of the railway connections between Vienna and Bratislava through electrification and full double-track upgrading of the Vienna - Marchegg line as well as full double-track upgrading between Parndorf and the national border at Kittsee
- Modernisation of the Karavanke Tunnel between Kärnten and Slovenia
- Upgrading of the Wels - Passau line (including equipping with the European Train Control System ETCS L2)
- Double-track extension of the line between Lauterach and St. Margrethen (Switzerland)

The latter connection is part of the main line between Munich and Zurich. This line has been electrified throughout since December 2020. This makes it an attractive express train line from Munich to Vorarlberg and on to Switzerland. In addition, it could also develop into a freight access line for the new transalpine railway line (NRLA) through the Gotthard. The NRLA (NEAT) was completed on schedule in September 2020 with the opening of the Ceneri Base Tunnel.⁵²

Infrastructure measures are also being implemented in the east and south-east of Austria that have an impact on rail transport to and through Austria. In Slovenia, the railway line between Maribor/Maribor and the Austrian border will be upgraded for higher axle loads and capacities by 2023. This will significantly improve the accessibility of the Slovenian Adriatic port of Koper by rail. In addition, the line between Koper and Divača will be upgraded to double track. Following the invitation to tender in 2020, the construction sections will be awarded in spring 2021.⁵³

The connection between Budapest and Belgrade/Beograd will be upgraded to a high-capacity line by 2025 as an extension of the Danube axis in the direction of Turkey and Greece. In Serbia, construction work has been underway since 2019. A first section will be completed by the Russian company RZD International at the end of 2021. A Chinese-Hungarian consortium was commissioned with the expansion of the Hungarian section of the line in 2019. In April 2020, the related loan agreement was signed between Hungary and Chinese lenders.⁵⁴

COVID-19 only briefly affected ongoing construction work on the ÖBB network. Conversely, network utilisation was noticeably reduced in 2020. Measured in gross tonnage-kilometres, passenger transport reduced by 9% and freight transport by 6% compared to the previous year. The strongest declines were recorded in April - with 36% in passenger and 25% in freight transport. In the fourth quarter of 2020, freight rail transport even exceeded its previous year's value with growth of around 6% despite renewed lockdowns. Passenger transport, on the other hand, was about 5% below the previous year's level.⁵⁵

The challenges posed by the pandemic led to the implementation of numerous measures to protect staff and contain the spread of the virus. An internal "Corona-traffic light" has been set up for this purpose, which is coordinated with the State traffic light. Each traffic light colour is linked to specific targets in terms of attendance rates, reduction of participants in attendance meetings, increased cleaning and visitor restrictions, etc. Where telework is possible without jeopardising the maintenance of railway operations, the "COVID-19- conditional" telework scheme has been introduced in order to avoid direct contact as far as possible. A lot of information and tips on the topics of "digital, healthy and social work" have been made available on the Group's intranet in order to offer support to employees in this extraordinary situation. Regular information is also available on the intranet on rules of conduct, hygiene recommendations and news on the page "INFRA.gegenCorona".

⁵¹ BMK.

⁵² Swiss Federal Transport Office.

⁵³ Railway Pro.

⁵⁴ Railway Pro.

⁵⁵ ÖBB Infrastruktur.

C. Economic report and outlook

The 2020 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.

C.1. Revenues

Structure of revenues by sub-group in EUR million	2020	2019	Change	Change in %
ÖBB-Personenverkehr sub-group	2,136.9	2,278.4	-141.5	-6%
Rail Cargo Austria sub-group	2,196.6	2,308.2	-111.6	-5%
ÖBB-Infrastruktur sub-group	899.4	1,023.5	-124.1	-12%
ÖBB-Holding AG and other companies	1,266.1	1,289.9	-23.8	-2%
less consolidation of sub-groups	-2,415.9	-2,494.9	79.0	3%
Group revenue acc. to Consolidated Financial Statements	4,083.1	4,405.1	-322.0	-7%
Other income (consolidated)	2,641.2	2,540.0	101.2	4%
Total income	6,724.3	6,945.1	-220.8	-3%
Total revenue per employee in thousands EUR	154	162	-8	-5%

An increase in the average number of staff from 42,982 to 43,564 saw the ratio of total income per employee⁵⁶ fall to around KEUR 154 (py: around KEUR 162). The foreign share of consolidated Group sales revenues amounts to around EUR 1,090.7 million (py: around EUR 1,249.3 million) approximately 27% (py: 28%).

Revenue development of the ÖBB-Personenverkehr sub-group

Overview	2020	2019	Change	Change in %
Revenue in EUR million	2,136.9	2,278.4	-141.5	-6%
<i>of which traffic service orders of the federal government</i>	<i>1,187.9</i>	<i>756.0</i>	<i>431.9</i>	<i>57%</i>
<i>of which traffic service orders of the countries and communities</i>	<i>256.7</i>	<i>388.3</i>	<i>-131.6</i>	<i>-34%</i>
Other income in EUR million	44.1	23.7	20.4	86%
Total income in EUR million	2,181.0	2,302.1	-121.1	-5%

Revenue for the financial year 2020 amounted to around EUR 2,136.9 million (py: around EUR 2,278.4 million). That is a reduction of 6%. The foreign share of consolidated sales revenue amounted to around EUR 115.9 million (py: around EUR 213.8 million) at about 5% (py: 9%). The share of foreign sales revenue therefore reduced by around EUR 97.9 million or 46%.

Around EUR 1,187.9 million (py: around EUR 756.0 million) of the revenue results from transport service orders placed by the Federal Government, around EUR 256.7 million (py: around EUR 388.3 million) from transport service orders by federal states and local authorities.

Passengers in million	2020	2019	Change	Change in %
Long-distance railway transport	20.6	38.2	-17.6	-46%
Short-distance railway transport	142.2	228.4	-86.2	-38%
Total railway	162.8	266.6	-103.8	-39%
Bus	123.7	210.2	-86.5	-41%
Total	286.5	476.8	-190.3	-40%

The effects of the COVID-19 pandemic caused the ÖBB Personenverkehr sub-group to record a decline in the number of rail passengers to around 162.8 million (py: around 266.6 million), and total revenue reduced by 5%. Passenger numbers in the bus division also recorded a sharp decline to around EUR 123.7 million persons (py: around 210.2 million persons).

⁵⁶ Total revenue per employee: Total income/average number of employees.

Revenue development of the Rail Cargo Austria sub-group

Overview	2020	2019	Change	Change in %
Net tonnes transported (millions, consolidated)	95.3	105.3	-10.0	-9%
Revenue in EUR million	2,196.6	2,308.2	-111.6	-5%
<i>thereof public services contracted by the federal government</i>	92.3	83.3	9.0	11%
Other income in EUR million	68.2	64.5	3.7	6%
Total income in EUR million	2,264.8	2,372.7	-107.9	-5%

Total revenues in the Rail Cargo Austria sub-group declined to around EUR 2,264.8 million (py: around EUR 2,372.7 million). The foreign share of consolidated sales amounts to around EUR 944.8 million (py: around EUR 998.5 million) as in the previous year at 43%. The share of foreign sales revenue therefore declined by around EUR 53.7 million or 5%. In the previous year, they increased by around EUR 31.3 million or 3%.

In total, the Rail Cargo Austria sub-group's sales revenue declined to around EUR 2,196.6 million (py: around EUR 2,308.2 million). Around EUR 92.3 million or 4% of revenue (py: around EUR 83.3 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 around EUR 468.9 million (py: around EUR 437.5 million).

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

The Rail Cargo Austria sub-group recorded a decline in consolidated freight transport volume in the year under review compared to the previous year of around EUR 105.3 million to around EUR 95.3 million tonnes.

	Conventional full-load transport		Unaccompanied combined transport		Combined road/railway transport		Total	
Net tonnes transported in mil.	2020	2019	2020	2019	2020	2019	2020	2019
Rail Cargo Austria AG excl. abroad	49.1	54.8	13.9	14.1	5.3	5.4	68.3	74.3
Rail Cargo Austria AG abroad	13.2	17.0	5.7	5.4	0.1	0.4	19.0	22.8
Rail Cargo Hungaria Zrt.	24.8	27.7	2.5	2.5	0.0	0.0	27.3	30.2
Rail Cargo Carrier – Bulgaria EOOD	0.0	0.0	0.5	0.4	0.0	0.0	0.5	0.4
Rail Cargo Carrier – Croatia d.o.o.	2.2	1.8	0.1	0.0	0.0	0.0	2.3	1.8
Rail Cargo Carrier – Czech Republic s.r.o.	2.7	2.1	0.5	1.0	0.0	0.0	3.2	3.1
Rail Cargo Carrier – Germany GmbH	2.9	3.0	1.4	0.7	0.0	0.0	4.3	3.7
Rail Cargo Carrier – Italy s.r.l.	2.2	1.7	2.4	1.9	0.1	0.4	4.7	4.0
Rail Cargo Carrier – Romania s.r.l.	0.6	0.7	0.5	0.5	0.0	0.0	1.1	1.2
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	2.0	0.3	0.3	0.0	0.0	2.5	2.3
Rail Cargo Carrier – Poland Sp. z o.o.	0.0	0.0	0.3	0.0	0.0	0.0	0.3	0.0
Total not consolidated	100.0	110.9	28.7	27.4	5.5	6.2	134.2	144.5
less intra-group transports	-26.3	-27.3	-12.3	-11.1	-0.3	-0.8	-38.9	-39.2
Total consolidated	73.7	83.6	16.4	16.3	5.2	5.4	95.3	105.3

Revenue development of the ÖBB-Infrastruktur sub-group

Overview	2020	2019	Change	Change in %
Train-kilometers (millions)	146.9	156.4	-9.5	-6%
Total gross tonnage-kilometers (millions)	73,161.2	78,698.0	-5,536.8	-7%
Self-generated traction power from ÖBB power plants	699	722	-23	-3%
Traction power from overhead contact line in GWh	1,662	1,830	-168	-9%
Floor space incl. exterior spaces rented out in thousands m ²	2,633	2,672	-39	-1%
Revenue in EUR million	899.4	1,023.5	-124.1	-12%
Other income in EUR million	2,429.6	2,356.7	72.9	3%
Total income in EUR million	3,329.0	3,380.2	-51.2	-2%

Revenue of the sub-group amounted to around EUR 899.4 million (py: around EUR 1,023.5 million). Of this amount, around EUR 658.8 million (py: around EUR 714.0 million) were attributable to companies of other ÖBB sub-groups. Revenues are mainly generated in Austria. Only turnover in the amount of around EUR 21.4 million (py: around 27.3 million) were generated with foreign companies. These mainly relate to energy deliveries and the infrastructure usage charge.

Compared to the previous year, performance per train-kilometre declined to around 146.9 million train-km (py: around 156.4 million train-km).

**Development of train-kilometers
by type of transport** in mil.

	2020	2019	Change	Change in %
Passenger transport	101.1	107.6	-6.5	-6%
<i>thereof ÖBB Group</i>	97.2	99.2	-2.0	-2%
Goods transport	38.6	41.5	-2.9	-7%
<i>thereof ÖBB Group</i>	27.1	30.4	-3.3	-11%
Service trains and light engines	7.2	7.3	-0.1	-1%
<i>thereof ÖBB Group</i>	5.3	5.5	-0.2	-4%
Total	146.9	156.4	-9.5	-6%
<i>thereof ÖBB Group</i>	129.6	135.1	-5.5	-4%

The total gross tonnage kilometres in the financial year 2020 declined by around 5,536.8 million GTkm. While in the financial year 2019 around 17.0 billion GTkm or 22% of the total volume was accounted for by external railway undertakings, this figure for 2020 was around 16.2 billion GTkm, which corresponds to 22% of the total volume.

**Development of gross tonnage-kilometers
by type of transport** in mil.

	2020	2019	Change	Change in %
Passenger transport	28,380.1	31,111.8	-2,731.7	-9%
<i>thereof ÖBB Group</i>	27,177.6	28,553.1	-1,375.5	-5%
Goods transport	43,709.3	46,499.7	-2,790.4	-6%
<i>thereof ÖBB Group</i>	28,992.5	32,292.1	-3,299.6	-10%
Service trains and light engines	1,071.8	1,086.5	-14.7	-1%
<i>thereof ÖBB Group</i>	840.2	855.0	-14.8	-2%
Total	73,161.2	78,698.0	-5,536.8	-7%
<i>thereof ÖBB Group</i>	57,010.3	61,700.2	-4,689.9	-8%

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

The electric power sector developed as follows:

Traction power in GWh	2020	2019	Change	Change in %
Self-generated traction power from ÖBB power plants	699	722	-23	-3%
Consumption of traction power from the overhead contact line	1,662	1,830	-168	-9%

In the 2020 financial year, power plants owned by the ÖBB-Infrastruktur sub-group produced around 699 GWh (py around: 722 GWh) of traction current.

The rentable space developed as follows:

Floor space incl. rentable exterior spaces in thousand m ²	2020	2019	Change	Change in %
Usage by external parties (outside the Group)	675	623	52	8%
Usage by ÖBB Group companies other than ÖBB-Infrastruktur AG	238	321	-83	-26%
Usage by ÖBB-Infrastruktur AG	556	556	0	0%
Vacant and public space	1,146	1,153	-7	-1%
Floor space	2,615	2,653	-38	-1%
Exterior spaces rented out	18	19	-1	-5%
Total portfolio	2,633	2,672	-39	-1%

The floor area of buildings, including the rentable exterior spaces, amounted to around 2.6 million m² (py: around 2.7 million m²). Around a quarter of this space is leased externally. The remainder is used by the ÖBB-Infrastruktur sub-group itself, rented within the group or relates to 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	1,187.8	92.3	-
	(py: 756.0)	(py: 83.3)	-
Transport service orders with provinces and communities	256.7	-	-
	(py: 388.3)	-	-
Infrastructure operations	-	-	469.6
	-	-	(py: 530.4)
Repair and investment	-	-	1,547.2
	-	-	(py: 1,461.5)
Total	1,444.5	92.3	2,016.8
	(py: 1,144.3)	(py: 83.3)	(py: 1,991.9)

The ÖBB-Personenverkehr sub-group 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. The ÖBB-Personenverkehr sub-group 2020 received around EUR 1,187.8 million (py: around EUR 756.0 million) and from federal states and local authorities around EUR 256.7 million (py: EUR 388.3 million). The increase in compensation for services mainly relates to additional orders for services, fleet changes and valourisations.

The Rail Cargo Austria sub-group 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 around EUR 92.3 million (py: around EUR 83.3 million).

The increase in contributions from the federal government to ÖBB-Infrastruktur AG is mainly due to investment activities. 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 2020, this federal contribution will amount to around EUR 969.8 million (py: around EUR 892.4 million). Maintenance (inspection, servicing, fault clearance and repair) of the infrastructure is subsidised by the federal government in the amount of around EUR 577.3 million (py: around EUR 569.1 million).

In addition, the federal government provides a subsidy for the operation of the infrastructure amounting to around EUR 469.6 million (py: around EUR 530.4 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 lead to a decrease compared to the previous year.

C.2. Results of operations

Results of operations of the ÖBB Group

The ÖBB Personenverkehr sub-group sustained a decline in earnings compared to the previous year. The COVID-19 pandemic and the associated decline in passenger numbers caused a significant downturn in fare revenues both at home and abroad. Travel behaviour of customers was noticeably restricted due to exit restrictions and border closures. Service expansions on both rail and road, which result from an increase in the number of tenders won by Postbus, lead to higher order charges.

The business performance of the Rail Cargo Austria sub-group was also affected by the corona crisis, which led to significant declines in revenue in Austria and abroad from March onwards. The railway logistics companies operating on the logistics market in particular suffered a slump in volume and sales, while the technical services companies, which primarily provide services for the ÖBB Group, were able to increase their sales compared to the previous year. Comprehensive countermeasures enabled the result of the Rail Cargo Austria sub-group to remain at the previous year's level, despite lower revenue overall.

The ÖBB-Infrastruktur sub-group also shows a decline in results compared to the previous year. This is mainly due to the revenue declines caused by volume effects in connection with the COVID-19 pandemic.

Overview	2020	2019	Change	Change in %
EBIT ⁵⁷ in EUR million	624.6	755.0	-130.4	-17%
EBIT margin ⁵⁸ in %	9.3%	10.9%	-1.6%	-15%
EBITDA ⁵⁹ in EUR million	1,848.6	1,945.6	-97.0	-5%
EBT in EUR million	58.6	168.5	-109.9	-65%
Return on equity ⁶⁰ in %	2.1%	6.4%	-4.3%	-67%
Return on assets ⁶¹ in %	1.9%	2.4%	-0.5%	-21%

At around EUR 6,724.3 million (py: around EUR 6,945.1 million), a slight decrease in total income was recorded compared to the previous year. EBIT declined in the reporting year to around EUR 624.6 million (py: around EUR 755.0 million). As a result, the EBIT margin deteriorated from 10.9% in the previous year to 9.3%. EBITDA declined in the reporting year by 5% to around EUR 1,848.6 million (py: around EUR 1,945.6 million). After a result of around EUR 168.5 million in the previous year, EBT of around EUR 58.6 million is reported. This corresponds to a decrease of around EUR 227.1 million compared to the previous year. Return on equity was 2.1% (py: 6.4%), return on assets 1.9% (py: 2.4%).

Structure of the Consolidated Income Statement in EUR million	2020	in % of total income	2019	in % of total income	Change	Change in %
Revenue	4,083.1	61%	4,405.1	63%	-322.0	-7%
Other own work capitalised	444.3	7%	421.2	6%	23.1	5%
Other income and increase/decrease of inventories	2,196.9	33%	2,118.8	31%	78.1	4%
Total income	6,724.3	100%	6,945.1	100%	-220.8	-3%
Cost of materials	379.8	6%	406.3	6%	-26.5	-7%
Purchased services	1,313.8	20%	1,375.1	20%	-61.3	-4%
Personnel expenses	2,742.9	41%	2,742.4	40%	0.5	0%
Amortisation (incl. impairment)	1,224.0	18%	1,190.6	17%	33.4	3%
Other operating expenses	439.2	7%	475.7	7%	-36.5	-8%
Total expenses	6,099.7	91%	6,190.1	89%	-90.4	-1%
EBIT	624.6	9%	755.0	11%	-130.4	-17%
Financial result	-566.0	-8%	-586.5	-8%	20.5	3%
EBT	58.6	1%	168.5	2%	-109.9	-65%

⁵⁷ EBIT corresponds to operating profit (not including earnings of investments accounted for using the equity method) in the consolidated income statement.

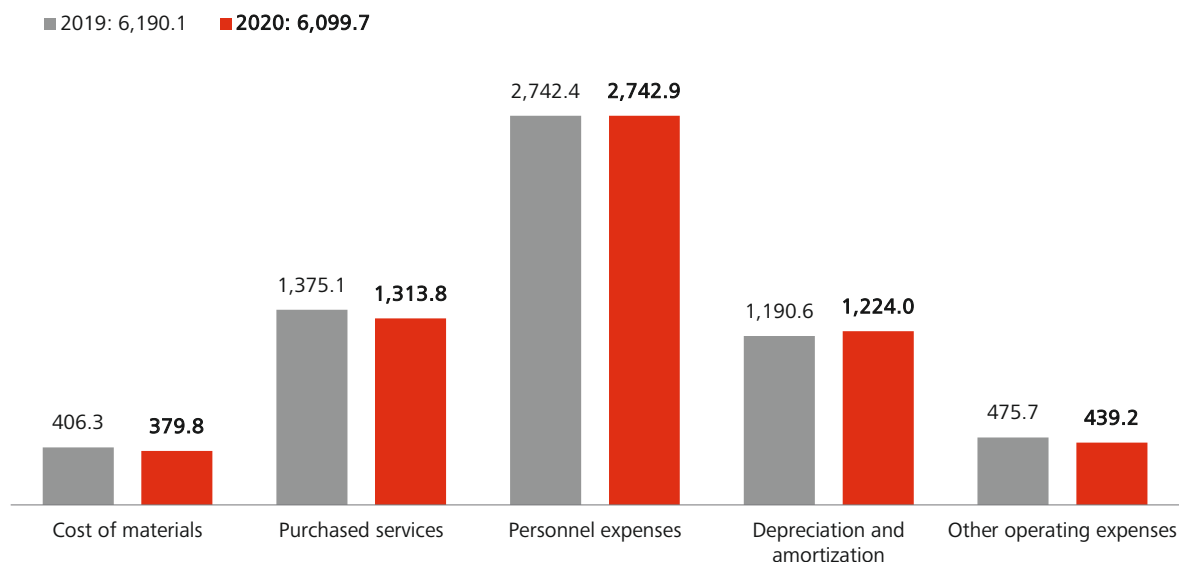
⁵⁸ EBIT margin: EBIT/total income.

⁵⁹ EBITDA: EBIT + depreciation and amortisation.

⁶⁰ Return on equity: EBT/shareholders' equity.

⁶¹ Return on total assets: EBIT/total capital.

Development of operating expenses in EUR million



Total expenses declined in the financial year 2020 by around EUR 90.4 million to around EUR 6,099.7 million (py: around EUR 6,190.1 million).

Compared to the previous year, the personnel expenses of around EUR 2,742.9 million in the reporting year (py: around EUR 2,742.4 million) remained almost constant and continue to be the largest expense category. Average personnel expenses per employee amounts to around KEUR 63 (py: around KEUR 64). The personnel intensity⁶² - the ratio of personnel expenses to total income - was also kept almost constant at 41% (py: 40%). 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 declined to around EUR 379.8 million (py: around EUR 406.3 million). This item includes expenses for externally purchased traction current of around EUR 92.1 million (py: around EUR 101.1 million) and expenses for liquid fuels amounting to around EUR 63.7 million (py: around EUR 80.9 million).

The cost of purchased services amounts to around EUR 1,313.8 million (py: around EUR 1,375.1 million) and 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 around EUR 33.4 million to around EUR 1,224.0 million (py: around EUR 1,190.6 million).

A reduction was achieved in commissions (-56% to around EUR 6.3 million), in expenses for information technology and office requirements (-15% to around EUR 30.4 million), in miscellaneous other expenses (-9% to around EUR 239.8 million) and taxes and levies (-4% to around EUR 46.8 million). Conversely, an increase was recorded in rental, leasing and licence expenses (18% to around EUR 14.9 million) and in operating costs (1% to around EUR 101.0 million). In total, other operating expenses reduced by around EUR 36.5 million or 8% to around EUR 439.2 million (py: around EUR 475.7 million).

The ÖBB Group recorded a negative financial result for the 2020 financial year of around EUR 566 million (py: around EUR 586.5 million). The interest expense amounts to around EUR 572.3 million (py: around EUR 618.7 million).

⁶² Payroll ratio: Personnel expenses/total income.

Results of operations of the ÖBB-Personenverkehr sub-group

Overview	2020	2019	Change	Change in %
Revenue in EUR million	2,136.9	2,278.4	-141.5	-6%
Total income in EUR million	2,181.0	2,302.1	-121.1	-5%
Total expenses in EUR million	-2,133.9	-2,162.6	28.7	1%
EBIT in EUR million	47.1	139.6	-92.5	-66%
EBIT margin in %	2.2%	6.1%	-3.9%	-64%
EBITDA in EUR million	230.0	327.0	-97.0	-30%
Financial result in EUR million	-40.8	-39.5	-1.3	-3%
EBT in EUR million	6.3	100.1	-93.8	94%
Return on equity in %	0.5%	8.5%	-8.0%	-94%
Return on assets in %	1.0%	3.4%	-2.4%	-71%

The ÖBB-Personenverkehr sub-group recorded a revenue decrease of 6% in the reporting year to around EUR 2,136.9 million (py: around EUR 2,278.4 million).

The personnel expenses of the sub-group in the financial year 2020 amounted to around EUR 410.3 million (py: around EUR 415.9 million), which corresponds to a decline of around EUR 5.6 million. Average personnel expenses per employee amount to around KEUR 57 (py: around KEUR 59). Personnel expenses account for 19% of the total income (py: 18%). The cost of materials amounted to around EUR 110.6 million (py: around EUR 125.9 million). This includes, among other things, expenses for traction current amounting to around EUR 43.4 million (py: around EUR 43.7 million) and for liquid fuels in the amount of around EUR 36.6 million (py: around EUR 46.6 million). The services purchased increased by 4% compared to the previous year to around EUR 1,252.0 million (py: around EUR 1,207.7 million). This item includes fees for vehicle rentals amounting to around EUR 93.1 million (py: around EUR 95.3 million), transport services of around EUR 511.0 million (py: around EUR 495.4 million) and infrastructure usage charges for third-party railways of around EUR 331.5 million (py: around EUR 292.0 million). The ratio of cost of materials and purchased services amounted to 62% of the total income (py: 57%).

Revenue development of the Rail Cargo Austria sub-group

Overview	2020	2019	Change	Change in %
Revenue in EUR million	2,196.6	2,308.2	-111.6	-5%
Total income in EUR million	2,264.8	2,372.7	-107.9	-5%
Total expenses in EUR million	-2,230.2	-2,345.9	115.7	5%
EBIT in EUR million	34.6	26.8	7.8	29%
EBIT margin in %	1.5%	1.1%	0.4%	36%
EBITDA in EUR million	167.3	154.7	12.6	8%
Financial result in EUR million	-27.0	-21.7	-5.3	-24%
EBT in EUR million	7.6	5.1	2.5	49%
Return on equity in %	3.4%	3.0%	0.4%	13%
Return on assets in %	1.5%	1.2%	0.3%	25%

In the year under review, Rail Cargo Austria sub-group recorded an increase in EBIT to around EUR 34.6 million (py: around EUR 26.8 million). This corresponds to an improvement of around EUR 7.8 million). A slight decline in total income to around EUR 2,264.8 million (py: around EUR 2,372.7 million) results in an EBIT margin of 1.5% after 1.1% in the previous year. The financial result showed a decline from around EUR -21.7 million in the previous year to around EUR -27.0 million. Consequently, an EBT is recognised for 2020 in the amount of EUR 7.6 million (py: around EUR 5.1 million) is disclosed. The return on assets was 1.5% (py: 1.2%) and EBITDA was around EUR 167.3 million (py: around EUR 154.7 million).

Total expenses of the Rail Cargo Austria sub-group amounted to around EUR 2,230.2 million, 5% lower than in the previous year (py: around EUR 2,345.9 million). The largest expense category is the cost of purchased services. This declined by 10% in the reporting year to around EUR 1,229.3 million (py: around EUR 1,370.9 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 around EUR 462.3 million (py: around

EUR 466.8 million), and the average personnel expenses per employee of around KEUR 50 in the previous year to around KEUR 49. Personnel expenses accounted for 20% of total income as in the previous year. The total cost of materials and purchased services corresponds to 63% (py: 66%) of the total income.

Results of operations of the ÖBB-Infrastruktur sub-group

Overview	2020	2019	Change	Change in %
Revenue in EUR million	899.4	1,023.5	-124.1	-12%
Total income in EUR million	3,329.0	3,380.2	-51.2	-2%
Total expenses in EUR million	-2,838.2	-2,805.0	-33.2	-1%
EBIT in EUR million	490.8	575.2	-84.4	-15%
EBIT margin in %	14.7%	17.0%	-2.3%	-14%
EBITDA in EUR million	1,331.2	1,386.0	-54.8	-4%
Financial result in EUR million	-480.6	-536.9	56.3	10%
EBT in EUR million	10.2	38.3	-28.1	-73%
Return on equity in %	0.7%	2.7%	-2.0%	-74%

The total income of the ÖBB-Infrastruktur sub-group in the year under review amounted to around EUR 3,329.0 million in the reporting year (py: around EUR 3,380.2 million). Given an average number of employees of 18,529 (py: 18,359 employees), this represents earnings of around KEUR 180 (py: around KEUR 184) per employee. This results in a decrease in total income by around EUR 51.2 million or 2% compared to the year 2019.

The ÖBB-Infrastruktur sub-group achieved 2020 EBIT of around EUR 490.8 million (py: around EUR 575.2 million) with an EBIT margin of 14.7% (py: 17.0%).

The ÖBB-Infrastruktur sub-group achieved a negative financial result in the reporting year of around EUR 480.6 million (py: around EUR 536.9 million). EBT 2020 amounted to around EUR 10.2 million (py: around EUR 38.3 million).

The sub-group's total expenses decreased by 2020 to around 1%. EUR 2,838.2 million in the reporting year (py: around EUR 2,805.0 million).

The largest expense item is 2020 personnel expenses, which rose by 1% to around EUR 1,228.5 million (py around: EUR 1,217.4 million). As in the previous year, the average personnel expenses per employee were as follows around KEUR 66. This results in personnel expenses accounting for 37% (py: 36%) of the sub-group's total income.

The second largest expense item is depreciation and amortisation due to the operational responsibility of the sub-group. The increased investment activity in previous years led to an increase in this item from 4% to around EUR 840.5 million (py: around EUR 810.8 million).

Cost of materials and purchased services accounted for 14% (py: 13%) of total income.

C.3. Net assets and financial position

Net assets and financial position of the ÖBB Group

Overview	Dec 31, 2020	Dec 31, 2019	Change	Change in %
Total assets in EUR million	33,103.2	31,254.4	1,848.8	6%
PP&E-to-total-assets ratio ⁶³ in %	90%	90%	0%	0%
PP&E-to-net-worth ratio ⁶⁴ in %	9%	9%	0%	0%
PP&E-to-net-worth ratio II ⁶⁵ in %	92%	92%	0%	0%
Working capital ⁶⁶ in EUR million	-108.6	-47.6	-61.0	<100%
Equity ratio ⁶⁷ in %	8.4%	8.5%	-0.1%	-1%
Cash-effective change of funds in EUR million	-280.4	-158.5	-121.9	-77%

⁶³ PP&E-to-total-assets ratio: Property, plant and equipment/total assets.

⁶⁴ PP&E-to-net-worth ratio: Equity / Property, plant and equipment.

⁶⁵ PP&E-to-net-worth ratio II: (equity + non-current liabilities)/property, plant and equipment.

⁶⁶ Working Capital: Inventories (excl. realisable objects and advance payments on orders) + trade receivables - trade payables.

⁶⁷ Equity ratio: Equity / total capital.

**Structure of the Consolidated
Statement of Financial Position**
in EUR million

	31.12.2018	Dec 31, 2019	Structure 2019	Dec 31, 2020	Structure 2020	Change from 2019 to 2020
Property, plant and equipment	26,808.7	28,245.8	90%	29,846.7	91%	1,600.9
Other non-current assets	1,577.3	1,721.3	6%	1,808.9	5%	87.6
Current assets	1,323.9	1,287.3	4%	1,447.6	4%	160.3
Total assets	29,709.9	31,254.4	100%	33,103.2	100%	1,848.8
Shareholders' equity	2,528.7	2,644.8	9%	2,767.7	8%	122.9
Financial liabilities	24,146.3	25,342.7	81%	26,666.3	81%	1,323.6
Other liabilities	3,034.9	3,266.9	10%	3,669.2	11%	402.3

Assets

In the year under review, the ÖBB Group's total assets increased by 6% to around EUR 33,103.2 million (py: around EUR 31,254.4 million), mainly due to investments in property, plant and equipment.

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.

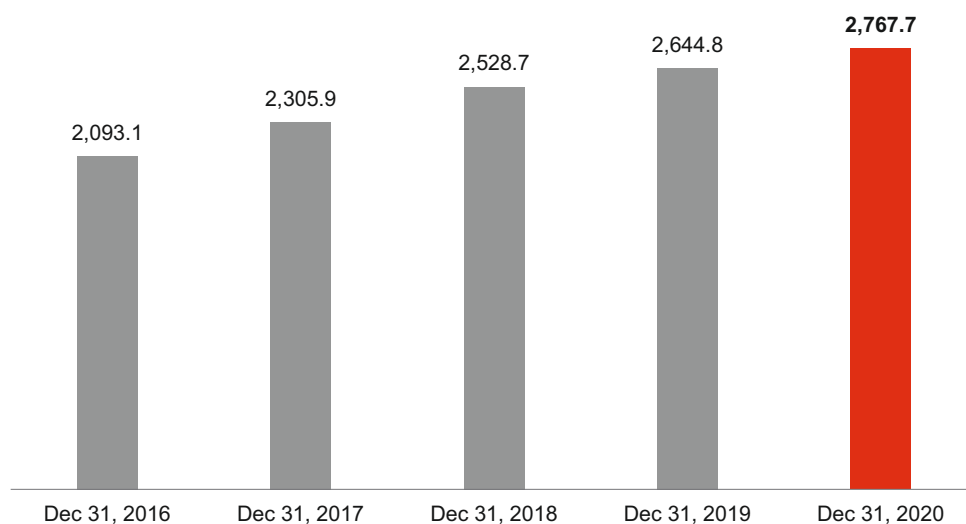
The property, plant and equipment coverage ratio was 9% as at 31.12.2020 as in the previous year. Taking into account the non-current liabilities, the property, plant and equipment coverage ratio II is 92%, as in the previous year.

Working capital amounts to around EUR -108.6 million (py: around EUR -47.6 million).

Liabilities and shareholders' equity

As at 31.12.2020, the ÖBB Group has an equity ratio of 8.4% (py: 8.5%). 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

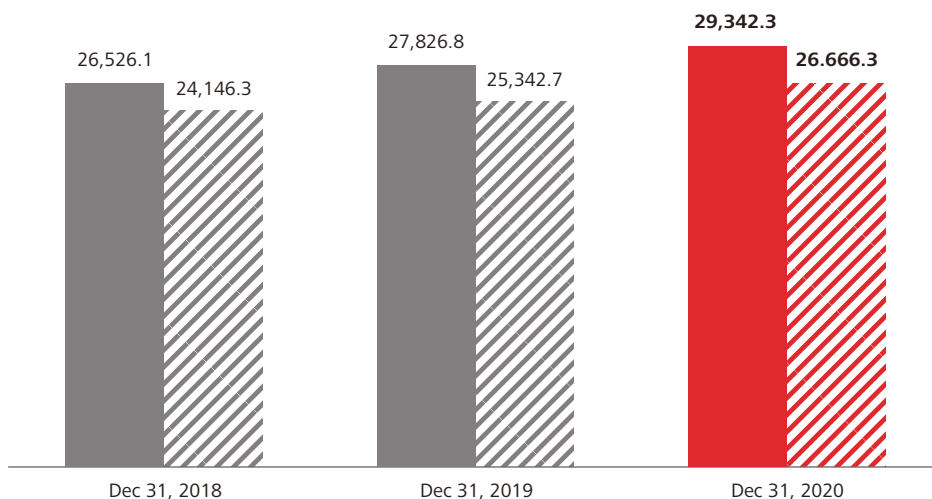


The ÖBB Group's liabilities as at 31.12.2020 amounted to around EUR 29,342.3 million in the reporting year (py: around EUR 27,826.8 million). Until 2015, the ÖBB Group's debt financing was provided, among other methods, through its own bond issues on the capital market. These bonds are issued by ÖBB-Infrastruktur AG in the amount of around EUR 11,420.6 million (py: around EUR 12,722.8 million).

Since 2017, the ÖBB Group has been raising the necessary financing primarily through loans from the Republic of Austria, 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 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's 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 5% or around EUR 1,323.6 million to around EUR 26,666.3 million in the reporting year (py: around EUR 25,342.7 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	26,666.3	2,664.8	10%	24,001.5	90%
Trade payables	994.0	994.0	100%	0.0	0%
Other liabilities	1,682.0	1,647.5	98%	34.5	2%

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 Flows

Free cash flow⁶⁸ reduced in the reporting year to around EUR -1,337.9 million (py: around EUR -895.2 million). The cash-effective change in fund resources developed from around EUR -158.5 million to around EUR 119.6 million.

Abstract from the Group Cash Flow Statement in EUR million	Dec 31, 2020	Dec 31, 2019	Change
Cash flow from operating activities	1,294.4	1,493.4	-199.0
Cash flow from investing activities	-2,632.3	-2,388.6	-243.7
Free cash flow	-1,337.9	-895.2	-442.7
Cash flow from financing activities	1,457.5	736.7	720.8
Cash-effective change of funds	119.6	-158.5	278.1

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

⁶⁸ Cash flow from operating activities + cash flow from investing activities

Net assets and financial position of the ÖBB-Personenverkehr sub-group

Overview	Dec 31, 2020	Dec 31, 2019	Change	Change in %
Total assets in EUR million	4,525.4	4,066.4	459.0	11%
PP&E-to-total-assets ratio in %	68%	70%	-2%	-3%
PP&E-to-net-worth ratio in %	38%	41%	-3%	-7%
PP&E-to-net-worth ratio II in %	120%	123%	-3%	-2%
Equity ratio in %	26%	29%	-3%	-10%

Structure of the Consolidated Statement of Financial Position in EUR million	Dec 31, 2018	Dec 31, 2019	Structure 2019	Dec 31, 2020	Structure 2020	Change from 2019 to 2020
Non-current assets	3,241.6	3,437.3	85%	3,634.5	80%	197.2
Current assets	533.2	629.1	15%	890.9	20%	261.8
Total assets	3,774.8	4,066.4	100%	4,525.4	100%	459.0
Shareholders' equity	1,032.5	1,181.0	29%	1,175.9	26%	-5.1
Non-current liabilities	2,153.7	2,334.7	57%	2,499.9	55%	165.2
Current liabilities	588.6	550.7	14%	849.6	19%	298.9

Total assets of the ÖBB-Personenverkehr sub-group increased in the reporting year by around EUR 459.0 million to around EUR 4,525.4 million (py: around EUR 4,066.4 million). The share of property, plant and equipment in total assets (PP&E ratio) amounted to 68% at the balance sheet reporting date (py: 70%). The property, plant and equipment coverage ratio at this time was 38% (py: 41%), the property, plant and equipment coverage ratio II was 120% (py: 123%). Working capital amounted to around EUR 81.1 million (py: EUR -6.0 million). After a reduction in equity by around EUR 5.1 million to around EUR 1,175.9 million (py: around EUR 1,181.0 million), the equity ratio was 26% (py: 29%).

The liabilities of the ÖBB Personenverkehr sub-group recorded a total increase of 11% to around EUR 2,903.6 million (py: around EUR 2,624.8 million). Financial liabilities in the reporting period increased by around EUR 320.7 million or 14% to around EUR 2,589.0 million in the reporting year (py: around EUR 2,268.3 million).

Net assets and financial position of the Rail Cargo Austria sub-group

Overview	Dec 31, 2020	Dec 31, 2019	Change	Change in %
Total assets in EUR million	2,337.9	2,172.9	165.0	8%
PP&E-to-total-assets ratio in %	26%	41%	-15%	-37%
PP&E-to-net-worth ratio in %	36%	19%	17%	89%
Equity ratio in %	9%	8%	1%	13%

Structure of the Consolidated Statement of Financial Position in EUR million	Dec 31, 2018	Dec 31, 2019	Structure 2019	Dec 31, 2020	Structure 2020	Change from 2019 to 2020
Non-current assets	1,139.2	1,346.3	62%	1,056.3	45%	-290.0
Current assets	787.9	826.6	38%	1,281.6	55%	455.0
Total assets	1,927.1	2,172.9	100%	2,337.9	100%	165.0
Shareholders' equity	151.0	171.9	8%	220.8	9%	48.9
Non-current liabilities	909.1	1,123.7	52%	929.8	40%	-193.9
Current liabilities	867.0	877.3	40%	1,187.3	51%	310.0

The total assets of the sub-group increased by around EUR 165.0 million or 8% to around EUR 2,337.9 million (py: around EUR 2,172.9 million). The share of property, plant and equipment in total assets (PP&E ratio) amounted to 26% on the reporting date (py: 41%). The PP&E-to-net-worth ratio was 36% (py: 19%). Working capital amounted to around EUR 83.8 million (py: around EUR 316.9 million). After an increase in equity by around EUR 48.9 million to around EUR 220.8 million (py: around EUR 171.9 million), the equity ratio is calculated at 9% as at 31.12. (py: 8%).

Liabilities of the sub-group reduced in total by around EUR 382.5 million or 20% to around EUR 1,528.0 million (py: around EUR 1,910.5 million). Financial liabilities reduced to around EUR 1,293.6 million (py: around EUR 1,519.0 million).

Net assets and financial position of the ÖBB-Infrastruktur sub-group

Overview	Dec 31, 2020	Dec 31, 2019	Change	Change in %
Total assets in EUR million	26,816.9	25,296.7	1,520.2	6%
PP&E-to-total-assets ratio in %	93%	93%	0%	0%
PP&E-to-net-worth ratio in %	6%	6%	0%	0%
PP&E-to-net-worth ratio II in %	88%	89%	-1%	-1%
Equity ratio in %	5%	6%	-1%	-17%

Structure of the Consolidated Statement of Financial Position

in EUR million	Dec 31, 2018	Dec 31, 2019	Structure 2019	Dec 31, 2020	Structure 2020	Change from 2019 to 2020
Non-current assets	23,637.9	24,730.0	98%	26,170.2	98%	1,440.2
Current assets	528.3	566.7	2%	646.7	2%	80.0
Total assets	24,166.2	25,296.7	100%	26,816.9	100%	1,520.2
Shareholders' equity	1,427.0	1,420.4	6%	1,440.2	5%	19.8
Non-current liabilities	18,809.7	19,564.7	77%	20,424.2	76%	859.5
Current liabilities	3,929.5	4,311.6	17%	4,952.5	19%	640.9

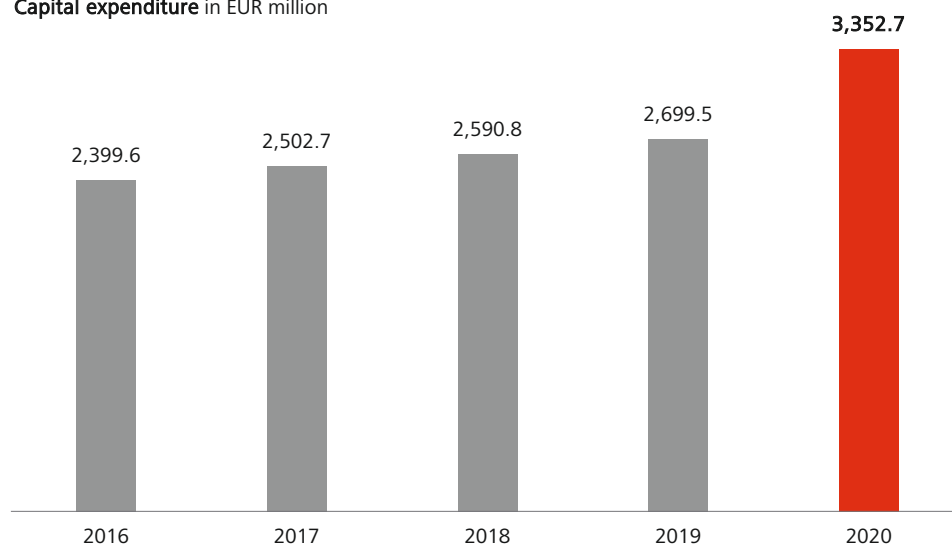
Total assets of the ÖBB-Infrastruktur sub-group increased as at 31.12.2020 by 6% to around EUR 26,816.9 million (py: around EUR 25,296.7 million). As in the previous year, the property, plant and equipment ratio is 93%. As in the previous year, the property, plant and equipment coverage ratio was 6% as at the balance sheet reporting date. Taking into account the non-current liabilities, the property, plant and equipment coverage ratio II is 88% (py: 89%). Working Capital was around EUR -519.7 million (py: EUR -325.9 million). After an increase in equity by around EUR 19.8 million to around EUR 1,440.2 million (py: around EUR 1,420.4 million), the equity ratio was 5% (py: 6%).

The liabilities of the ÖBB-Infrastruktur sub-group increased by a total of 6% to around EUR 24,963.9 million (py: around EUR 23,454.4 million). After an increase in financial liabilities by 6% to around EUR 22,787.3 million (py: around EUR 21,556.8 million), 91% (py: 92%) of all liabilities are in this category.

C.4. Capital expenditure and financing measures

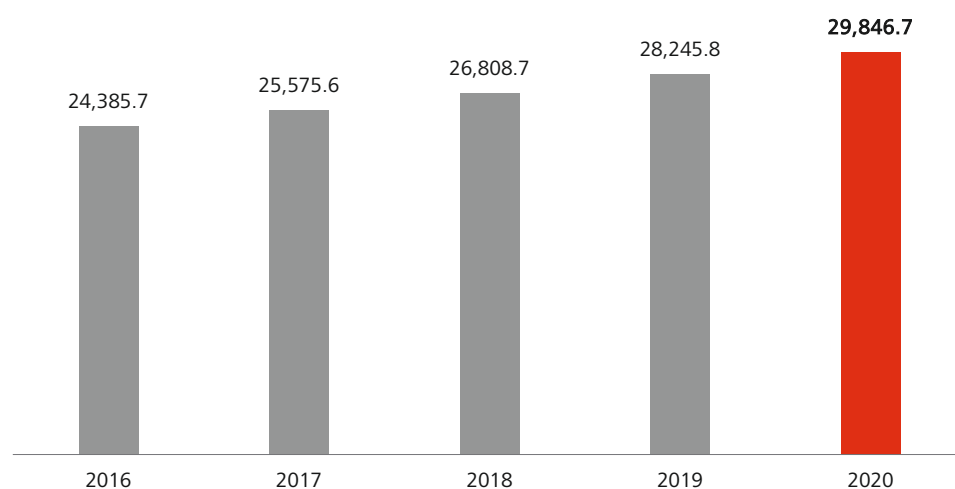
Overview	2020	2019	Change	Change in %
Capital expenditure in EUR million	3,352.7	2,699.5	653.2	24%
Capital expenditure ratio of total income ⁶⁹ in %	46%	36%	10%	28%
Capital expenditure ratio of carrying amounts ⁷⁰ in %	11%	9%	2%	22%

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 around EUR 3,352.7 million (py: around EUR 2,699.5 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 46% (py: 36%) of total income or 11% (py: 9%) 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

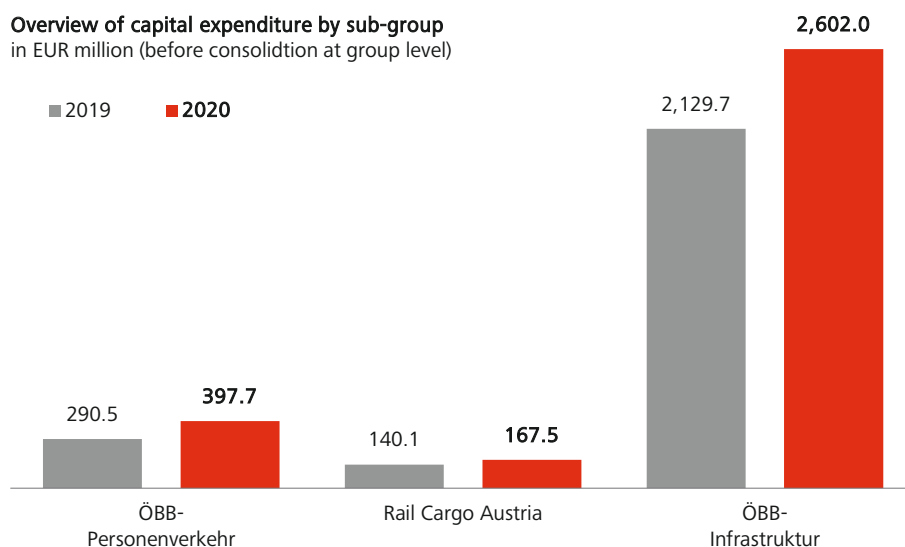


⁶⁹ Capital expenditure ratio of total income: Investment in capital expenditure in PP&E/total income.

⁷⁰ Capital expenditure ratio of carrying amounts: Investment in property, plant and equipment/carrying amount of PP&E as of 01.01.

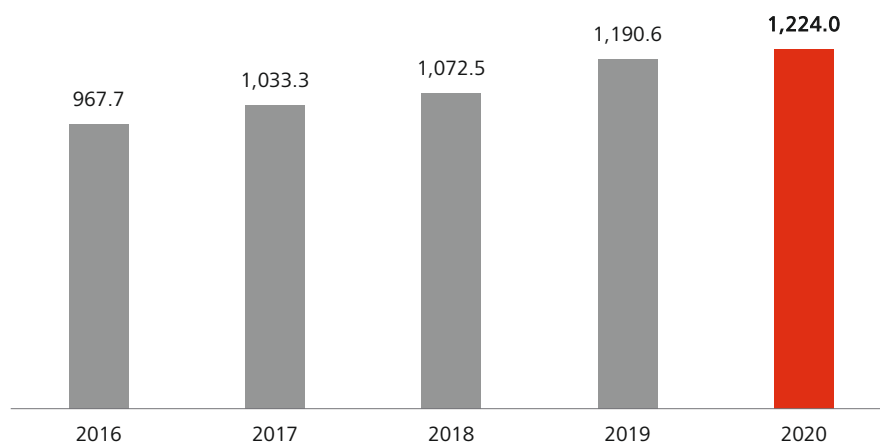
Of the investments of around EUR 3,352.7 million (py: around EUR 2,699.5 million) around EUR 2,602.0 million (py: around EUR 2,129.7 million), the main volume of investment and financing measures, was attributable to the ÖBB-Infrastruktur sub-group. The property, plant and equipment of this sub-group with its book values of around EUR 24,893.1 million (py: around EUR 23,575.5 million) amounts to approximately 83% of the ÖBB Group's total property, plant and equipment, as in the previous year. This in turn amounts to a total of around EUR 29,846.7 million (py: around EUR 28,245.8 million).

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



Depreciation and amortisation expenses increased by around EUR 33.4 million to around EUR 1,224.0 million (py: around EUR 1,190.6 million).

Development of depreciation and amortization of ÖBB Group in EUR million



Investments of the ÖBB Personenverkehr sub-group

Overview	2020	2019	Change	Change in %
Capital expenditure in EUR million	397.7	290.5	107.2	37%
Capital expenditure ratio of total income in %	18%	13%	5%	38%
Capital expenditure ratio of carrying amounts in %	14%	11%	3%	27%

In the reporting year, the ÖBB-Personenverkehr sub-group invested an amount in intangible assets and property of around EUR 397.7 million (py: around EUR 290.5 million). This represents a capital expenditure ratio of 18% (py: 13%) of total income or 14% (py: 11%) of the carrying amounts as of 01.01.

Capital expenditure	Amount in EUR million
Short-distance traffic investments	243.6
Long-distance traffic investments	129.9
Other property, plant and equipment investments	16.6
Intangible assets	7.6
Total capital expenditure	397.7

Capital expenditure of the Rail Cargo Austria sub-group

Overview	2020	2019	Change	Change in %
Capital expenditure in EUR million	167.5	140.1	27.4	20%
Capital expenditure ratio of total income in %	7%	6%	1%	17%
Capital expenditure ratio of carrying amounts in %	19%	20%	-1%	-5%

In the year under review, the Rail Cargo Austria sub-group made investments in intangible assets and property, plant and equipment amounting to around EUR 167.5 million (py: around EUR 140.1 million). This volume represents a capital expenditure ratio of 7% (py: 6%) of total income or 19% (py: 20%) of the carrying amounts as of 01.01.

Capital expenditure	Amount in EUR million
Property, plant and equipment	167.4
Rolling stock	87.7
Workshops	31.5
Other property, plant and equipment	48.2
Intangible assets	0.1
Total	167.5

Capital expenditure of the ÖBB-Infrastruktur sub-group

Overview	2020	2019	Change	Change in %
Capital expenditure in EUR million	2,602.0	2,129.7	472.3	22%
Capital expenditure ratio of total income in %	71%	57%	14%	25%
Capital expenditure ratio of carrying amounts in %	10%	9%	1%	17%

In total, the ÖBB-Infrastruktur sub-group invested around EUR 2,602.0 million in the reporting year (py: around 2,129.7 million), resulting in an investment ratio of 71% (py: 57%) of total income and 10% (py: 9%) of carrying amounts as of 01.01.

Inventories attributable to ÖBB-Infrastruktur sub-group with a carrying amount of around EUR 24,893.1 million (py: around EUR 23,575.5 million) amounting to approximately 83% of the ÖBB Group's total property, plant and equipment, as in the previous year.

Focus of capital expenditure 2020

The ÖBB-Infrastruktur sub-group set the following investment priorities in 2020:

- Expansion of the southern line (Semmering base tunnel and Koralm railway)
- Four-track expansion of the western line
- Expansion of freight terminals
- Numerous local transport projects in conurbations
- Stations
- Enhancement of tunnel safety on existing lines
- Noise protection measures
- Railway crossings; technical protection, abandonments, replacement measures such as underpasses or overpasses
- Construction of Park & Ride facilities
- Extensive reinvestment, e.g. new track and switch installations
- E-charging infrastructure at railway stations
- Expansion of mobile telecommunications

Milestones Major Projects

The Southern Line

The 130 km Koralm railway between Graz and Klagenfurt is 100% under construction. Large parts of the line have already been completed and are partly in operation. The centrepiece of the new high-performance line is the 33 km long, twin-tube Koralm Tunnel. 18 years after the first test drillings, the final tunnel breakthrough took place in June 2020 - one of the most important milestones of this project of the century, which could be followed live on the internet. Also separately from the Koralm tunnel, the development of the Koralm railway is increasingly taking on shape. In September, another section between Pribelsdorf and Mittlern was put into operation on schedule - including a new stop. And the shell of the second longest tunnel system of the Koralm Railway, the Granitztal Tunnel, was also completed. The Koralm Railway is, so to speak, entering the home stretch with the current construction work between Graz and Weitendorf. After completion, passengers will be able to travel from Graz to Klagenfurt in just 45 minutes. Western Steiermark and southern Kärnten will be better connected and more accessible - as will our neighbouring countries.

If all accesses, shafts and connecting tunnels are added together, a total of around 62 kilometres of tunnel will be required for the 27 km long tunnel. After eight years of construction, the halfway point was reached in 2020 - in the meantime, around two thirds of the Semmering Base Tunnel has been constructed. This milestone marks another chapter in the success story of the new southern line.

In 2012, the groundbreaking ceremony was held for the major project "New Semmering Base Tunnel". After a lot of preliminary work, such as the construction of bypass roads, replacement water supply facilities and a landfill, the actual excavation work started in 2014. The Semmering Base Tunnel is being constructed from five locations simultaneously. On most construction sites, access tunnels and shafts first needed to be constructed in advance so that the actual tunnel tubes could be excavated. The reconstruction of Mürzzuschlag station started in 2019. Completion is planned for 2028.

After its completion, the Semmering Base Tunnel will enable travellers between Vienna and Graz to reduce their journey time by 30 min. The future line will provide enormous relief in the transport of freight.

The Brenner Base Tunnel

The year 2020 was characterised by intensive construction activity for the Brenner Base Tunnel. More than 136 km of the total tunnel system of 230 km have already been excavated (as of 31.12.2020). The work on the "Innsbruck Main Station" construction section was completed in the first half of 2020. This means that the structural connection of Innsbruck station to the Brenner base tunnel has already been completed.

Construction in the "Sillschlucht" area started at the beginning of August 2020. The tender planning for the "Sillschlucht-Pfons" construction section was finalised in 2020 so that the works could be put out to tender in January 2021.

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. In this area, a separate siding to the construction site area near Wolf (Steinach am Brenner municipality) has also been available since August 2017. The remaining sections of this construction section will be re-evaluated and optimised in the course of the revised construction program. So that the work is resumed as quickly as possible, completion of the review will be done in two construction sections. The corresponding tenders will be issued with the aim of resuming construction work in the Pfons-Brenner section in autumn 2021.

On Italian State territory, the construction sections Mauls 2-3 and Eisack subway passage are in progress. The Mauls construction section was completed in autumn 2020, when tunnelling operations reached the southern boundary of the project. The last quarter of 2020 marked the excavation of the first tunnel tube under the Eisack River using a ground freezing method. Work in the Franzensfeste station area also continued in 2020.

Vienna metropolitan area

The double-track expansion of the Pottendorf line is progressing according to plan. A continuous double-track connection between Vienna Meidling and Wiener Neustadt will be completed by 2023. In the Hennersdorf - Münchendorf section, the double-track extension was completed in 2019 while retaining the existing track.

The double-track extension in the Ebreichsdorf section will be completed on a new track, including a new station and a spacious park & ride facility. The main construction measures in this area are planned from 2020 until commissioning in 2023. In 2024, the existing line will be dismantled and the Wampersdorf station will be completed. In the Vienna area, the current single-track section between Meidling station and the Altmannsdorf junction is to be upgraded to double-track by 2023.

In 2020, work also continued at full speed on the Vienna - Bratislava line extension. As a result, it should be possible to reduce journey times between the two capitals by up to 25 minutes from 2023. The project comprises the full double-track extension and electrification of the existing ÖBB line from Vienna Stadlau station to the national border near Marchegg. The stations and stops along the line will be made barrier-free and customer-friendly. The line has been upgraded since October 2016 in order to increase capacity and offer passengers better connections, while maintaining regular train services. The official commissioning of the Vienna section took place with the timetable changes in December 2018. Since August 2018, the Lower Austrian section (ca. 32 km) has been upgraded to double track and electrified.

The Western Line

Since May 2019, the Stadthafen marshalling yard (Linz Vbf. Stadthafen) in Linz's industrial area has been undergoing modernisation. In 2020, intensive work was carried out on the electrification of the freight transshipment terminal, which is important for the Linz industrial area. In addition, existing tracks were extended to the length of freight trains. Furthermore, an additional track will be laid as a connection to Linz Central Station. After the modernisation of the station, detours and the time-consuming changeover from electric to diesel locomotives will belong to the past. An additional bonus: Less shunting effort also means less noise for the people living in the vicinity of the marshalling yard.

Since September 2019, the west side of Linz Central Station has been undergoing a four-track expansion. This is intended to create further capacity for passenger and freight traffic on the western line. This is the first of three sections, in addition to Linz - Marchtrenk and Marchtrenk - Wels, to create four tracks on the western line between Linz and Wels.

Presentation of the entire framework plan and other investment projects

Project		Capital expenditur e 2020 in EUR million	Projected or effected completion
Modification and new construction of stations	Station Abfaltersbach	2.1	2020
	Station Allerheiligen-Mürzhofen	2.4	2020
	Station Altach	6.5	2021
	Station Arnoldstein	6.9	2025
	Stations Bad Goisern and Goisern Jodschwefelbad	3.7	2021
	Stations Bad Mitterndorf and Bad Mitterndorf-Heilbrunn	4.5	2020
	Station Böhleimkirchen	2.0	2021
	Station Braunau am Inn	8.0	2020
	Station Fehring	2.5	2021
	Station Finkenstein	0.7	2020
	Station Gerasdorf	1.7	2020
	Station Grieswirt	1.6	2020
	Station Hilm-Kematen	6.5	2020
	Station Kapfenberg	8.3	2020
	Station Kirchberg am Wagram	6.7	2020
	Station Kirchberg in Tirol	2.8	2021
	Station Kirchstetten	16.7	2021
	Station Krumpendorf	4.1	2020
	Station Lanzendorf-Rannersdorf	0.7	2020
	Station Ledenitzen	4.9	2020
	Station Lienz	10.7	2021
	Station Mittewald an der Drau	1.8	2020
	Station Neulengbach Stadt	5.7	2020
	Station Schwaz	16.3	2021
	Station Sillian	1.8	2020
	Station St. Andrä-Wördern	8.6	2020
	Station St. Georgen an der Gusen	1.9	2020
	Station Ternitz	20.8	2021
	Station Trautmannsdorf an der Leitha	1.2	2020
	Station Unter Purkersdorf	7.2	2022
	Station Vienna Praterstern; extension entrance hall	2.2	2021
Parking garages	Jenbach; construction of parking garage	5.5	2021
Greater Vienna	Freight center Vienna South ¹⁾	19.9	2016/2023
	Expansion of the Marchegger branch ²⁾	91.0	2018/2024
	Vienna Meidling – junction Altmannsdorf; two track expansion	2.2	2023
	Vienna Hütteldorf – Vienna Meidling; connecting railway	2.1	2027
Western line	Salzburg Hbf; extension of sidings facility (Phase 1); construction	12.5	2020
	Linz city harbour marshalling yard; remodelling and construction of an ESTW (electronic interlocking system)	17.7	2021
	Attnang-Puchheim – Salzburg Central Station; expansion of existing line ³⁾	38.6	2024
	Linz – Wels; four track expansion	52.9	2026
	Linz Kleinmünchen (a) - Linz Central Station; four track expansion	1.2	2017/2030
	Neumarkt-Köstendorf – Salzburg; new line	2.8	Planning
Southern line	Gloggnitz – Mürzzuschlag; work on existing line	1.6	2020
	Vienna Blumental – Wampersdorf; two track expansion of the Pottendorf line ⁴⁾	31.7	2023
	Graz – Weitendorf; need-based upgrade	12.8	2023
	Graz – Klagenfurt; Koralm railway	314.5	2025
	Feldkirchen - Weitendorf; full extension of the Koralm railway line	15.4	2025
	Wampersdorf – Wiener Neustadt; beautification of line	2.9	2027
	Gloggnitz – Mürzzuschlag; new line (Semmering base tunnel)	304.0	2028
	Bruck a.d. Mur – Graz; station conversation	4.4	2027
	Süßenbrunn – Bernhardsthal; expansion of existing line	20.7	2032
Pyhrn-Schober route	Wels – Passau; expansion of existing line ⁵⁾	11.7	2020/2028
	Linz Central Station – Summerau; beautification ⁶⁾	8.4	2023
	Linz – Selzthal; selective two track expansion and station conversation	1.8	2034

Brenner route	Innsbruck metropolitan area; new construction of railway stations	4.4	2026
	Brenner Base Tunnel	183.2	2028
	National border near Kufstein - Radfeld junction; four track expansion Unterinntal valley	6.0	Planning
Arlberg route	St. Margrethen – Lauterach; development for local transport and beautification	24.0	2021
	Bregenz – Bludenz; expansion for local transport (Rine valley concept)	0.5	2029
Programs	Noise protection	6.6	
	Park & Ride	17.5	
	Electrification	29.2	
	Regional rail network concept; line upgrades	15.6	
	Safety and operation management systems	90.2	
	Measures for customer satisfaction (mobile communications, data networks, wireless network)	10.6	
Reinvestments in the railway network		575.9	
Others (incl. intangible assets)		490.5	
Total master plan and other investment projects		2,602.0	

1) Commissioning of the service tracks, KLV and WLV facility took place in 2016. WLV2 and KLV2 facilities will be commissioned in 2021. Phase 2 will be implemented by 2023.

2) Commissioning of the Vienna section took place in 2018 (Erzherzog-Karl-Straße - Vienna Aspern). Electrification and full double-track expansion in the Lower Austria area will be implemented by 2024.

3) Commissioning of the Neumarkt am Wallersee station redevelopment in 2020.

4) Commissioning of the Hengersdorf - Münchendorf section took place in 2019. Expansion in the Ebreichsdorf section will be implemented by 2023.

5) Commissioning of the Wernstein station conversion in 2020. Implementation "Driving with increased lateral acceleration and ETCS L2" will follow by 2028.

6) Commissioning of the Gaisbach-Wartberg station conversion in 2020.

C.5. Corporate strategy

Market environment

As an integrated group and market leader in passenger and freight transport in Austria, ÖBBs position is fundamentally sound. The facts speak for themselves: ÖBB is one of the most punctual railways in the EU and one of the strongest freight railways in Europe with modern infrastructure and strong backing from the owner. Even though many positive things can be reported, new major challenges have been emerging in recent years, which will become even greater in the near future:

- Current impact of the pandemic recession (COVID-19) and other macroeconomic developments in Europe and the Eurasian region.
- Strongly increasing competition and price pressure will shape the mobility and logistics market in the next few years, as will technological change.
- This will enable new mobility offers and change customer requirements in terms of price, quality and service.
- The upcoming generation change in the company is associated with a cultural change that will permanently change structures, processes and working models at ÖBB.
- The extent to which the effects of climate change trigger social pressure that increases the demand for ecological mobility solutions and thus also for "green" products is to be observed - keyword: Sustainable procurement.

Current impact of the pandemic (COVID-19)

The transport sector is affected by the full range of consequences of the corona crisis. Commuter traffic has been drastically reduced as a result of the home office regulations that apply in many cases. Holiday and business travel has come to an almost complete standstill. A change in mobility behaviour has been evident since the beginning of the corona crisis. People frequently use their own cars instead of public transport. Car sharing services and new mobility providers are also feeling the consequences of corona in the form of significantly lower user numbers. The pandemic also shows that global supply chains are "vulnerable". The question of a partial relocation back to Europe is likely to arise, especially in the case of strategically important basic materials for products. This results in corresponding repercussions on global supply chains. Currently, parcel service providers in particular are benefiting from the corona crisis in freight transport, because significantly more goods than usual are being ordered online.

As a mobility service provider, ÖBB has been particularly hard hit by the effects of the corona pandemic. The entire ÖBB Group was affected by its consequences.

Passenger transport: Significant decline in passenger numbers in passenger transport

The decline in long-distance traffic due to the pandemic will probably remain noticeable for some time. Business travellers as well as tourists are missing, and many commuters have switched back to the car or work from home. The corona crisis is also likely to change our world of work permanently. The original reservations about home offices, video conferencing etc. are likely to gradually dissolve as a consequence of corona. The home office will continue to exist in many areas, even after the crisis. That in turn has an impact on the transport sector. The majority of forecasts assume that it will take at least four to five years for passenger numbers to return to pre-crisis levels. Hopes for a rapid recovery in occupancy and turnover have largely been dashed.

Cross-border local, long-distance and Nightjet traffic had to be adapted again and again for economic reasons and with regard to international regulations. It is expected that international long-distance passenger rail traffic will stabilise again after the first quarter of 2021 and that demand will also recover as a result. ÖBB created all the conditions during the pandemic to be able to expand international traffic again in the short term if demand develops accordingly. Volatility in passenger numbers, however, illustrates the unpredictability of the situation. ÖBB was able to position itself as a reliable partner with a clear service orientation during the crisis. For example, special attention was paid to active customer communication, various concerns were to be handled with a minimum of bureaucracy and goodwill solutions were to be possible in cases of hardship. The negative economic impact on passenger transport could be mitigated with clear countermeasures.

ÖBB has continued to drive the conditions for modal shift under the conditions of the pandemic:

- More trains: International passenger traffic was resumed depending on demand. The return to fully scheduled cross-border train services is assured in the short term. As soon as travel obstacles such as quarantine regulations at home and abroad are reduced and demand recovers as a result, immediate action can be taken in this area. 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.
- More safety: Travelling by train is safe! Numerous COVID-19 prevention measures are being implemented on an ongoing basis: Disinfectant dispensers in all Railjets and Nightjets, private compartments in the Nightjet, graphic seat reservation, "special cleaning" in all trains and buses as well as stations.
- New mobility solutions: ÖBB is a pioneer in integrated, sustainable mobility solutions with modern, customer-centric mobility solutions to complement public transport.

The development and implementation of integrated, sustainable mobility solutions for municipalities under the title "ÖBB 360" has already achieved initial successes as a comprehensive mobility service provider. The closing of the gap at the "first" and "last" mile in particular was made possible in this way. These new services make it easier to switch from the car to climate-friendly means of transport and thus make a valuable contribution to climate protection. The expansion of the night train network was also continued. Cooperation with international partner railways was strengthened for that purpose.

In addition to the current challenges from the effects of the recession due to the pandemic (COVID-19), megatrends have a significant influence on the future image of mobility and thus on the orientation and positioning of ÖBB in the mobility market. It remains to be seen whether and what lasting effects the COVID-19 pandemic will have on these megatrends.

Freight transport: sharp decline in freight transport volumes

The pandemic has led to a significant and longer-term reduction in volumes in freight transport. ÖBB transports about one tenth less goods than in the previous year. The majority of forecasts assume that it will take at least four to five years for the global economy to return to the level of 2019. A slow increase in volume must therefore also be assumed in freight transport.

Thanks to decisive countermeasures and the targeted implementation of "North Star/Contingency" measures, the economic situation clearly improved compared to the forecasts at the half-year point. Nevertheless, the situation remains tense and government support for the sector is necessary. To this end, fairer competitive conditions between rail and road are to be created and the existing inequalities minimised.

Infrastructure: also strongly affected by the decline in volumes and contributes to overcoming the crisis through the ongoing investment.

The volume declines described in passenger and freight transport are also reflected in the turnover of infrastructure. This makes productivity measures, which are to be seen as countermeasures in the face of continuously increasing system complexity, all the more important. Despite these challenges and the COVID-19 impacts, the envisaged project volume in new construction and expansion was implemented according to plan. The apprenticeship workshops necessary for modern apprenticeship training were also completed according to plan. This provided valuable impulses for the Austrian economy. The decarbonisation of the economy and, in this context, the transport sector with the issues of "energy and climate protection" are at the centre of our actions despite the COVID impacts.

In addition to the current challenges from the effects of the recession due to the pandemic (COVID-19), megatrends have a significant influence on the future image of mobility and thus on the orientation and positioning of ÖBB in the mobility market.

Mobility for the future

Five global megatrends already indicate the direction in which our world will develop over the next 30 years and what conclusions the mobility sector will need to draw accordingly.

Demographic change

The population is getting older on average, which means that more people are of retirement age for longer. This ageing of society is changing the demands on mobility services. Access to public mobility, also for the older segment of society, must be made possible both physically and at the same time be designed in a safe, digital and customer-centred way.

Urbanisation

New, affordable mobility concepts are also necessary due to "urbanisation". Cities grow especially in suburban areas, consequently agglomerations with a lower settlement density emerge. Efficient mobility solutions for metropolitan areas beyond their city centres need to be developed and expanded.

Climate change

The average temperature is rising and weather extremes are also increasing in Europe. Rails bent by heat, trees on the tracks, washed-out railway embankments are consequences of climate change that the railways could encounter more frequently in the future. The infrastructure will need to deal with these new challenges in the future. When investing in infrastructure, these aspects need to be planned for and taken into account to a greater extent.

Economic change

Europe is losing considerable GDP relative to the emerging markets in Asia. One of the many implications of these trends is that they can further reinforce the increasing interlinkage of global trade chains that already exists. These retail chains are building on the increasingly competitive business of container transport.

Rising labour costs and falling prices for automated types of production are encouraging automation worldwide. That in turn benefits those countries that already have highly automated production - the Asian region, China, South Korea, Japan.

The financing of the necessary logistics and mobility solutions, due to the GDP development in Europe and the strained national budgets, require new concepts.

Technological progress

Technical progress means that new market segments are constantly emerging, which are served by a multitude of solutions from different providers. In addition, the economic power of the technology giants (Google, Apple, Facebook, Amazon etc...) is increasing. Progress in climate-neutral technologies in the area of individual transport with fossil-fuelled energy reduces the advantage of rail over road. Continuous evaluation of technological trends in terms of their opportunities and disruption potential is necessary to set the right course for sustainable competitiveness.

Our goals

ÖBB sees itself as a local, regional, national and international mobility and logistics service provider with an end2end service orientation. Safety and reliability are the basis for success and this promise of quality and performance must be kept for the customers.

ÖBB is an essential part of a climate-friendly and resource-saving transport system and is one of the safest means of transport available.

Passenger and freight transport is the backbone of the Austrian economy. ÖBB therefore makes a significant contribution to strengthening Austria as a business location and acts as a strong and reliable partner of the Austrian economy at home and abroad.

In addition, they make a significant contribution to the implementation of the defined energy and climate targets in Austria, as set out in the #mission 2030 in 2018.

All parts of ÖBB are united by the goal of strengthening the rail system and public transport in Austria - from a business perspective or on the basis of macroeconomic/general economic mandates. They share a common commitment to quality and safety in the process.

In this context, the Group exploits economies of scale through close cooperation between the companies. In particular, synergies are used sustainably in personnel management and compensation, through joint activities in purchasing, in commercial administration (Treasury and Financing) and in the area of IT and Production.

ÖBB: Connecting the future

The ongoing changes and challenges in the market described above require a periodic evaluation of the vision and strategy as well as a corresponding adjustment of the ÖBB Group's focus areas and fields of action. These were summarised in the new Group strategy "Connecting the future". It brings a consistent further development towards customer centricity, which responds to individual customer needs with customised mobility offers. ÖBB is thus continuing on its path from a production-oriented to a service-oriented mobility service provider and is focusing on increasing added value for customers and the Austrian economy.

ÖBB, as a focal leading operator, strengthens Austria as a business location and actively plays its role in the development of society. Ecology is not just a buzzword, but an essential feature of ÖBB's mobility and logistics services. That makes ÖBB - already one of the most important climate protection companies in Austria - part of the solution in achieving the climate protection goals. As an Austrian group in international markets, ÖBB is a sought-after employer at home and abroad.

We base our goals and strategy on four strategic dimensions with defined, prioritised fields of action and measure success using strategic key figures.

New services: Increase in turnover - Growth through innovation and digitalisation

A central concern of ÖBB is to make it easier for our customers and companies to access our mobility and logistics services in order to strengthen public transport.

The continuous identification of access barriers and their removal and the ongoing development of customer-oriented services along the entire value chain is the key to success. In addition, there is a need to expand the core business by means of participation in tenders abroad and the expansion of night train services in Europe. The end-to-end consideration of mobility and logistics requirements is intended to close the gap of the "first" and "last" mile. This approach in turn pushes the development of multimodal mobility and logistics hubs for barrier-free, customer-oriented and multimodal interfaces to the rail system.

Competitiveness: Focus on competitive costs

Competitive cost structures are essential in order to be able to survive in the liberalised passenger transport market and the competitive international freight transport market in the long term. Market pressure is already clearly felt in the freight transport sector.

Sustainable competitive cost structures are a central key to success for ÖBB. Technological possibilities for the automation and digitalisation of processes are to be used in order to simplify processes for that purpose. We also want to further improve the alignment of the depth of value creation to system-relevant key activities and the increase in the degree of utilisation of the assets deployed.

Operational excellence and security: being reliable and climate neutral

Keeping our promise of performance to our customers and the purchasers is the highest premise of our actions. We want to continuously optimise our promise of safety, punctuality and reliability by means of a modern and customer-oriented vehicle fleet, high product and service quality and strategic capacity management. As Austria's largest mobility provider, the ÖBB Group also bears a special responsibility towards future generations. ÖBB stands for efficient use of resources, for the use of traction current from 100% renewable energy and for a reduction of emissions (noise, pollutants...). Specific measures to better manage and counteract the consequences of climate change were developed and published in the climate protection strategy.

Strong team with modern corporate culture and organisation: Attract and motivate employees

The way in which ÖBB works together as a team, how quickly we manage to react to challenges and implement our products and services for our customers, is a decisive competitive advantage in volatile times. This requires a continuous further development of cross-departmental cooperation in Team ÖBB. On the one side this is to ensure high-quality and efficient service provision for our customers and, on the other to implement all projects and topics that strengthen ÖBB's attractiveness as an employer.

ÖBB wants to and will inspire the right people for the company in the coming years, so that the entry of new colleagues and the generational change will succeed well. In the course of this major generational change, the many years of experience and know-how of the colleagues will be passed on to the next generation in an orderly transfer of knowledge. At the same time, this change is used to initiate positive changes in the processes and structures. Having the right skills and qualifications ensures that all areas are staffed optimally.

Program "Nordstern"

The group-wide "Nordstern" program has been set up by ÖBB to ensure the efficient implementation of the goals. Accordingly, ÖBB is successfully meeting the extensive changes in the competitive environment, in the area of technology and in the personnel sector. At the same time, the generational shift acts as an opportunity to successfully prepare the organisation for the future. Our high quality (punctuality, safety and sustainability) continues to play a central role as the basis of our business.

Following the generation of ideas and the detailing of measures, ÖBB is now concentrating on the implementation and impact monitoring of the defined initiatives.

In the current crisis, ÖBB is now benefiting from the fact that the "Nordstern" program was initiated in a timely and anticipatory manner as early as 2018. The analysis shows potential savings and opportunities to further improve competitiveness. This is because the "Nordstern" program dealt intensively with, among other things, economic efficiency as a cornerstone for competitiveness. Now ÖBB is able to build on this, act quickly and in a targeted manner, and achieve and fully exploit the savings potential earlier - among other things by bringing forward and focusing on the planned initiatives.

C.6. Other important events and outlook

Outlook

The COVID-19 pandemic has temporarily interrupted strong global and national growth. The transport industry will, however, emerge stronger from the crisis in the medium term. ÖBB is confident that the various economic stimulus programs and the increasing demand for sustainable mobility solutions will lead to a solid market recovery.

Besides dealing with the economic and social impacts of the current COVID-19 pandemic, climate protection is the greatest challenge facing society. ÖBB is part of the solution.

The European Green Deal as an opportunity for the rail sector

The European Commission presented the "Green Deal" as the EU's new strategy for economic growth and climate protection at the beginning of 2020. It is the new EU economic strategy. The Green Deal includes a set of strategic goals that will make Europe the world's first carbon-neutral continent by 2050. If the objectives of the Green Deal in climate protection are to be achieved, however, the mobility offer in Europe must be radically transformed. Consequently, many of the legislative measures based on and planned for the Green Deal offer great opportunities for the rail sector in Europe. As part of the Green Deal, the European Union wants to promote sustainable mobility services across the EU and invest in the greening of the transport system and the development of sustainable transport infrastructure. The EU Commission will continuously present new legislative proposals for the implementation of the Green Deal in the coming years. A Group-wide "Green Deal" steering group has been established under the leadership of ÖBB-Holding/Corporate Affairs in order to anchor the positions of ÖBB and the European Railway Association CER in these legislative proposals.

Today. For tomorrow. For us.

Whatever ÖBB works on today makes sense for tomorrow and for all of us.

ÖBB a motor for the economy, an international group, a reliable business partner, driver of innovation and protector of the environment. Yet above all ÖBB is an attractive employer. There are more than 40,000 employees in total representing the face of ÖBB and the key to the corporate group's success. ÖBB is aware of its responsibility for society, for Austria and for the environment. They are already at work on a daily basis to ensure that our children and grandchildren will also find an environment worth living in tomorrow, as we know and appreciate it today. The claim is to always be able to offer the best options for the customers, the country, the economy and the environment. In this context, ÖBB wants to continue to be the most sensible means of transport for all travellers and at the same time the most sensible solution for the environment.

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 in Austria as a mobility and logistics provider and of being one of the major players in Europe. In addition, 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 2021 budget and the following years are mainly characterised by the expansion of services in the ÖBB Personenverkehr sub-group, sustainable investments in the ÖBB-Infrastruktur sub-group and the turnaround efforts in the Rail Cargo Austria sub-group. The current budget and medium-term planning assumes that the sustainable overcoming of the negative effects of the COVID-19 pandemic will last up to and including 2023 and that the result level of the previous year's medium-term planning is achievable again from 2024.

The budgeted Group EBT for 2021 is around EUR 102.5 million and, influenced by the effects of the COVID-19 pandemic, is around EUR 96.5 million below the previous year's medium-term planning for 2021. In 2021, the divisions close to the market in particular are still clearly effected by the lasting effects of the COVID-19 pandemic. In the ÖBB Personenverkehr sub-group, the budgeted EBT in 2021 is around EUR 74.3 million, which is an increase of around EUR 42.7 million below the previous year's medium-term planning. The Rail Cargo Austria sub-group is budgeting EBT of around EUR -10.5 million for 2021, which represents a decline of around EUR 32.9 million compared to the previous year's MFP 2021.

Development of EBT in EUR million	2019	2020	BUDGET 2021	Medium-Term Planning 2026
ÖBB-Personenverkehr sub-group	100.1	6.3	74.3	222.2
Rail Cargo Austria sub-group	5.1	7.6	-10.5	103.9
ÖBB-Infrastruktur sub-group	38.3	10.2	8.2	14.4
ÖBB Group	168.5	58.6	102.5	382.8

No additional COVID-19 implications in terms of further lockdowns were assumed in the 2021 budget assumptions. Should there nevertheless be further restrictions in 2021, the present result forecast will be adjusted within the framework of the first forecast in 2021 and the resulting findings will be processed in the planning premises for the budget and medium-term planning 2022 - 2027.

D. Non-financial performance indicators

D.1. Real estate management

ÖBB is one of the largest real estate owners in Austria with around 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 around 3,892 buildings and 1,046 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 2020 financial year, the ÖBB-Infrastruktur sub-group generated earnings contributions (proceeds less carrying amounts and provisions) of around EUR 60.4 million (py: around EUR 50.3 million) from the sale of properties.

D.2. Personnel Report

The ÖBB Group is one of the largest employers in Austria with a wide range of job profiles. As at 31.12.2020, there were 41,872 (py: 41,904) 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 one of the largest training institutions in Austria. At the end of the year 2020 there were 1,787 (py: 1,805) apprentices in training. In addition, 227 (py: 174) 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 around 45.7 (py: around 44.6) years. The percentage of women (including apprentices) was around 13.5% (py: around 13.0%).

The employee structure in the ÖBB Group

Number of employees (headcount)	Dec 31, 2020	Dec 31, 2019	Change		Average	
			Reporting date	in %	2020	2019
Employees	13,972	13,370	602	5%	13,709	13,553
<i>thereof from discontinued operations</i>						462
Workers	9,759	8,968	791	9%	9,380	8,498
<i>thereof from discontinued operations</i>						203
Tenured employees	18,141	19,566	-1,425	-7%	18,845	20,167
<i>thereof from discontinued operations</i>						207
Total (excl. apprentices)	41,872	41,904	-32	0%	41,934	42,218
<i>thereof from discontinued operations</i>						872
Apprentices *)	1,787	1,805	-18	-1%	1,630	1,661
<i>thereof from discontinued operations</i>						25
Total (incl. apprentices)	43,659	43,709	-50	0%	43,564	43,879
<i>thereof from discontinued operations</i>						897
<i>thereof abroad</i>	4,326	4,286	40	1%	4,317	4,362

*) In addition, 227 apprentices were employed by the Allgemeine Privatstiftung für berufliche Bildung (a private foundation for vocational training) in the 2020 financial year.

Number of employees (FTE)	Dec 31, 2020	Dec 31, 2019	Change		Average	
			Reporting date	in %	2020	2019
Employees	13,652.2	13,058.4	593.8	5%	13,393.5	13,230.3
<i>thereof from discontinued operations</i>						441.7
Workers	9,638.4	8,860.1	778.3	9%	9,266.8	8,396.7
<i>thereof from discontinued operations</i>						200.1
Tenured employees	17,655.9	18,942.1	-1,286.2	-7%	18,284.6	19,520.2
<i>thereof from discontinued operations</i>						204.2
Total (excl. apprentices)	40,946.5	40,860.6	85.9	0%	40,944.9	41,147.2
<i>thereof from discontinued operations</i>						846.0
Apprentices *)	1,787.0	1,805.0	-18.0	-1%	1,629.6	1,660.6
<i>thereof from discontinued operations</i>						25.4
Total (incl. apprentices)	42,733.5	42,665.6	67.9	0%	42,574.5	42,807.8
<i>thereof from discontinued operations</i>						871.4
<i>thereof abroad</i>	4,298.4	4,257.4	41.0	1%	4,289.5	4,331.4

*) In addition, 227 apprentices were employed by the Allgemeine Privatstiftung für berufliche Bildung (a private foundation for vocational training) in the 2020 financial year.

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.

As a result of tenured employees who take semi-retirement, the change in the number of employees by FTE is higher than the change in the number of employees by actual headcount.



The division with the highest personnel intensity as at 31.12.2020 was the ÖBB-Infrastruktur sub-group. This group accounted for 43% 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.

Strategic HR management prepares for the future and the upcoming generation change by focusing on the two pillars of personnel development and recruiting as well as personnel management, which bundle, cover, etc. all the specialist topics of HR management. 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

COVID-19 poses major challenges for the group. There were many measures taken to bridge the crisis in order to maintain the necessary flexibility and economic efficiency at the operational level.

In addition to reduced admissions in the administrative area and the request to staff for increased holiday and compensatory time off, the following measures were implemented:

Short-time work

Short-time working models were enacted at the company level to maintain the necessary flexibility. Our common goal is to avoid dismissals of staff in any event, so that we can continue to work together after the crisis. Short-time work is an important help for us as ÖBB to bridge the crisis in order to be able to keep colleagues in the company.

In 2020, 6,156 employees were on short-time work in the ÖBB Group.

Telework

As a means of continuing to work flexibly and securely with each other, a "COVID-19-conditional" telework arrangement was devised.

The grouping of colleagues into rotating teams has proved successful. This ensures that in the event of a suspected case in the office, not all employees of an entire department have to be quarantined in the event of a potential contact. This approach by ÖBB also complies with official recommendations to reduce direct contacts as much as possible and to facilitate so-called "contact tracing".

"Corona traffic light"

Binding measures were drawn up in good time in summer 2020 to prevent the spread of the coronavirus even during the flu season (e.g. reduction of attendance and increased cleaning) in order to be optimally prepared for these new challenges. These measures are intended to protect the health of all colleagues, customers and the entire population. The elaborated measures work in line with the state "corona traffic light" and are implemented in an ÖBB-internal "corona traffic light". Using the official traffic light as a basis, measures can be taken for the regions and employees and communicated transparently.

Evaluation of the COVID-19 crisis work situation

The corona crisis, with the lockdown and subsequent work situation, has demanded rapid changes in our working day. The short-term change has challenged companies and employees alike. This is due to the transition to the new work situations and uncertain times, which require a high degree of adaptability and self-organisation. Managing at a distance was the new daily routine from one day to the next. A survey was conducted to evaluate the strengths and weaknesses of this crisis in terms of cooperation and how our staff are faring during the crisis.

The results were evaluated quantitatively and qualitatively and mapped in the three categories of organisation, people and culture, and IT technology. The results were presented in each company by the strategic corporate development department and then discussed. These findings can now be used by each company to design individual development steps for the organisation and for leadership.

Three strategically relevant fields of action were defined for the Group in the dimension "Strong Team", sustainable framework conditions for new cooperation models were created, as well as more flexible structures.

Social work

The COVID-19 crisis poses special challenges for staff and managers. Equality/diversity management provided internal communication and information, especially during the lockdown. The ÖBB intranet regularly provided relevant information under the heading "Social Work" for those colleagues for whom the situation represented a particularly big change. These groups include older employees, single parents and employees with disabilities. Topics such as "home office with children", "home-schooling", "domestic violence" or even multilingual information and contact points, small gestures in big crises as well as COVID-19 and at-risk groups have turned out to be valuable tips and communication offers. A quick changeover from attendance to online events was equally successful. Particularly noteworthy are webinars on hygiene measures in our company-affiliated kindergartens and first aid for children. The training program is recognised by the state. In addition, the Equality/Diversity Officer of the ÖBB Group is represented in the ÖBB Taskforce of the crisis management team. Her expertise is particularly relevant to the topics of "at-risk groups" and "pregnant employees". The information was supplemented with assistance around digital and healthy work practices.

Attractive employer

The special framework conditions created by COVID-19 have presented ÖBB with major hurdles as an employer. It was precisely those colleagues in the system-critical infrastructure who exemplified the values of "us before me" and "living safety" on a daily basis. The company, conversely, has had to address new issues. These include the rapid switch to home office, in line with the values of "taking the initiative" and continuing to "provide convincing services for our customers".

Despite a changed labour market, it is important to attract more than 10,000 new employees to ÖBB in the next few years.

Employer Branding and Recruiting

The marketing focus "#JobsmitSinn" (Jobs with Purpose) was continued in 2020, building on the roll-out of the new employer brand. ÖBB has been positioned as an attractive and secure employer for the future on the labour market and has proven its strategic importance for the security of supply of the Austrian population and domestic economy during the 2020 lockdowns. The restructuring of the Recruiting and Employer Branding department means that the focal measures that have been set interlock even more efficiently. In this way, the need for qualified candidates can be identified and met more effectively. The changed working environment meant that both recruiting and employer branding focused on the digitalisation of measures, such as the selection and application processes or even the Group-wide trade fair and event appearances.

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. Diversity management also adds strategic emphases to increase diversity in the Group. In 2019, the ÖBB Group was presented with the Diversity Award. In 2020, the equalitA seal of approval followed for ÖBB's internal promotion of women.

Diversity Charter 2023

A strategic goal throughout the Group is to increase the proportion of women.

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.

The overall percentage of women has increased by 0.5% compared to the previous year's reporting date and now stands at 13.5%. Amongst apprentices the proportion has increased by 0.7%, and is currently at 17.6%. 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 0.9% increase in managerial positions to 13.8% from 12.9% in the previous year. Women account for 22.9% of participants at the ÖBB academy training programs in 2020.

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. It provides for specific measures to promote work-life balance (e.g. kindergartens close to the workplace, flying nannies and a digital RailMap for parental leave and care).

Employees with disabilities

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. 758 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 2020 was placed on competence development in the field of communication accessibility. The practical transfer of knowledge was conducted using webinars.

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 webinars with ÖBB travellers on the topic of accessibility as part of the "Diversity Week", but also internal, digital discussion events 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.

More than 2,400 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.

Corporate culture

A company's culture is an essential factor for success. It can inhibit or encourage the success of the corporate group. The aim is to ensure increased productivity and competitiveness in the company through strategically planned cultural change processes. The processes and further development steps are intended to increase performance on the basis of the defined values and standards. They are intended to support and promote the company's competitiveness, profitability and innovative capacity, as well as customer service and collegiality among each other.

The central responsibility of the Group strategy is to maintain and create an appreciative corporate and management culture in coordination with all sub-groups and the relevant departments.

In 2020, the focus was originally on anchoring the values in the Group. Two such instruments were designed and prepared for implementation.

An internal ÖBB values platform was developed to support the cultural development process from the "ACTUAL" to the "TARGET". This digital visualisation shows best practices (initiatives, projects ...) of employees and managers. It is intended to illustrate and thereby increase the attitude and orientation in the Group using examples from daily activities. The platform is also intended to build bridges - between staff from the operational areas and staff in the offices - and subsequently promote the exchange of ideas and experiences.

Also, a set of cards was developed. It invites employees and managers to reflect on their values and to try out new ways of behaving with the help of simple exercises. This instrument will be launched in 2021 in a digital version, followed later by a print version.

Moreover, a new values campaign was developed, which will be rolled out in 2021.

Leadership culture and managers

The strategic direction of the leadership culture shapes the content of leadership development. ÖBB's corporate values as well as the ÖBB management principles with the respective anchors of conduct in particular provide the basis for this. The ÖBB Group executives base their management conduct on these. This contributes towards a common understanding of leadership. The quality of leadership behaviour is regularly evaluated in a structured process. This takes place within the framework of the employee interviews and development conferences (incl. 360° feedback).

In addition, the Group-wide joint training on leadership behaviour "image mediation" continues to be provided for all (new) managers. This ensures a common basic understanding of leadership. Managers are introduced to defined management tools in this regard.

The framework of Leadership Development 2020 enabled the creation of a tool to guide leaders in value-based leadership. Known as Values Action Cards are sets containing ideas and instructions for action based on our values. Management staff should be inspired to reflect on their own actions and behaviour in their daily leadership work. By means of targeted impulses and actions, they can deal with the values in different forms and try out new behaviour.

Organisational development

In view of the ongoing and future changes in the company and in the market environment, the organisational development department has set itself the goal of deriving measures for the organisational structure of the ÖBB Group from developments and current trends and of further developing framework conditions such as group-wide standards and definitions as well as processes. This is intended to promote a uniform understanding within the Group and to optimally support the respective needs of the Group companies.

The focus is on promoting optimised, transparent and efficient structures, supporting organisational changes, assessing topics for the future and deriving solutions from these for the benefit of the Group.

Main topic "New Ways of Working"

"New Ways of Working" combines new models of cooperation with the use of modern information and communication technologies. The focus here is on the requirements and needs of our clients and employees.

Numerous initiatives are already underway to make organisation and processes more flexible. Cross-functional teams are also increasingly deployed. The current crisis means that the focus for the coming year is increasingly on issues such as new ways of working. They are primarily aimed at empowering employees and managers for virtual/hybrid collaboration, accompanied by the creation of the right framework and working conditions for modern, flexible working.

Health, occupational safety and social topics

The topics of health and occupational safety play a very important role within the ÖBB. The objective of occupational health management is to maintain and support the ability to work and the health of all employees.

This is done in the fields of action health promotion, early recognition and stabilisation, but also regaining the ability to work as well as feedback and counselling. The measures taken in these fields of action have an impact on working conditions as well as on the personal behavioural level.

The main focal points of the work of health management were the programs "Presence Management" and "Healthy Leadership and Addiction Prevention" as well as company reintegration and - by way of example - the Group-wide topics "Prevention" and "Healthy Workplace".

Employee protection enjoys strong representation in the individual sub-companies within the ÖBB Group. The senior safety officers advise the executives and the members of the Board of Management on the various topics in this context. Employee protection is integrated into the ÖBB safety strategy at Group level via the Expert Committee for Occupational Safety and the 'Safety' platform.

Occupational safety strives for a hazard-free condition in the exercise of the profession for all employees.

ÖBB-Holding AG assumes a group-wide control function of the ÖBB safety strategy. The focus is on ensuring compliance and further development of the strategy. It covers the security areas of operational security, occupational safety, public safety and information security. Further development of the safety culture in the areas of operational safety and occupational safety is implemented across the entire Group by ÖBB-Holding AG. A positive safety culture forms part of a broader corporate culture. It is based on values and standards of conduct and is shaped by awareness, attitudes and beliefs; it becomes evident as a result of actions and decisions taken. The new Safety Culture program is aimed at increasing awareness and improving people's conduct. It includes the following focal points: the expansion of systematic learning as a result of mistakes, deviations and "near misses"; open addressing and reporting unsafe actions and situations and proactively scrutinising and searching for root causes of mistakes and deviations.

Working to retirement age

The ÖBB Group offers working time models for employees that go above and beyond the legal requirements, and that are designed to help older employees stay healthy and capable of gainful employment for longer.

The model of "Age-appropriate part-time work" is one of these models. It was developed together with the employee representatives. The working time model is intended to enable older, permanently employed employees to take a break from working life while at the same time maintaining their performance. The "age-appropriate part-time work" can already be taken advantage of before access to statutory partial retirement as defined in § 27 Unemployment Insurance Act (AIVG). Currently, two variants are offered for men, starting at age 54 or 56, and one variant for women, starting at age 52.5.

The working time models available at ÖBB are used by employees of all Group companies - provided the requirements are met and a corresponding agreement has been reached with the employer. As of the reporting date 31.12.2020, 605 employees were taking advantage of the legally possible partial retirement in accordance with § 27 AIVG.

Generational management: Focus on knowledge transfer

ÖBB is facing a generational change in the coming years: Employees will retire and new generations, with different expectations and requirements of their employers, will move up through the company. In order to maintain its competitive position, ÖBB must conserve crucial knowledge and pass it on to the next generations.

Personnel development leads the topic of passing on and transferring knowledge. Employee groups were identified that are critical for success. In addition to this,

- Knowledge transfer tandems were conceived
- Knowledge transfer coaches were trained
- An ÖBB knowledge transfer toolbox was compiled

Various communication measures support the efforts to raise awareness among managers and employees related to effective knowledge transfer.

Another component of the generation change is the constantly high demand for new colleagues to strengthen our #TeamÖBB.

In the next few years, we will be looking for more than 10,000 employees across all specialist areas, but also in particular in railway-specific professions, mainly due to further retirements. To achieve this, ÖBB positions itself on the one hand as one of the most attractive employers in the country on the labour market and on the other hand the ÖBB Recruiting Team makes every effort to select the best qualified applicants for our open positions.

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: In 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 sub-groups mainly train apprentices in commercial professions. In contrast, apprentices at ÖBB-Infrastruktur AG and Österreichische Postbus AG primarily receive training in technical occupational fields.

The training program is recognised by the state. The graduates regularly win numerous prizes and awards at vocational competitions each year. The ÖBB, for example, has had the Viennese quality seal "TOP Apprenticeship company" since 2015. Apprentices from the Vienna training workshop achieved an excellent 3rd place in the "Rookies" category at the WKÖ Coding Day in 2019. In 2020, the ÖBB apprentices were able to hold their own very well with 3rd place in the "Experts" category and once again improve their ranking. Last year, the jury was impressed by an app designed by the young people, which encourages them to save CO₂ by the conscious use of rail services. The apprenticeships in the ÖBB portfolio are also becoming "greener" and more digital. In the future lab of apprenticeship training at the Vienna site, VR training designed by apprentices and trainers was conducted in practice. It reproduces Vienna's main railway station and enables virtual training on railway technology there. The young people trained in this way benefit from realistic training and can thus develop a good understanding of the complex and increasingly intertwined handling of railway operations.

In 2020, ÖBB's training portfolio was expanded. Since autumn, apprenticeships in refrigeration technology and electrical engineering - energy technology have been offered. Young technicians are trained for the maintenance and servicing of air conditioning units in railcars and buildings, as well as for the generation and distribution of electricity, and are introduced to challenging tasks.

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 22.8% for the first time in 2020.

ÖBB's "nasicher.at" [sure!] campaign aims to motivate young people to join the company.

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 is currently being renovated and extended with an annex building. A new local apprentices' home is being built in St. Pölten. Around EUR 44.0 million was made available for this purpose.

ÖBB academy and ÖBB training catalogue

Personnel development brings together strategically relevant development and training activities for different levels of management, 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 in the Group.

2020 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 60 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) leadership in a crisis. An online series of events on how to conduct webinars was well received by trainers and interested staff and managers.

D.3. Research and development report

The ongoing further development of the overall system of mobility, logistics and infrastructure is of central importance in the ÖBB Group. In this context, the focus is on customer benefits and on increasing capacity, productivity and quality. ÖBB is aware of its important role as one of the largest Austrian users of technology, as an innovation driver of the Austrian railway industry and of the entire mobility sector. ÖBB's R&D and innovation activities are geared to the strategic goals of the Group as well as to current trends and future needs. The ÖBB technology strategy was adopted in spring 2020. This created an important framework and strategic context for concrete technological initiatives and projects in the Group. The core element of the ÖBB technology strategy, which is geared to the year 2030, is concrete focal points with a pronounced user and implementation orientation. They should make a measurable contribution to increasing capacity, productivity and/or quality. In total, eight focal points with 24 flagship projects were defined in this strategy - from "Automated Operations Management" and the "Digital Twin" to the "Innovative Freight Wagon" and the "Innovative Regional Railway".

The first test operation of a hydrogen train including hydrogen filling station in scheduled passenger transport is one of the lighthouse projects from ÖBB's technology strategy. ÖBB is following up on its target of providing a CO₂-neutral mobility sector by 2030 with concrete action through operation of this vehicle. ÖBB is also involved in further exploratory projects. This includes, for example, the operation of the Cityjet eco or the conversion of shunting locomotives to CO₂-free operation with the possible use of alternative drives.

Since February 2020, Postbus has been using battery-powered buses in regular operation for the first time, following extensive tests in Vorarlberg and Carinthia. Other projects in the field of alternative drives - both battery and hydrogen drive - are currently being developed.

Another important Group-wide milestone from 2020 is the launch of the TARO project "Towards Automated Railway Operation" in summer 2020. TARO is a cooperation of 17 project partners under the consortium leadership of ÖBB-Holding AG. ÖBB will also be represented by Rail Cargo Austria AG, ÖBB-Infrastruktur AG, ÖBB-Personenverkehr AG and ÖBB-Technische Services-Gesellschaft mbH. In this project, numerous aspects regarding the digitalisation and automation of the entire railway system are to be addressed through interdisciplinary cooperation between railway undertakings, infrastructure operators, industry and science.

The project content includes, for example, the digital mapping of vehicles and infrastructure or the development of more cost-effective regional rail solutions. Another project is testing the digital automatic coupling and the associated railway operation. TARO is designed to run for three years and is funded by the Federal Ministry for Climate Protection, Environment, Energy, Mobility, Innovation and Technology (BMK) and the Austrian Research Promotion Agency (FFG).

Another significant milestone achieved through the active participation of the ÖBB Group is the establishment of the "European DAC Delivery Programme". The aim of this European program is to define a uniform European standard for a digital automatic coupler (DAC) in freight transport. The integrated power and data line of the DAC enables largely automated coupling in rail freight transport for the first time. Furthermore, it also creates the conditions for the automation and digitalisation of rail freight transport in Europe and is thus an important step towards increasing its attractiveness and productivity, but also the capacity of the infrastructure as a whole.

The aim of the "DOMINO" project is to develop a continuous, publicly accessible mobility offer while supporting the climate goals of the public sector. This is achieved by analysing the framework conditions and control parameters of intermodal mobility, identifying user potentials and developing interface standards to simplify the networking of mobility services. Intermodal mobility management is being tested together with new mobility offers in three pilot regions. The first of three project years was successfully completed in November 2020. 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.

In addition, the ÖBB Group participated in the preparation of the new "RTI Strategy Mobility" of the BMK. Furthermore, ÖBB is preparing intensively for the successor program of "Shift2Rail".

In total, 109 R&D projects were in progress in the ÖBB Group in 2020. The current project portfolio has a total volume of around EUR 23.0 million (net expenditure over the entire term).

D.4. Environmental report

ÖBB bears responsibility in many respects as the largest mobility provider and as one of the largest employers in Austria. This change resulted primarily from a voluntary transfer of employees from the domestic subsidiaries to Rail Cargo Austria AG with a simultaneous change in the collective agreement. The focus of considerations and actions is on ecological and economic issues as well as social aspects.

Climate change and COVID-19 are causing changes

Two central issues are currently dominating the public and political debate worldwide. One is the ongoing corona crisis with all its health and economic policy implications. The other is the second key issue of our time: climate change. Although the climate issue has receded somewhat into the background in the public discourse due to COVID-19, its importance is still undisputed. Both issues have a significant impact on ÖBB.

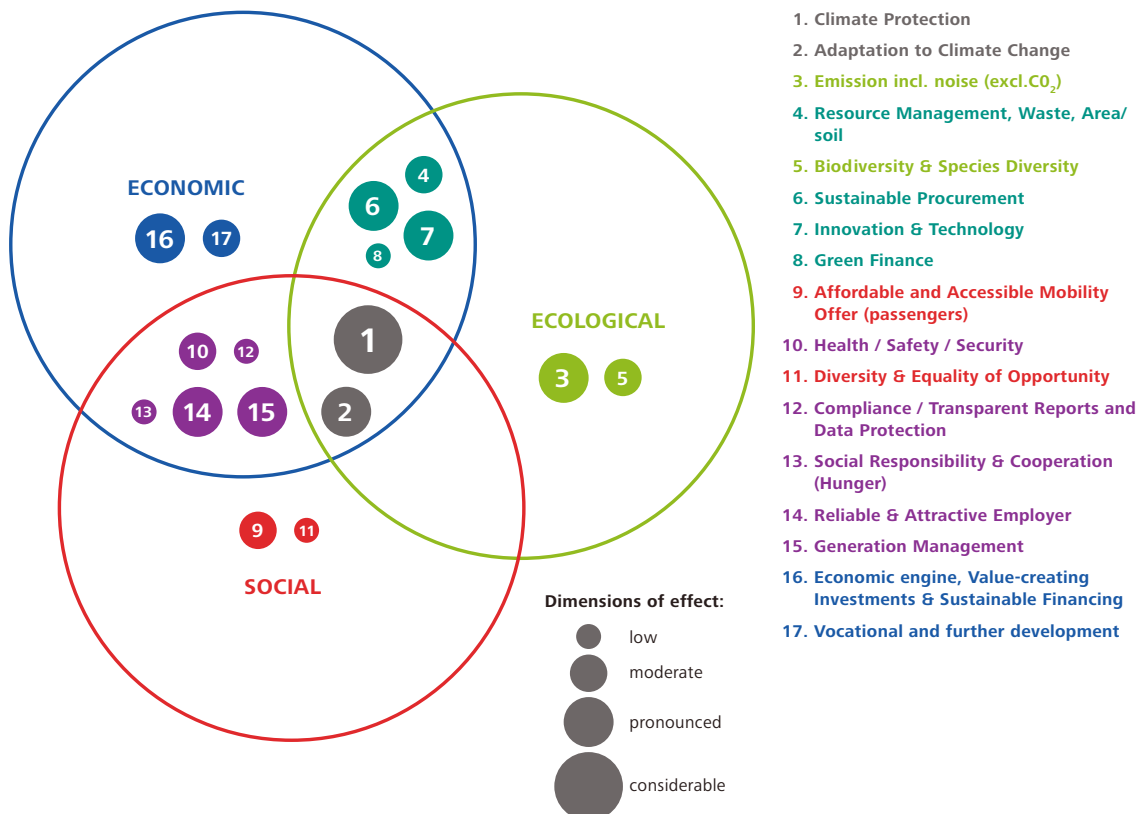
The crisis does, however, also offer new opportunities. The prerequisite for this is that the ramping up of the economy is oriented towards sustainability and climate protection. Regionality and value creation have once again become an important topic in Austria and in the European economic area. At a political level, the European Union's Green Deal points the way towards a climate-neutral economy. Public transport, and in particular the climate-friendly rail system, will play a decisive role on this path. Climate change will inevitably bring about a more permanent change in our actions.

The ÖBB sustainability strategy: 17 modules in focus

The main topics of the new ÖBB sustainability strategy were developed and adapted throughout the Group in the first half of 2020. Based on the results of the materiality analysis 2018 and the Sustainable Development Goals of the United Nations (SDGs), 17 modules for the new ÖBB sustainability strategy were derived and defined. The illustration of 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 modules for ÖBB and illustrate the current materiality of the respective sustainability topics for the ÖBB Group.

ÖBB Sustainability strategy

17 building blocks with their dimensions of impact within the 3 pillars of sustainability



CO₂ balance for the ÖBB transport sector

The CO₂ balance for the ÖBB transport sector is calculated each year by Environment Agency Austria. Total greenhouse gas emissions (GHG emissions) by the ÖBB transport sector in Austria increased marginally in 2019 to around 288,306 t (2018: around 281,342 t). The preliminary calculation of the total GHG emissions for the mobility sector for 2020 by the Federal Environment Agency shows a further reduction of around 253,978 t, which is mainly attributed to the lower transport performance in 2020 due to the corona crisis.

Total GHG emissions of the ÖBB mobility sector (CO ₂ eq in tonnes)				
	2017	2018	2019	2020*
Rail (passenger and freight transport)	211,300	114,481	115,182	102,520
Postbus	142,938	144,737	150,859	133,586
Own trucks	266	172	185	131
Intra-company transport	20,713	21,952	22,080	17,741
ÖBB total	375,217	281,342	288,306	253,978

* Preliminary calculation: verified electricity mix 2020 not yet available, calculations 2020 by Federal Environment Agency based on performance figures 2020 and emission factors 2019. The CO₂ balance 2020 will be drawn up once all the basic data is compiled

Once all verified basic data is available, the final CO₂ balance for 2020, which will be prepared by the Federal Environment Agency, will be available in May 2021. The following details on the development of the CO₂ balance refer to the 2019 reporting year.

ÖBB passenger transport saw further slight improvements in GHG emissions in 2019. In contrast, there was a slight deterioration in GHG emissions for ÖBB freight transport and ÖBB Postbus. In the case of ÖBB freight transport, this is due to lower transport performance and the associated slight increase in energy consumption per tonne transported. At ÖBB Postbus, the increased energy demand when using the latest generation of particle filters (buses of standard class Euro 6) leads to a worsening of the specific energy consumption and thus to a small increase in GHG emissions - however, with a simultaneous significant reduction of pollutant emissions (soot particles, fine dust ...) from the operation.

The total CO₂ savings effect of ÖBB transport services (rail and bus) in Austria could be quantified at around 4.2 million tonnes in 2018. This value could be maintained in 2019. A reduction of this savings effect is to be expected for the year 2020, caused by the decline in transport services due to the corona crisis.

The CO₂ balance for the ÖBB transport sector in 2019 results in the following CO₂ emission factors for rail (passenger and freight transport) and bus (Note: specific ÖBB emission figures and CO₂ difference factors from 2020 are not yet available at present - comparative values for 2019 from the Austrian Air Pollution Inventory are also not yet available according to the Federal Environment Agency):

Development of total CO₂eq emissions

Specific ÖBB emission figures	2018	2018
ÖBB-Personenverkehr passenger transport rail, CO ₂ eq in g/Pkm	8.4	8.2
ÖBB-Personenverkehr passenger transport Postbus, CO ₂ eq in g/Pkm	90.2	94.7
ÖBB goods transport rail, CO ₂ eq in g/tkm	2.0	2.2

Data source: ÖBB CO₂ balance, Environment Agency Austria 2019 and 2020.

Comparison values (measured with average load or occupation levels and consumption)	2018	2018
Passenger cars, CO ₂ eq in g/Pkm	216.5	217.5
Trucks, CO ₂ eq in g/tkm	88	89.1
Aircraft, CO ₂ eq in g/Pkm	426.2	418.2

Data source: ÖBB CO₂ balance, Federal Environment Agency 2019 and 2020 (Note: comparative values for cars, trucks, planes are always available one year late).

This also results in optimised differentiation factors with cars, trucks and aircraft.

CO₂ differentiation factors (average study per passenger or tonne kilometre)	2018	2018
Passenger cars: ÖBB-Personenverkehr rail	26:1	27:1
Passenger cars: ÖBB-Postbus	2.4:1	2.3:1
Trucks: ÖBB goods transport rail	44:1	40:1
Aircraft: ÖBB-Personenverkehr rail	51:1	51:1

Data source: ÖBB CO₂ balance, Environment Agency Austria 2019 and 2020.

The ÖBB Group presents its sustainability as well as its climate performance in special reports - e.g. in the ÖBB Sustainability Report. The contents reported reflect the aspects that are relevant and material to the business activities. The ÖBB Sustainability Report 2019 was prepared in accordance with the Federal Gazette (BGBl). I Nr. 20/2017 was prepared on the basis of the Sustainability and Diversity Improvement Act and in accordance with the GRI standards (Global Reporting Initiative) under the "CORE option" and certified by the auditing firm BDO.

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 sub-groups 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 published online. Corresponding stakeholder dialogues were scheduled for 2020. They could not be implemented to the desired extent because of the COVID-19 provisions.

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 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.

Local and long-distance transport

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 2020, 176 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 25 ÖBB multifunctional wagons enable wheelchair users to travel at night in a couchette compartment, together with an accompanying person.

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 2020.

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. The double-decker buses offer generous seating comfort in 1st and 2nd class and are equipped with a WC and air conditioning. In 1st class, passengers have access to 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 2020, 84% of all ÖBB passengers will already benefit from 370 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. More than 20 stations were comprehensively modernised or completely rebuilt in the 2020 reporting year. Examples include Abfaltersbach, Mittewald a. d. Drau, Sillian (all Tyrol), Finkenstein (Kärnten), Neumarkt am Wallersee (Salzburg), Allerheiligen-Mürzhofen, Bad Mitterndorf, Bad Mitterndorf-Heilbrunn, Kapfenberg (all Styria), Braunau am Inn, St. Georgen a. d. Gusen Ort (both Upper Austria), Kirchberg am Wagram, Neulengbach Stadt, Oberweiden and St. Andrä-Wördern (all Lower Austria). Georgen a. d. Gusen Ort (both Upper Austria), Kirchberg am Wagram, Neulengbach Stadt, Oberweiden and St. Andrä-Wördern (all Lower Austria).

This process of modernising stations and stops will, of course, be consistently continued in 2021. ÖBB is particularly concerned with 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).

Also in 2020, direct exchange with people with disabilities and advocacy groups was actively pursued - increasingly via digital communication channels. Among other things, products and innovations in information and routing as well as station equipment in the public area were analysed and discussed. 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. It is often small, additional measures that make using the railway easier and less stressful - for people with and without disabilities.

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's safety strategy was integrated into the Group strategy. New safety targets were defined in the course of this process. By 2024, key safety indicators (e.g. 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. The aim is to learn systematically from events and incidents that pose a threat to safety and to be able to take proactive countermeasures.

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

The event of signal overruns (train running) as a precursor to train collisions remained a central focus topic for all ÖBB Group companies in 2020. It is being addressed consistently and as a priority in the current safety program through appropriate measures. One measure to reduce signal overruns is the "warning app" for train drivers, which was developed in 2019 and rolled out across the board in 2020. It supports the employees affected by "starting against a stop". The development of the warning app serves as a group-wide showcase project. The further development of the warning app was launched in 2020 to ensure the support of train drivers 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. In addition, the focus in the next few years will be on further developing our safety culture. A number of tools and methods were developed in 2019/20 to help managers and staff live safety on a daily basis, and safety was integrated into a number of standard processes.

Tools/methods to further develop the safety culture

The following tools/methods for the further development of the safety culture were newly introduced or expanded in 2020:

- Proactive dialogue on safety via performance boards
- Conducting safety walks
- Fault classification system
- Cause identification system
- Methodology for discontinuing in-house customary practices
- Safety interaction cards

Living Safety

Living Safety has been anchored in the standard processes since 2020:

- Living safety in the Team Target Dialogue (TZD) process
- Living safety in the appraisal interview
- ÖBB Award (Safety Role Model of the Year)
- Living Safety - campaign
- Safety briefings
- Safety as a TOP in meetings

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 2020, 89.7% of ÖBB's long-distance transport and 97.5% of ÖBB's local services were on time. Rail Cargo Austria trains operated on the ÖBB network with a punctuality rate of 84.4%.

The "all-time high" in punctuality with the considerably better performance in 2019, especially compared to the previous year, was favoured, among other things, by the corona crisis, which from mid-March led both to a decline in passengers in long-distance and local transport compared to the previous year and to a higher quality in national operations due to the withdrawal of cross-border services (especially mid-March to mid-June). In addition, however, there is also a discernible positive effect of the measures taken in punctuality management. The good punctuality figures were also positively influenced by a start to the year characterised by few extreme weather events.

The comprehensive program of measures launched in 2018 to ensure performance while simultaneously increasing traffic performance was also consistently pursued in 2020. Further process optimisations were implemented in construction site planning as well as measures to increase plant reliability. Adjustments in vehicle deployment and technical enhancements to the fleet contribute to greater stability and reliability in operation. Capital expenditure on new equipment and the vehicle fleet also provide considerable support for this development. Challenging construction site situations in the summer and autumn months could be mastered by targeted bundling of construction activities and adjustments of timetables to the construction site situation - to ensure a planable journey. There were isolated negative influences on performance due to storms, accidents with road users and delays of neighbouring railways.

As before, a high proportion of unpunctuality is generated by delays in the vicinity of a neighbouring railway. In the cooperation in cross-border traffic, performance dialogues with neighbouring railways were introduced in order to minimise the impact of unpunctual trains on ÖBB's network through joint measures in cross-border traffic. Further increases in cycle frequencies as well as increasing changes in climatic conditions are to be expected in the medium term and represent, among other things, the challenges of the future for the reliability and quality demands of the system.

The goal is therefore to initiate an evolution from reactive delay management to proactive journey time reserve management. The forward planning and simulation as well as the active management of planable deviations serve to stabilise the dense timetable structure in the overall network. This also includes further in-depth analyses of causes and their interactions, as well as effects on unpunctuality, in order to ensure future demands on the system on the part of our passengers, but also to guarantee overall system stability.

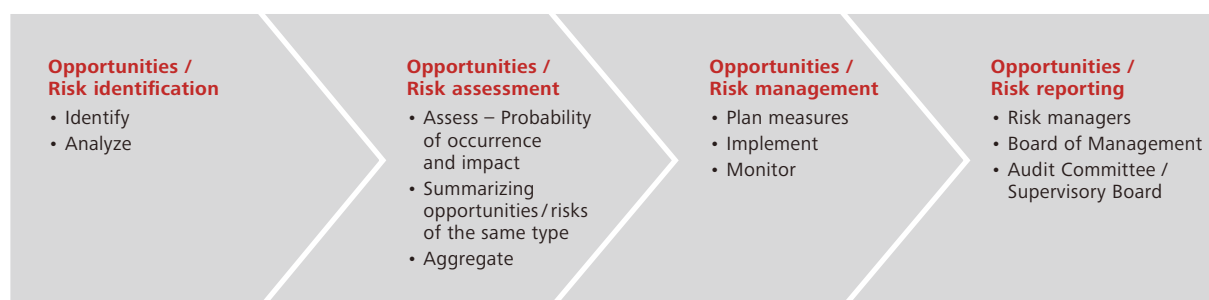
E. Opportunity and Risk Report

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's activities. Consequently, risks may only be taken if they are calculable and associated with an increase in income and in the company value.

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 2021, none of which pose a threat to the company's continued existence, are distributed among the individual opportunity and risk areas as follows:

Strategy

If rising corona infection figures lead to measures prescribed by the authorities, this could lead to a deterioration in the result and liquidity. The experience and knowledge gained over the past months in coping with the pandemic have a risk-mitigating effect. The mass tests and vaccinations that are now underway also have a risk-mitigating effect.

Despite the tense situation, the "Nordstern" program is being pursued. The program essentially serves to prepare the ÖBB Group for the extensive changes in the competitive environment, technology and human resources. At the same time, the generational shift acts as an opportunity to successfully prepare the organisation for the future.

A concept was developed with the involvement of all Group companies to initiate a comprehensive transformation. The transformation program prepares the company for significant challenges and risks arising in particular from intensified competitive pressure and technological change over the next ten years. This will further strengthen the foundation of operational excellence. The defined measures for the implementation of the concept were incorporated into the budget and medium-term planning. Regular monitoring of the strategic measures are carried out.

Operating business

Regular inspections of equipment are performed as measures to reduce the risk of a decline in revenue and additional expenses due to quality problems with equipment (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. The existing emergency and contingency plans are continuously evaluated and reviewed by exercises conducted annually.

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 is 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.

The long-term economic impact of the United Kingdom's withdrawal from the European Union is not yet clear. However, most economic experts anticipate the likelihood to be rather minimal. Should, however, economic growth in Europe slow down significantly as a result, this could have a negative influence on the business development of the ÖBB Group. The direct business volume of the ÖBB Group with companies from Great Britain with sales revenues of around EUR 1.3 million is, however, to be classified as very low.

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. If the traffic light is on red in a region, the handover of duties in operations control centres takes place virtually, masks are compulsory (except at the workplace), there are extensive home office regulations, there are no attendance meetings, and much more.

There is also a risk that failure to implement or partial implementation of planned measures, such as efficiency improvements or recruiting and knowledge transfer, could result in additional personnel expenses. 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.

A Compliance Team was set up in 2013 to assist primarily in this area of risk as part of an early warning 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, e.g. due to new technical or organisational requirements. Accordingly, the development is carefully reviewed for possible effects in order to react at an early stage.

The Association Responsibility Act provides that a company can be held responsible and punished for acts of its employees or decision-makers that are punishable by law. That also applies to the ÖBB Group. 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 risks.

Purchasing and procurement

The main risks are delivery delays caused by the Corona pandemic, which complicate operations. These risks are mitigated through intensive contacts with suppliers and service providers.

Another risk is posed by price fluctuations for various materials and services, although this may also result in potential opportunities. To mitigate this risk, contracts can be appropriately formulated by observing and analysing the market.

Data processing

System failures can cause additional costs and loss of revenue in the operating business units. 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's Chief Information Security Officer, together with the contact persons in the sub-groups and companies, ensures uniform Group-wide control and monitoring (security governance) of information security. Security governance is responsible for minimising damages resulting from, e.g. malicious software or identified risks, by regular monitoring of the measures implemented.

Subsidiaries and investments

Subsidiaries and investments are considered within this risk area. Here, there is a risk that they may not achieve their budget targets, and that assets may have to be written down as a result of impairment testing, and allowances for investments may be required. Risk mitigation is achieved by continuously monitoring developments in order to be able to take countermeasures in good time.

Risks related to financial instruments

Original financial instruments

The ÖBB Group holdings of primary 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.

Most of the derivatives at the Group level (around 92% (py: around 94%) of nominal value are non-structured standard hedges (plain vanilla interest rate swaps and plain vanilla commodity swaps).

A share of around 8% (py: around 6%) of the nominal value of interest rate swaps is attributable to a structured derivative that is not eligible for hedge accounting. This specific structured derivative has a total nominal volume of EUR 20.0 million with a term through 2022. The share changed compared to the prior year due to the planned expiry of interest rate swaps in two companies. In total, the nominal value of the interest rate swaps changed from around EUR 318.8 million to around EUR 244.9 million.

In 2020, commodity swaps with a nominal value of around EUR 22.3 million were concluded, of which commodity swaps with a nominal value of around EUR 7.9 million expired on 31.12.2020.

Risk definition and risk management with respect to financial instruments

ÖBB-Holding AG engages in financial transactions 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. A short-term liquidity facility was agreed with the commercial banks in response to COVID-19 and the associated slump in business in the ÖBB Group in the amount of around EUR 1.0 billion. In addition, payments to social security, the tax office and also repayments at commercial banks were postponed to a later date (moratorium). Financing planned for the second half of the year was brought forward and adjusted to current requirements.

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 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 euros. 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 have also been accounted for in the weekly limit allocation.

Commodity Risk

Electricity

ÖBB-Infrastruktur AG operates its own hydro-electric power plants. It assumes the technical, commercial and legal responsibility for power installations and equipment and includes the energy efficiency competence centre 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 sub-group 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 sub-group that the prices are already secured and fixed in advance. Price hedging is carried out by concluding forwards for the planned purchase quantities for 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. For this purpose, there are agreements for fuel cards with various different suppliers. 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.

Against the background of possible procurement strategies and in order to diversify risks, the 71st Supervisory Board meeting of Österreichische Postbus AG on 30.06.2020 approved diesel price hedging for up to a maximum of 29.33 million litres or 24,794 metric tonnes of diesel for the year 2021. The aforementioned 24,794 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. Against the background of possible procurement strategies and in order to diversify risks, the 70th Supervisory Board meeting of ÖBB-Produktion Gesellschaft mbH on 29.06.2020 approved the hedging of up to a maximum of 60% of the annual fuel requirement for 2021.

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 AG 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.

In 2020, commodity swaps were concluded for the first time for 2020 and 2021. Those swaps that relate to the hedging period 2020 expired on 31.12.2020.

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 sub-groups 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.

Control environment

The ICS in the ÖBB Group is an essential component of company-wide risk management. It contributes to the achievement of the company's goals 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 monitoring activities are determined in order to reduce the risk to an appropriate level. Regular self-assessment with rotating areas of key focus and documented results makes sure the monitoring procedures are effective.

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 unit 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 unit has also been established. It is not subject to directives in its ad hoc monitoring activities and is supported by compliance officers from all sub-groups. 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 sub-group has an appropriate, effective ICS. 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 continuously transferred to a Group-wide unit for accounting services within ÖBB-Business Competence Center GmbH since 2005.

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, where the data is 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 ICS.

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 25.03.2021

The Board of Management

Ing. Mag. (FH) Andreas Matthä

Mag. Arnold Schiefer



"The ÖBB can deal with and manage crises. We have proven that on many occasions. When it matters, you can rely on the ÖBB."

Arnold Schiefer, CFO



Consolidated Financial Statements

Consolidated Financial Statements

Consolidated Income Statement 2020

Consolidated Income Statement 2020

	Note	2020 in TEUR	2019 in TEUR
Continuing operations			
Revenue	4	4,083,095.0	4,405,106.7
Change in finished goods, work in progress and services not yet chargeable		5,843.4	5,603.7
Other own work capitalised	5	444,338.5	421,186.2
Other operating income	6	2,191,040.1	2,113,175.8
Total income		6,724,316.9	6,945,072.4
Cost of materials and purchased services	7	-1,693,601.8	-1,781,434.0
Personnel expenses	8	-2,742,899.8	-2,742,418.2
Depreciation and amortisation	9	-1,224,008.8	-1,190,556.3
Other operating expenses	10	-439,235.5	-475,621.5
Earnings before interest and taxes (EBIT excluding investments accounted for using the equity method)		624,571.0	755,042.4
Earnings of investments accounted for using the equity method	17	994.2	3,611.8
Interest income	11	19,963.2	23,964.6
Interest expenses	11	-572,261.5	-618,681.7
Other financial income	12	16,078.8	30,693.5
Other financial expenses	12	-30,703.5	-26,098.4
Financial result (incl. earnings of investments accounted for using the equity method)		-565,928.9	-586,510.2
Earnings before income taxes (EBT)		58,642.1	168,532.2
Income taxes	13	4,467.6	56,569.2
Income from continuing operations		63,109.7	225,101.4
Discontinued operations			
Results after tax of the discontinued operations	19	0.0	-57,839.6
Net income		63,109.7	167,261.8
Consolidated net income attributable on a pro rata basis:			
to the shareholder of the parent company		60,379.3	165,092.3
to non-controlling interests		2,730.4	2,169.5

Consolidated Statement of Comprehensive Income 2020

Other comprehensive income 2020

	Note	2020 in TEUR	2019 in TEUR
Net income		63,109.7	167,261.8
Remeasurement gains (losses) on defined benefit plans	24	-2,490.6	-8,455.5
Items that will never be reclassified ("recycled") subsequently to the income statement		-2,490.6	-8,455.5
Cash flow hedges	24	17,184.2	-21,780.7
Unrealised income from currency translation	24	-18,414.4	-5,443.9
Items that are or may be reclassified ("recycled") subsequently to the income statement		-1,230.2	-27,224.6
Other comprehensive income		-3,720.8	-35,680.1
Comprehensive income		59,388.9	131,581.7
Comprehensive income attributable on a pro rata basis:			
to the shareholder of the parent company		56,658.5	129,412.2
to non-controlling interests		2,730.4	2,169.5

Consolidated Balance Sheet as of 31.12.2020

Assets	Note	Dec 31, 2020 in TEUR	Dec 31, 2019 in TEUR
Non-current assets			
Property, plant and equipment	14	29,846,661.2	28,245,790.2
Intangible assets	15	1,031,590.9	876,903.3
Investment property	16	166,185.2	168,971.9
Investments recorded at equity	17	69,456.5	66,154.2
Other financial assets	18	227,650.0	286,079.7
Other receivables and assets	20	114,225.7	131,789.6
Deferred tax assets	13	199,786.7	191,401.2
		31,655,556.1	29,967,090.1
Current assets			
Inventories	21	294,586.8	278,440.5
Trade receivables	20	631,337.9	595,710.7
Other receivables and assets	20	392,588.1	312,970.2
Income tax receivables	13	1,263.5	852.6
Other financial assets	18	86,884.2	34,862.3
Non-current assets held for sale	19	110.3	139.1
Cash and cash equivalents	22	40,825.0	64,302.7
		1,447,596.0	1,287,278.1
		33,103,152.1	31,254,368.2
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	23	1,900,000.0	1,900,000.0
Additional paid-in capital	24	141,812.2	80,812.2
Other reserves	24	-115,023.0	-113,792.8
Retained earnings	24	827,515.1	765,085.3
Equity attributable to the shareholder of the parent company		2,754,304.2	2,632,104.7
Non-controlling interests	23	13,348.4	12,658.1
		2,767,652.6	2,644,762.8
Non-current liabilities			
Financial liabilities	25	24,001,498.8	22,823,017.0
Provisions	26	582,855.5	574,284.3
Other liabilities	27	34,473.6	40,137.4
Deferred tax liabilities	13	6,721.2	9,192.3
		24,625,549.1	23,446,631.0
Current liabilities			
Financial liabilities	25	2,664,798.1	2,519,664.2
Provisions	26	397,201.6	199,358.6
Trade payables	27	994,049.6	879,848.7
Other liabilities	27	1,647,501.1	1,564,102.9
Non-current liabilities held for sale	19	6,400.0	0.0
		5,709,950.4	5,162,974.4
		33,103,152.1	31,254,368.2

Consolidated Statement of Cash Flow 2020

Note		2020 in TEUR	2019 in TEUR
Net income		63,110	167,262
Non-cash expenses and income			
+ Depreciation and amortisation on property, plant and equipment, intangible assets and investment property	9	1,391,884	1,370,221
+ Depreciation / - appreciation on non-current financial assets		304	348
- Amortisation of investment grants	9	-168,225	-166,355
+ Losses / - gains on disposal of property, plant and equipment, intangible assets and investment property		-33,259	-27,679
+ Losses / - gains on disposal of financial assets		58	0
- Gains on exchange rates / + losses on exchange rates		5,079	2,025
- Other non-cash income / + other non-cash expenses		6,537	-2,858
+ Interest expenses	11	572,262	619,219
- Interest income	11	-19,964	-24,029
+ Tax income		-4,468	-56,563
Changes in assets and liabilities			
- Increase / + decrease in inventories	21	-16,146	-28,172
- Increase / + decrease in trade receivables and other assets		-91,537	25,100
+ Increase / - decrease in trade payables and other liabilities and deferrals		46,908	220,446
+ Increase / - decrease in provisions	26	209,280	117,793
- Interest paid		-669,195	-739,879
+ Interest received		9,734	23,714
- Income tax paid	13	-7,913	-7,224
Cash flow from operating activities a)		1,294,449	1,493,369
+ Proceeds from disposal of property, plant and equipment and intangible assets		46,830	60,833
- Expenditures for property, plant and equipment and intangible assets	14, 15	-2,827,712	-2,598,368
+ Proceeds from disposal of financial assets		0	0
- Expenditures for investments in financial assets		-5,490	-401
+ Proceeds / - Repayments of investment grants	14, 15	153,724	147,111
+ Proceeds from the sale of consolidated companies and other business units		0	100
- Expenditures for the acquisition of consolidated companies and other business units		0	-304
+ Dividends received		240	2,772
+ Redemption of loans granted / - grant of loans (from investing activities)		107	-296
Cash flow from investing activities b)		-2,632,301	-2,388,553
+ Cash inflows from equity contributions from controlling shareholders		61,000	0
- Payments to non-controlling interests		-2,444	-1,843
+ Proceeds from issue of bonds and loans	25	1,112,398	2,807,011
- Redemption of bonds and loans		-1,829,143	-2,065,835
- Cash payments from lease liabilities		-103,918	-94,207
+ Proceeds from grant of loans / - redemption of other loans		2,219,587	91,610
Cash flow from financing activities c)		1,457,480	736,737
Funds at the beginning of the period		-96,593	60,773
Change resulting from the basis of consolidation		0	523
Foreign currency translation		-443	557
Change in the funds resulting from cash flows (a+b+c)		119,628	-158,447
Funds at the end of the period		22,592	-96,593

Information on the composition of cash and cash equivalents is provided in Notes 22 and 33.

Consolidated Statement of Changes in Equity 2020

in TEUR	Equity attributable to the shareholder of the parent company							Total shareholders' equity
	Share capital	Additional paid-in capital	Cash flow hedge reserve	Foreign currency translation	Retained earnings	Total equity	Non-controlling interests	
<i>As of Jan 01, 2019</i>	<i>1,900,000.0</i>	<i>260,812.2</i>	<i>-35,973.0</i>	<i>-50,595.1</i>	<i>441,887.5</i>	<i>2,516,131.6</i>	<i>12,531.3</i>	<i>2,528,662.9</i>
Adjustments following first time application of IFRS 16					-13,510.3	-13,510.3		-13,510.3
<i>Adjusted status as of Jan 01, 2019</i>	<i>1,900,000.0</i>	<i>260,812.2</i>	<i>-35,973.0</i>	<i>-50,595.1</i>	<i>428,377.2</i>	<i>2,502,621.3</i>	<i>12,531.3</i>	<i>2,515,152.6</i>
Net income					165,092.3	165,092.3	2,169.5	167,261.8
Other comprehensive income			-21,780.7	-5,443.9	-8,455.5	-35,680.1		-35,680.1
Comprehensive income			-21,780.7	-5,443.9	156,636.8	129,412.2	2,169.5	131,581.7
Reclassification		-180,000.0			180,000.0	0.0		0.0
Dividends distributed to non-controlling shareholders							-2,042.7	-2,042.7
Effects from deconsolidation of the discontinued operation					71.3	71.3		71.3
As of Dec 31, 2019	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

in TEUR	Equity attributable to the shareholder of the parent company							Total shareholders' equity
	Share capital	Additional paid-in capital	Cash flow hedge reserve	Foreign currency translation	Retained earnings	Total equity	Non-controlling interests	
<i>As of Jan 01, 2020</i>	<i>1,900,000.0</i>	<i>80,812.2</i>	<i>-57,753.7</i>	<i>-56,039.0</i>	<i>765,085.3</i>	<i>2,632,104.7</i>	<i>12,658.1</i>	<i>2,644,762.8</i>
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
Effects from capital consolidations					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

The number of shares remains unchanged at 190,000.

Further details on the Statement of Changes in Shareholders' Equity can be found in Notes 23 and 24.

Notes to the Consolidated Financial Statements as of 31.12.2020

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 which was 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 Federal Minister for Transport, Innovation and Technology is responsible for the management of the shares. 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, the Rail Cargo Austria subgroup 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 31.12.2020 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 31.12.2020 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.

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 31.12.2019 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 3	Definition of a business	Jan 01, 2020	no
IAS 1 and IAS 8	Definition of materiality	Jan 01, 2020	no
IFRS 9, IAS 39 and IFRS 7	IBOR-Reform (Phase 1)	Jan 01, 2020	yes
Conceptional framework	References to the framework concept in the IFRS standards	Jan 01, 2020	no
IFRS 16	COVID-19 conditional rent concessions	June 01, 2020	no

1) Applicable for financial years starting on or after the date indicated.

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"). Financial instruments of the Group are exposed to IBORs, which are replaced or reformed as part of these market-wide initiatives. There is uncertainty about the timing and methods of transition. The Group expects that the IBOR reform will have an impact on risk management and hedge accounting.

ÖBB Group applied these amendments for the first time in the current financial year. The amendments modify specific hedge accounting requirements to allow hedge accounting for affected hedging relationships to continue during the period of uncertainty until the underlying hedged items or hedging instruments affected by the existing reference rates are adjusted as a result of the ongoing reforms to the reference rates.

The amendments are relevant for the Group as the Group applies hedge accounting for hedges of interest rate risk related to reference interest rates. The application of the amendment had the following effects on the Consolidated Financial Statements:

- The Group has floating rate financing which is hedged by payer interest rate swaps. The amendments allow hedge accounting to continue even if in the future the hedged reference interest rate, EURIBOR, may no longer be separately identifiable. This relief does not, however, extend to the requirement that the designated interest rate risk component still needs to be reliably measurable. If the risk component is no longer reliably measurable, the hedging relationship must be terminated.
- The banks that are partners of the Group companies in the swap transactions have decided to join the ISDA IBOR Protocol without exception. The provisions of the Protocol apply only to the derivatives covered by the ISDA Master Agreement. The existing swaps, which are governed by an ISDA Master Agreement, mature in 2022 or 2026. The contractual differences do not directly affect the valuation of the swaps. In cases where the swaps are run under an Austrian or a German master agreement for derivative transactions, the consent of both parties is required to establish legal certainty. Although the counterparties have joined the ISDA Fallback Protocol, no adjustment of old contracts takes place. Regardless of how the future development in the area of reference interest rates evolves, the Group will endeavour to maintain the current hedging relationships.
- The Group will continue to recognise the cumulative gain or loss on designated cash flow hedges that are subject to a reform of the reference interest rates in the cash flow hedge reserve, even if the reform results in uncertainty about the timing and amount of the cash flows of the underlying hedged items. If the Group considers that the hedged cash flows are no longer expected to occur for reasons other than the reform of the reference interest rates, the cumulative gain or loss is immediately transferred to the income statement.

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 impact on the Consolidated Financial Statements
New standards and interpretations		
IFRS 17 Insurance Contracts	Jan 01, 2023 ²⁾	no
Amended standards and interpretations		
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 IBOR Reform (Phase 2)	Jan 01, 2021	yes
IFRS 3 Reference to the framework concept	Jan 01, 2022 ²⁾	no
IAS 16 Income before reaching operational readiness	Jan 01, 2022 ²⁾	no
IAS 37 Onerous contracts-Costs of fulfilling contracts	Jan 01, 2022 ²⁾	are being analysed
AIP 2018-2020 Annual Improvements Cycle 2018 - 2020	Jan 01, 2022 ²⁾	no
IAS 1 Classification of debt as current or non-current	Jan 01, 2023 ²⁾	no
IAS 1 Disclosures on accounting policies	Jan 01, 2023 ²⁾	no
IAS 8 Definition of accounting-related estimates	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 IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 are intended to mitigate the impact on financial reporting at the time an existing reference rate is replaced by an alternative rate. In particular, the amendments grant practical relief in relation to modifications required by the IBOR reform. In addition, hedging relationships should be able to continue under adjusted documentation despite a replacement of the reference interest rate.

The ÖBB Group assumes that the application of the amendments will result in the Group being able to continue or continue to designate the existing hedges of the interest rate risk in the balance sheet even if existing reference interest rates are replaced.

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):

Consolidation

rounded in EUR	Reporting date rate		Annual average rate	
	Dec 31, 2020	Dec 31, 2019	2020	2019
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)	7.552	7.440	7.538	7.418
New Turkish Lira (TRY)	9.113	6.684	8.055	6.358
Polish Zloty (PLN)	4.560	4.257	4.443	4.298
Romanian Leu (RON)	4.868	4.783	4.838	4.745
Russian Ruble (RUB)	91.467	69.956	82.725	72.455
Czech Korunas (CZK)	26.242	25.408	26.455	25.670
Hungarian Forint (HUF)	363.890	330.530	351.250	325.300
US Dollar (USD)	1.227	1.123	1.142	1.120

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 stages, the acquirer's previously held 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. For impairment testing purposes, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are 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: 68) other fully consolidated companies as well as 12 (py: 11) associated companies and 1 (py: 1) joint venture accounted for using the equity method, making a total of 80 (py: 81) companies. The companies included in the Consolidated Financial Statements are disclosed in Note 35.

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's values.

Change in the basis of consolidation in the years 2019 and 2020

The basis of consolidation developed as follows:

Basis of consolidation	Full consolidation	Consolidation using the equity method	Total
<i>As of Jan 01, 2019</i>	<i>70</i>	<i>12</i>	<i>82</i>
<i>thereof foreign companies</i>	<i>36</i>	<i>7</i>	<i>43</i>
First-time consolidation	2	0	2
Mergers	-2	0	-2
Disposal	-1	0	-1
As of Dec 31, 2019	69	12	81
<i>thereof foreign companies</i>	<i>35</i>	<i>7</i>	<i>42</i>
Addition	0	1	1
Mergers	-1	0	-1
Disposal	-1	0	-1
As of Dec 31, 2020	67	13	80
<i>thereof foreign companies</i>	<i>34</i>	<i>7</i>	<i>41</i>

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 2020 financial year, a subsidiary 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. This initial consolidation resulted in a difference of around EUR 0.1 million, which was reported under other operating expenses, thereby with negative effect. Total assets amount to around EUR 0.2 million (py: around EUR 0.2 million), there were no sales revenues in either reporting year and the annual result was around EUR -0.2 million (py: around EUR -0.4 million). The object of the company is the location development of a dry port (branch of the port of Trieste) in Austria.

Rail Cargo Operator-Port/Rail Services GmbH and iMobility GmbH were consolidated for the first time in the previous year. Rail Cargo Carrier - Germany GmbH was merged with Rail Cargo Carrier - PCT GmbH with retroactive effect from 01.01.2019 and renamed Rail Cargo Carrier - Germany GmbH. In addition, Rail Cargo Wagon - Austria GmbH was merged into Rail Cargo Austria AG in the previous year. The European Contract Logistics - Czech Republic s.r.o. subsidiary was sold in 2019 and is therefore no longer included in the scope of companies accounted for using the full consolidation method. Note 34 provides further information on the scope of consolidation.

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.

General Cargo Logistics Division

Outbound business division "General Cargo Logistics"

As of 31.12.2019, Q Logistics GmbH (now OmegaTelos GmbH) has transferred its business operations and the subsidiary European Contract Logistics - Czech Republic s.r.o. to the newly founded transport and logistics company "BEXITY GmbH". BEXITY GmbH, a subsidiary of the industrial and investment holding company Mutares SE & Co. KGaA, will succeed Q Logistics GmbH in the general cargo logistics sector as of 31.12.2019. Q Logistics GmbH and its remaining subsidiaries ceased operations at the end of 2019. Q Logistics GmbH will continue to exist as a company without operations until further notice in order to process outstanding business cases; the remaining subsidiaries are to be liquidated. The general cargo logistics division is presented as a discontinuing operation in 2019 (Note 19).

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 (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".

In the 2020 financial year, significant changes were made to the useful economic lives, which, however, remained within the following ranges. The economic useful lives are unchanged in the previous year and are as follows:

	Years
Buildings	
Substructure	20–150
<i>Power plants</i>	80
<i>Tunnels</i>	80 and 150 respectively
<i>Railway tracks</i>	100
Other substructures	20 and 80 respectively
Superstructure	10–50
Roadbed and track	35–40
Automobiles and trucks	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	2–8

See the following entitled "Leases" for information on the useful economic lifetimes of rights of use recognised in accordance with IFRS 16.

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.

Scheduled straight-line depreciation in the financial year 2020 is based on the following useful economic lifetimes, unchanged from the previous year:

	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 (especially goodwill) 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, as it can be assumed that the value in use is higher than the fair value less cost to sell.

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 2021 and medium-term planning 2022 to 2026) 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. Additional checks are made in the event that current findings from the business development or changes in premises indicate a significant change in the value in use during the year.

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.

Cash-generating units of ÖBB-Personenverkehr AG

The ÖBB Personenverkehr Group consists of three cash-generating units, ÖBB-Personenverkehr AG, which is involved in passenger transport by rail, Österreichische Postbus AG, which is involved in passenger transport by bus, and iMobility GmbH, which manages a mobility app. 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 both reporting years, indicators of possible impairment were identified for the Austrian part of the cash-generating unit Österreichische Postbus AG and only in the reporting year 2020 for the cash-generating unit ÖBB-Personenverkehr, which is why an impairment test was conducted. The entire fleet of vehicles and the real estate required for operations were recognised in assets. The entire pool of traction units is used jointly across the ÖBB Group and recognised as a joint asset in the impairment test.

A market weighted average cost of capital reflecting the interest requirements of the capital market for granting loans and equity to the cash-generating units of the ÖBB-Personenverkehr Group is used for discounting. 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 was determined to be 1.1% to 1.4% (py: 0.8% to 1.7%) and thus the retention rate was determined to be 20%. The pre-tax discount rate for the period 2021 to 2026 (py: 2020 to 2025) and for the perpetual annuity was 4.49% for the CGU ÖBB-Personenverkehr and 4.49% (py: 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% (py: 3.37%) (after tax, basis Austria) in the course of the analyses.

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. The pre-tax discount rates were calculated retrospectively by means of the internal rate of return.

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 ÖBB-Personenverkehr 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 Rail Cargo Austria AG

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 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 CGU TS. 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. Goodwill was identified for the Cargo and Intermodal cash-generating units in both reporting years and only in the 2019 reporting year were indicators of possible impairment identified for the TS cash-generating unit, which is why an impairment review was conducted.

A market weighted average cost of capital reflecting the interest requirements of the capital market for granting loans and equity to the cash-generating units of the Rail Cargo Group is used for discounting. 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. Growth was determined to be around 1.1% to 1.4% (py: 0.8% to 1.5%) based on the assumption that the long-term growth of the CGUs is below the ECB's inflation expectation of 2%, and thus the retention rate was uniformly determined to be 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 *)
as of Dec 31, 2020		
Austria		
Before tax		
Interest rate 2021 – 2026	6.8%	7.4%
Interest rate perpetuity	5.7%	6.4%
<i>Growth - perpetual annuity</i>	<i>1.1%</i>	<i>1.1%</i>
After tax		
Interest rate 2021 – 2026	5.3%	5.3%
Interest rate perpetuity	4.2%	4.2%
Hungary		
Before tax		
Interest rate 2021 – 2026	7.4%	7.5%
Interest rate perpetuity	6.0%	6.1%
<i>Growth - perpetual annuity</i>	<i>1.4%</i>	<i>1.4%</i>
After tax		
Interest rate 2021 – 2026	6.9%	6.9%
Interest rate perpetuity	5.5%	5.5%

*) The Czech Republic, Russia and Slovakia used their own interest rates, which however are not listed due to their minor significance.

For the cash-generating units of Rail Cargo Austria	Cargo *)	Intermodal *)	TS *)
as of Dec 31, 2019			
Austria			
Before tax			
Interest rate 2020 – 2025	6.8%	6.4%	5.3%
Interest rate perpetuity	5.8%	5.2%	4.6%
<i>Growth - perpetual annuity</i>	<i>1.1%</i>	<i>1.1%</i>	<i>0.8%</i>
After tax			
Interest rate 2020 – 2025	5.3%	5.7%	3.8%
Interest rate perpetuity	4.2%	4.5%	3.1%
Hungary			
Before tax			
Interest rate 2020 – 2025	7.6%	8.2%	5.9%
Interest rate perpetuity	6.2%	6.7%	4.8%
<i>Growth - perpetual annuity</i>	<i>1.4%</i>	<i>1.5%</i>	<i>1.1%</i>
After tax			
Interest rate 2020 – 2025	7.1%	7.5%	5.4%
Interest rate perpetuity	5.7%	6.0%	4.3%

*) The Czech Republic, Russia and Slovakia used their own interest rates, which however are not listed due to their minor significance.

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. The pre-tax discount rates presented were calculated retrospectively using the internal rate of return.

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 Austria sub-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 2019 or 2020 for a cash-generating unit, which is the reason for no impairment tests being 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."

For further information see Note 9, 14 and 15.

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

Non-current assets held for sale and non-current liabilities held for sale are measured at the lower of carrying amount and fair value less cost to sell. 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. See Notes 22 and 33 for further details.

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

According to the general impairment model, a distinction is made between three levels of impairment. The amount of the impairment loss is measured according to 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.

Stage 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 Stage 1 to Stage 2 if contractual payments have been 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 modelTrade 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's default risk is mainly influenced by the individual characteristics of its customers. The estimated expected payment defaults for trade receivables were determined on the basis of experience with actual payment defaults over the last two to six years by applying 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, items for disposal.

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 value adjustments 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 ("properties for disposal"). 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. These property disposals are held for sale in the ordinary course of business or are in the process of production or development for such sale.

The property disposals 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.

The straight-line depreciation and amortisation in the 2020 financial year is based on the following useful lives:

	Years
Rights of use for land and buildings	1–42
Rights of use for automobiles and trucks	1–12
Rights of use for technical equipment and machinery	1–10
Rights of use for other plant, furniture and fixtures	4–6

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 purchase option if it is reasonably certain that the ÖBB Group will exercise it, lease payments for an extension option if it is reasonably certain that the ÖBB Group will exercise it, and penalties for early termination of the lease, unless the ÖBB Group is reasonably certain it will not terminate the lease prematurely.

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

Where the ÖBB Group acts as lessor, it classifies each lease as either a finance lease or an operating lease at 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.

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

Infrastructure usage charge (IBE)

Railway undertakings (RUs) pay infrastructure charges for the use of the rail infrastructure of the ÖBB-Infrastruktur sub-group. The contracts between the ÖBB-Infrastruktur sub-group and the individual RUs are concluded on the basis of the RUs' respective orders. The basis for these orders are the respective product catalogues of the related services. The ÖBB-Infrastruktur sub-group offers product catalogues for the respective timetable period for the services facilities, stations, shunting and train routes, train journey and other services. These include the respective prices per service and any surcharges or discounts. The product prices consist of a basic order charge and any surcharges or discounts and are all included in the respective product catalogues. These are fixed prices without any discounts or bonuses.

The basic provisions for calculating and setting infrastructure charges (infrastructure charges) and other charges (service charges - "LE" for short) are contained in §§ 67 to 69b of the Railway Act. The basis for charging is the definition of the services to be provided to the RUs. These services are structured into minimum access package, services, additional services and ancillary services.

The basic access package includes the main range of services without which orderly access to the railway infrastructure would not be possible.

The infrastructure charges are published in the product catalogue "Train route, train journey and other services of ÖBB-Infrastruktur AG" annually in accordance with the law. Based on the infrastructure charges published in this product catalogue, the RUs have ordered their train routes for the period of the network timetable operations since December 2017. The services are invoiced on a monthly basis and are based on the ACTUAL accounting and settlement. The IBE services ordered are charged to the customer one month in arrears. The customer receives the benefit from the company's 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 accordance 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's 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 in the amount of 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 real estate recovery projects

The real estate recovery projects 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 and the Vienna North freight terminal, 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 aforementioned revenue items have in common that they are realised over the period of service provision.

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 ticket. 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 traffic service orders with provinces and communities include income from fees for traffic 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

Revenues from maintenance/repair result from revenues from bus 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 deferred on the liabilities side of the balance sheet to the extent that it is income for a specific period after 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, but reported under other operating income. 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 fiscal 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.

The Board of Management has made estimates in applying the accounting policies of the ÖBB-Group. 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

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. Impairment tests were conducted on the balance sheet dates, which led to expenses from impairments for the last time in 2010, after the value in use was below the current carrying amounts in some cases at that time.

The sensitivity analysis for 2020 and the previous year is shown in the following table, with positive values indicating a need for write-ups and negative values indicating a need for impairment.

Sensitivity analysis		Increase in the parameter in EUR million			Decrease in the parameter in EUR million		
		CGU Cargo	CGU Intermodal	CGU TS	CGU Cargo	CGU Intermodal	CGU TS
Assumptions	Change in assumption in %						
Interest rate	+/-0.2	-56.2 (py: -47.1)	-11.4 (py: -13.9)	n/a (py: -15.4)	59.0 (py: 71.6)	19.0 (py: 13.1)	n/a (py: 34.3)
Perpetuity	EBIT +/-2.5% and growth +/-0.1%	0.0 (py: 36.3)	9.4 (py: 0.0)	n/a (py: 18.9)	-19.3 (py: -16.7)	-3.2 (py: -7.5)	n/a (py: 0.0)

Assumptions		Increase in the parameter in EUR million		Decrease in the parameter in EUR million	
		CGU ÖBB Personenverkehr	CGU Postbus	CGU ÖBB Personenverkehr	CGU Postbus
Interest rate	+/-0.25	-365.3	-18.4 (py: -24.0)	441.3	22.2 (py: 28.1)
Perpetuity	EBITDA +/-2.5% and growth +/-0.1%	-1,273.2	165.4 (py: 6.7)	-1,273.2	-165.4 (py: -6.7)

Total goodwill of around EUR 165.7 million (py: around EUR 179.3 million) includes EUR 161.7 million (py: around EUR 175.2 million) attributable to the Cargo CGU and around EUR 4.1 million (py: around EUR 4.1 million) to the Intermodal CGU.

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.

c. 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. According to a sensitivity analysis, a change in the useful life of +/- 1 year would reduce the depreciation by around EUR 195.7 million (py: around EUR 169.3 million) or decrease by around EUR 150.4 million (py: around EUR 135.2 million). The adequacy of the useful lives is subject to an annual or case-by-case review.

The useful lives determined in 2019 will principally apply unchanged in 2020. 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 around 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 around EUR 14.0 million (one-off effect).

A re-evaluation of the residual values in the "automobiles and trucks fleet" resulted in a depreciation in 2019 of around EUR 23.1 million.

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 31.12.2020, several regulatory proceedings existed. These proceedings, which are at different procedural stages, cover the period from December 2011 to 2020. In terms of content, the main issues are the determination and setting of the infrastructure usage charge in passenger transport (from December 2011 to December 2017), the charges under the new infrastructure charging model for the period December 2019 to December 2020 ("train path" product with regard to directly attributable costs and market mark-ups in line with the law) and the admissibility of charging a "platform edge factor" as a separate charge component for the use of service facilities from December 2011 to 2020.

Further proceedings concern the traction current grid utilisation charges for the period from 2016.

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's 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's 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.

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 31.12.2020, 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.

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). Real estate recovery projects 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 in the amount of around EUR 78.4 million (py: around 85.7 EUR 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.

Discontinued operations (IFRS 5)

A discontinued operation is a component of the Group's business whose business and cash flows is clearly demarcated from the rest of the Group, and which

- constitutes a separate major line of business or geographical area of operations,
- forms part of a single coordinated plan to divest a separate major line of business or geographical area of operations; or
- represents a subsidiary acquired exclusively with the intention of resale.

Classification as a discontinued operation occurs on disposal or as soon as the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the statement of comprehensive income for the comparative year is restated as if the operation had been discontinued from the beginning of the comparative year. See Note 19 for further details.

COVID pandemic - financial implications

The COVID pandemic had a financial impact on the 2020 reporting year. 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 around EUR 0.7 million. The investment grants are used for the vehicle fleet. Due to the reduction of the infrastructure usage charge for Austria in the amount of around 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 around 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 around EUR 29.2 million and recognised in other operating income. The additional expense for ordering protective masks and disinfectants etc. amounts to around EUR 9.8 million and is reported under other operating expenses.

As a consequence of Covid, the Group additionally invested around EUR 674.0 million in financial resources in the reporting year. The additional interest and other financial expenses in the 2020 reporting year resulting from the corona crisis amount to around EUR 1.4 million and were recognised in the financial result.

B. NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND THE CONSOLIDATED INCOME STATEMENT

4. Revenue

	2020 in EUR million	2019 in EUR million
Passenger and baggage transport	2,027.6	2,134.4
<i>thereof traffic service orders by the federal government</i>	<i>1,187.9</i>	<i>756.0</i>
<i>thereof traffic service orders by the provinces and communities</i>	<i>256.7</i>	<i>388.3</i>
Goods transport	1,549.4	1,688.6
<i>thereof public services contracted by the federal government</i>	<i>92.3</i>	<i>83.3</i>
Rent and lease	197.7	211.2
Maintenance and repair	65.0	52.0
Energy	31.9	36.8
Recovery objects	23.8	51.9
Infrastructure usage charge	13.6	49.7
Traction services	16.7	19.8
Other revenue	157.4	160.7
Total	4,083.1	4,405.1

The traffic service orders by the federal government result from the public service contracts concluded with the federal government or SCHIG (Schieneninfrastruktur-Dienstleistungsgesellschaft mbH) pursuant to Article 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 EUR million	2020	Term of the contract		Date of transfer of services		Customer	
	Revenue according to IFRS 15	Current	Non-current	Time-related	Period-related	Federation	Other customers
Passenger and baggage transport	570.8	434.3	136.5	396.8	174.0	0.0	570.8
Traffic service orders - government	1,187.9	0.0	1,187.9	0.0	1,187.9	1,187.9	0.0
Traffic service orders - federal states and municipalities	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
Infrastructure 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

	2019	Term of the contract		Date of transfer of services		Customer	
	Revenue according to IFRS 15	Current	Non-current	Time-related	Period-related	Federation	Other customers
in EUR million							
Passenger and baggage transport	990.1	810.2	179.9	769.8	220.3	0.0	990.1
Traffic service orders - government	756.0	0.0	756.0	0.0	756.0	756.0	0.0
Traffic service orders - federal states and municipalities	388.3	0.0	388.3	0.0	388.3	388.3	0.0
Goods transport	1,493.1	1,493.1	0.0	0.0	1,493.1	83.3	1,409.8
Rent and lease	12.7	11.5	1.2	10.0	2.7	0.0	12.7
Revenue from real estate recovery projects	51.9	51.9	0.0	51.9	0.0	0.0	51.9
Maintenance/repair	50.5	41.5	9.0	0.0	50.5	0.0	50.5
Infrastructure usage charge	49.7	49.7	0.0	0.0	49.7	0.0	49.7
Energy	35.6	35.6	0.0	1.0	34.6	0.0	35.6
Traction services	19.8	19.8	0.0	19.8	0.0	0.0	19.8
Other revenue	156.0	156.0	0.0	82.7	73.3	0.0	156.0
Total	4,003.7	2,669.3	1,334.4	2,445.2	1,558.5	1,227.6	2,776.1

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, 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
GWL of 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
Rent and lease	0.0	0.0	0.0	0.0	0.0
Total	2,466.0	1,583.3	212.9	170.9	498.8

Dec 31, 2019 in EUR million	Total non-current benefit obligations	Benefit obligation during 2020	Benefit obligation during 2021	Benefit obligation during 2022	Benefit obligation after 2022
Passenger and baggage transport	386.2	131.3	60.9	45.3	148.7
Goods transport	8.9	8.9	0.0	0.0	0.0
GWL of the federal government	1,171.6	1,171.6	0.0	0.0	0.0
Traffic service orders	917.1	221.4	161.3	130.1	404.3
Rent and lease	16.0	3.3	3.6	4.5	4.6
Total	2,499.8	1,536.5	225.8	179.9	557.6

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

	2020 in EUR million	2019 in EUR million
Government grant pursuant to Article 42 Austrian Federal Railways Act	2,016.8	1,991.9
Proceeds from the disposal of property, plant and equipment, investment property and non-current assets held for sale	65.1	44.5
Compensation received	10.4	17.1
Exchange rate differences	11.1	4.7
Miscellaneous other operating income	87.6	55.0
Total	2,191.0	2,113.2

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

	2020 in EUR million	2019 in EUR million
Cost of materials and purchased services		
Raw materials and supplies	196.4	182.3
Power	92.1	101.1
Other expenses for materials	91.3	123.0
Subtotal expenses for materials	379.8	406.3
Third-party transport services	596.5	630.9
Rent for rail and road vehicles	121.5	146.6
Infrastructure usage charge	79.4	96.4
Other services received	516.4	501.2
Subtotal expenses for services received	1,313.8	1,375.1
Total	1,693.6	1,781.4

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 real estate sold, which are recognised as expenses, amount to around EUR 5.3 million (py: around EUR 12.4 million).

8. Personnel expenses and employees

	2020 in EUR million	2019 in EUR million
Wages and salaries	2,135.9	2,136.6
Statutory social security contributions	552.3	550.4
Pension costs	28.5	29.6
Expenses for severance payments	21.3	19.8
Other social expenses	4.9	6.0
Total	2,742.9	2,742.4

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, 2020	Dec 31, 2019	Change		Average	
			Reportin g date	in %	2020	2019
Employees	13,972	13,370	602	5%	13,709	13,553
<i>of which from discontinued operations</i>						462
Workers	9,759	8,968	791	9%	9,380	8,498
<i>of which from discontinued operations</i>						203
Tenured employees	18,141	19,566	-1,425	-7%	18,845	20,167
<i>of which from discontinued operations</i>						207
Total (excl. apprentices)	41,872	41,904	-32	0%	41,934	42,218
<i>of which from discontinued operations</i>						872
Apprentices	1,787	1,805	-18	-1%	1,630	1,661
<i>of which from discontinued operations</i>						25
Total (incl. apprentices)	43,659	43,709	-50	0%	43,564	43,879
<i>of which from discontinued operations</i>						897

Number of employees (FTE)	Dec 31, 2020	Dec 31, 2019	Change		Average	
			Repor- ting date	in %	2020	2019
Employees	13,652.2	13,058.4	593.8	5%	13,393.5	13,230.3
<i>of which from discontinued operations</i>						441.7
Workers	9,638.4	8,860.1	778.3	9%	9,266.8	8,396.7
<i>of which from discontinued operations</i>						200.1
Tenured employees	17,655.9	18,942.1	-1,286.2	-7%	18,284.6	19,520.2
<i>of which from discontinued operations</i>						204.2
Total (excl. apprentices)	40,946.5	40,860.6	85.9	0%	40,944.9	41,147.2
<i>of which from discontinued operations</i>						846.0
Apprentices	1,787.0	1,805.0	-18.0	-1%	1,629.6	1,660.6
<i>of which from discontinued operations</i>						25.4
Total (incl. apprentices)	42,733.5	42,665.6	67.9	0%	42,574.5	42,807.8
<i>of which from discontinued operations</i>						871.4

Due to the recourse to partial retirement by employees with a permanent position, the change in the number of employees counted by FTE is greater for employees with a permanent position than the change in the number of employees by headcount.

9. Depreciation and amortisation

	2020 in EUR million	2019 in EUR million
Depreciation on property, plant and equipment	1,247.0	1,224.4
<i>thereof low-value assets</i>	7.7	8.1
Depreciation IFRS 16	83.1	74.6
Amortisation of intangible assets	57.9	53.9
Depreciation on investment property	4.2	4.0
less amortisation of investment grants	-168.2	-166.4
Total depreciation and amortisation	1,224.0	1,190.6

10. Other operating expenses

The other operating expenses of the ÖBB Group are composed as follows:

	2020 in EUR million	2019 in EUR million
Cost of operation	101.0	100.0
Compensation for travel and other expenses	44.9	51.5
Non-income taxes	46.8	48.5
Marketing, sales and customer service	21.1	33.5
Loss on disposal of property, plant and equipment and intangible assets	31.5	16.4
Legal and consultancy fees	12.0	13.9
Rent, lease and license expenses	14.9	12.7
Impairment losses on trade receivables	37.2	3.0
Miscellaneous other operating expenses	129.8	196.2
Total	439.2	475.6

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:

	2020 in TEUR	2019 in TEUR
Total auditors' fees		
Annual financial statements and consolidated financial statements audit	1,693	1,736
Other auditing services	101	14
Consulting services	0	4
Other services	911	29
Total	2,706	1,783

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:

	2020 in TEUR	2019 in TEUR
Fee of the auditor of the consolidated annual financial statements		
Annual financial statements and consolidated financial statements audit	537	474
Other auditing services	97	10
Other services	97	28
Total	731	512

The annual and consolidated financial statements for the financial year 2020 were audited by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. (py: BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft).

11. Interest income and interest expenses

The interest income/expenses of the ÖBB Group are composed as follows:

	2020 in EUR million	2019 in EUR million
Interest income/expenses		
Interest income	20.0	23.9
Interest expenses	-572.3	-618.7
Total	-552.3	-594.8

Interest expenses relate to the following items EUR 416.8 million (py: around EUR 457.8 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, around EUR 107.2 million (py: around EUR 106.9 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:

	2020 in EUR million	2019 in EUR million
Other financial result		
Other financial income	16.1	30.7
<i>thereof from measurement/foreign currency translation differences</i>	13.8	8.5
<i>thereof income from disposal and appreciation of financial assets</i>	0.0	1.2
<i>thereof income from investments</i>	0.2	0.9
Other financial expenses	-30.7	-26.1
<i>thereof from measurement/foreign currency translation differences</i>	-28.7	-12.7
Total	-14.6	4.5

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 Income taxes item comprises the following:

	2020 in EUR million	2019 in EUR million
Current income tax	-6.9	-8.4
Deferred tax expense/tax benefit	11.4	64.9
Income taxes	4.5	56.5

Domestic taxes are calculated at 25% of the estimated taxable profit for the financial year. Foreign taxation is calculated at the tax rates applicable in the respective country.

The changes in deferred taxes comprise the following:

	2020 in EUR million	2019 in EUR million
<i>Recognised amounts as of Jan 01</i>	<i>182.3</i>	<i>106.5</i>
Change in deferred taxes		
thereof in profit and loss	11.4	64.9
thereof in other comprehensive income	-0.6	10.9
Recognised amounts as of Dec 31	193.1	182.3
<i>thereof deferred tax assets</i>	<i>199.8</i>	<i>191.4</i>
<i>thereof deferred tax liabilities</i>	<i>-6.7</i>	<i>-9.2</i>

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:

	2020 in EUR million	2019 in EUR million
Income before income tax according to IFRS	58.6	110.7
Adjustment of tax-exempt portion pursuant to Article 50 (2) Bundesbahngesetz	101.8	73.7
Taxable portion of the income	160.4	184.4
<i>Group tax rate</i>	<i>25%</i>	<i>25%</i>
Expected income/ expense from taxes in the financial year	-40.1	-46.1
Tax rate differences between foreign companies and the corporate tax rate	-0.3	0.1
Other tax-exempt income and other reductions	17.9	20.2
Non-deductible operating expenses and other additions	-3.1	-1.6
Effects of taxes from previous years recognised in the financial year	2.7	8.9
Effects of tax rate changes	-0.2	-0.2
Offsetting from consolidation	-3.7	-15.9
Effects of changes in recognition	29.3	84.8
Other effects	2.0	6.3
Accounted income taxes	4.5	56.6
Effective corporate tax rate	-2.8%	-30.7%

The effects of changes in recognition are due to the change from offsetting positive tax results against pre-Group losses in the amount of around EUR 23.7 million (py: around 47.1 million), the recognition of deferred taxes from loss carryforwards in the amount of around EUR 147.8 million (py: around EUR 138.5 million) and necessary recognition adjustments based on the assessment of the recoverability of deferred tax assets.

Deferred tax assets and tax liabilities

Deferred tax assets and deferred tax liabilities from deferred taxes as at 31.12.2020 and 31.12.2019 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		Deferred tax	
	assets Dec 31, 2020	liabilities Dec 31, 2020	assets Dec 31, 2019	liabilities Dec 31, 2019
Non-current assets				
Property, plant and equipment	16.1	-101.3	30.6	-107.3
Intangible assets	0.1	-5.4	0.1	-6.0
Investment property	6.3	-0.3	5.3	-0.2
Financial assets	20.2	-40.0	32.3	-40.4
Other receivables and assets	0.0	-1.8	0.0	0.0
	42.7	-148.8	68.3	-153.9
Current assets				
Inventories	5.0	-0.4	6.4	-0.2
Trade receivables	1.8	-0.3	1.2	-1.6
Other receivables and assets	1.9	-0.4	0.1	0.0
Financial assets	0.1	-13.5	0.0	-17.1
	8.8	-14.6	7.7	-18.9
Non-current liabilities				
Financial liabilities	118.0	-23.8	90.4	-8.5
Provisions	38.5	-0.4	43.4	-2.7
Other liabilities	6.5	0.0	6.7	-0.8
	163.0	-24.2	140.5	-12.0
Current liabilities				
Financial liabilities	20.6	-2.5	19.6	-0.5
Provisions	12.7	-15.3	4.7	-13.8
Trade payables	0.6	-2.4	0.5	-2.3
Other liabilities	4.2	-0.4	4.9	-1.1
	38.1	-20.6	29.7	-17.7
Tax losses carried forward	148.7	0.0	138.5	0.0
Deferred tax assets/deferred tax liabilities	401.3	-208.2	384.7	-202.5
Offsetting	-201.5	201.5	-193.3	193.3
Accumulated deferred tax assets/deferred tax liabilities	199.8	-6.7	191.4	-9.2

As of 31.12.2020, there were outstanding sevenths on participations that had not yet been claimed as operating expenses for tax purposes in accordance with § 12 (3) of the Austrian Corporation Tax Act (Körperschaftsteuergesetz) of around EUR 17.5 million (py: around EUR 32.5 million).

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).

This planning calculation is likely to require the use of deferred tax assets from temporary differences for the Austrian corporate tax group of around EUR 49.5 million (py: around EUR 51.2 million) and deferred tax liabilities of around EUR 0.0 million (py: around EUR 0.0 million). In addition, deferred tax assets in the amount of around EUR 2.5 million (py: around EUR 1.7 million) and deferred tax liabilities of around EUR -6.7 million (py: around EUR -9.2 million) arise from foreign subsidiaries. Deferred taxes result from surpluses on the assets or liabilities side after offsetting at company level.

In addition, deferred tax assets from loss carryforwards in the amount of around EUR 148.7 million (py: around EUR 138.5 million) were created. Of this amount, around EUR 55.3 million (py: around EUR 46.8 million) are from ÖBB-Infrastruktur AG and around EUR 91.1 million (py: around EUR 91.4 million) are from ÖBB-Personenverkehr AG.

Tax loss carryforwards in the amount of around EUR 5,223.7 million in the reporting year (py: around 5,315.9 million) originate from Austrian companies and may be carried forward indefinitely under current laws. The annual offsetting against loss carryforwards is limited in Austria to 75% of the respective tax result, however, around EUR 3,256.3 million (py: around 3,348.5million) 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 around EUR 586.3 million (py: around EUR 571.3 million).

14. Property, plant and equipment

2020 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 machinery	Rights of use for technical equipment and machinery and other plant, furniture and fixtures	Other plant, furniture and fixtures	Assets under construc- tion and pre- payments	Total
Cost									
<i>Cost as of Jan 01, 2020</i>	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 amortisation as of Jan 01, 2020 (incl. impairment)									
Translation differences	-9,957.8	-25.4	-4,046.4	-242.8	-5,966.8	-0.4	-274.8	-1.2	-20,515.6
Depreciation and amortisation	0.6	0.2	13.8	1.9	0.8	0.0	0.4	0.0	17.7
Disposals	-579.7	-23.9	-266.9	-73.8	-346.6	-0.3	-36.4	-6.7	-1,334.3
Transfers	109.1	0.4	129.7	26.5	121.3	0.2	18.8	0.4	406.4
Appreciations	-2.8	0.0	-0.4	0.4	1.7	0.0	0.3	0.1	-0.7
Accumulated depreciation and amortisation 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									
Carrying amounts before investment grants as of Dec 31, 2020	19,255.9	229.9	3,750.3	239.2	4,457.2	0.9	75.4	5,417.1	33,425.8
Investment grants									
<i>As of Jan 01, 2020</i>	-9,645.7	0.0	-468.4	0.0	-2,954.2	0.0	-10.4	-695.0	-13,773.7
Translation differences	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.2
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 amortisation as of Jan 01, 2020									
Translation differences	5,699.0	0.0	382.5	0.0	2,499.7	0.0	9.6	2.9	8,593.7
Depreciation and amortisation	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	-0.1
Disposals	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 amortisation 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									
Investment grant as of Dec 31, 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									
Carrying amounts after investment grants as of Dec 31, 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

2019 in EUR million	Land and buildings	Rights of use for land and buildings	Automo- biles and trucks	Rights of use for automobil- es 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 and prepaym- ents	Total
Cost									
<i>Cost as of Jan 01, 2019</i>	28,473.1	7.4	7,565.9	391.3	10,141.8	0.2	338.5	4,623.1	51,541.3
Additions of rights of use from the first-time application of IFRS 16	0.0	285.1	0.0	101.4	0.0	1.2	0.0	0.0	387.7
Adjusted status as of Jan 01, 2019	28,473.1	292.5	7,565.9	492.7	10,141.8	1.4	338.5	4,623.1	51,929.0
Translation differences	-0.3	0.0	-7.9	-0.7	-0.6	0.0	0.0	0.3	-9.2
Additions	24.6	23.8	6.6	60.5	1.9	0.1	16.2	2,357.2	2,490.9
Business acquisition	0.0	0.2	0.0	0.0	0.0	0.0	0.1	0.0	0.3
Disposals	-102.0	-60.8	-127.7	-10.9	-120.6	-0.1	-30.3	-6.4	-458.8
Change in reporting entities	-0.2	-0.4	0.0	0.0	0.0	0.0	-0.5	0.0	-1.1
Transfers	818.5	0.0	359.7	-59.6	401.5	-0.1	26.2	-1,555.9	-9.7
Cost as of Dec 31, 2019	29,213.7	255.3	7,796.6	482.0	10,424.0	1.3	350.2	5,418.3	53,941.4
<i>Accumulated depreciation and amortisation as of Jan 01, 2019 (incl. impairment)</i>									
	-9,485.8	-7.4	-3,845.7	-215.8	-5,744.0	-0.2	-267.7	-0.8	-19,567.4
Translation differences	0.0	-0.1	3.9	0.4	0.4	0.0	0.1	0.0	4.7
Depreciation and amortisation	-555.4	-29.5	-273.8	-71.5	-339.7	-0.3	-36.6	-0.4	-1,307.2
<i>of which discontinued operations</i>	<i>-0.1</i>	<i>-6.4</i>	<i>-0.1</i>	<i>-0.9</i>	<i>-0.1</i>	<i>0.0</i>	<i>-0.5</i>	<i>0.0</i>	<i>-8.1</i>
Disposals	83.1	11.3	110.8	2.3	116.5	0.0	29.0	0.0	353.0
Change in reporting entities	0.2	0.3	0.0	0.0	0.0	0.0	0.4	0.0	0.9
Transfers	0.1	0.0	-41.8	41.8	0.0	0.1	0.1	0.0	0.3
Appreciations	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.2
Accumulated depreciation and amortisation as of Dec 31, 2019	-9,957.8	-25.4	-4,046.4	-242.8	-5,966.8	-0.4	-274.8	-1.2	-20,515.6
Carrying amounts before investment grants as of Jan 01, 2019	18,987.3	285.1	3,720.2	276.9	4,397.8	1.2	70.8	4,622.3	32,361.6
Carrying amounts before investment grants as of Dec 31, 2019	19,255.9	229.9	3,750.3	239.2	4,457.2	0.9	75.4	5,417.1	33,425.8
Investment grants									
<i>As of Jan 01, 2019</i>	<i>-9,640.6</i>	<i>0.0</i>	<i>-429.7</i>	<i>0.0</i>	<i>-2,968.1</i>	<i>0.0</i>	<i>-10.3</i>	<i>-593.8</i>	<i>-13,642.5</i>
Additions	-37.9	0.0	-1.9	0.0	-7.7	0.0	0.0	-130.2	-177.7
Business acquisition	0.0	0.0	-0.2	0.0	0.0	0.0	0.0	0.2	0.0
Disposals	49.8	0.0	0.1	0.0	33.1	0.0	0.0	0.1	83.1
Reclassification	0.0	0.0	-36.7	0.0	0.0	0.0	0.0	0.0	-36.7
Transfers	-17.0	0.0	0.0	0.0	-11.5	0.0	-0.1	28.7	0.1
Cost as of Dec 31, 2019	-9,645.7	0.0	-468.4	0.0	-2,954.2	0.0	-10.4	-695.0	-13,773.7
<i>Accumulated depreciation and amortisation as of Jan 01, 2019</i>									
	5,634.2	0.0	339.1	0.0	2,491.9	0.0	9.2	2.9	8,477.3
Translation differences	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Depreciation and amortisation	109.2	0.0	10.5	0.0	40.2	0.0	0.4	0.0	160.3
Disposals	-44.5	0.0	-0.1	0.0	-32.4	0.0	0.0	0.0	-77.0
Reclassification	0.0	0.0	33.0	0.0	0.0	0.0	0.0	0.0	33.0
Accumulated depreciation and amortisation as of Dec 31, 2019	5,699.0	0.0	382.5	0.0	2,499.7	0.0	9.6	2.9	8,593.7
Investment grants as of Jan 01, 2019	-4,006.4	0.0	-90.6	0.0	-476.2	0.0	-1.1	-590.9	-5,165.2
Investment grant as of Dec 31, 2019	-3,946.7	0.0	-85.9	0.0	-454.5	0.0	-0.8	-692.1	-5,180.0
Carrying amounts after investment grants as of Jan 01, 2019	14,980.9	285.1	3,629.6	276.9	3,921.6	1.2	69.7	4,031.4	27,196.4
Carrying amounts after investment grants as of Dec 31, 2019	15,309.2	229.9	3,664.4	239.2	4,002.7	0.9	74.6	4,725.0	28,245.8

The investment grants recognised in the reclassification line in the 2019 statement of changes in non-current assets are investment grants that were previously recognised in liabilities.

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 around EUR 107.2 million (py: around EUR 106.9 million). The underlying interest rate for borrowed capital amounted to around 2.0 to 2.7 %, (py: 2.5 to 3.0 %). Federal grants of around EUR 104.6 million (py: around EUR 102.3 million) were recognised as a cost contribution for capitalised interest.

Losses from the disposal of property, plant and equipment amounted to around EUR 31.5 million (py: around EUR 16.9 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:

in EUR million	Restrictions on disposal rights		Pledged as collateral	
	2020	2019	2020	2019
Automobiles and trucks	90.9	149.3	904.0	966.8
Other technical equipment and machinery	0.0	0.9	0.5	0.0
Other plant, furniture and fixtures	0.0	0.4	0.0	0.0

In addition, there are other financial assets from leasing amounting to around EUR 17.5 million (py: around 17.8 million) where restrictions on rights of disposal exist. There are purchase commitments for assets, in particular arising from the leasing agreements and open purchase commitments of around EUR 2,927.2 million (py: around EUR 2,074.5 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

Impairment tests on property, plant and equipment and intangible assets conducted on the basis of current planning data revealed no impairment requirement for either financial year. The parameters for calculating the value in use are shown in Note 3.

15. Intangible assets

2020 in EUR million	Concessions, property rights, licenses	Investment grants to third parties	Goodwill	Down payments on intangible assets	Total
Cost 2020					
<i>Cost as of Jan 01, 2020</i>	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
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 amortisation as of Jan 01, 2020 (incl. impairment)					
Translation differences	-332.4	-255.1	-102.0	0.0	-689.5
Depreciation and amortisation	0.7	0.0	7.8	0.0	8.5
Depreciation and amortisation	-33.5	-24.4	0.0	0.0	-57.9
Disposals	10.9	0.9	0.0	0.0	11.8
Transfers	0.1	0.0	0.0	0.0	0.1
Accumulated depreciation and amortisation 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					
<i>As of Jan 01, 2020</i>	-32.8	-587.9	0.0	0.0	-620.7
Additions	-1.4	-53.7	0.0	0.0	-55.1
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 amortisation as of Jan 01, 2020					
Depreciation and amortisation	24.0	102.8	0.0	0.0	126.8
Depreciation and amortisation	1.7	3.9	0.0	0.0	5.6
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

2019 in EUR million	Concessions, property rights, licenses	Investment grants to third parties	Goodwill	Down payments on intangible assets	Total
Cost 2019					
<i>Cost as of Jan 01, 2019</i>	436.7	1,383.0	288.2	51.0	2,158.9
Translation differences	-0.2	0.0	-7.0	0.0	-7.2
Additions	3.3	160.1	0.2	45.0	208.6
Business acquisition	6.9	0.0	0.0	0.0	6.9
Disposals	-13.3	-299.7	0.0	0.0	-313.0
Transfers	19.4	39.1	0.0	-52.4	6.1
Cost as of Dec 31, 2019	452.8	1,282.5	281.4	43.6	2,060.3
<i>Accumulated depreciation and amortisation as of Jan 01, 2019 (incl. impairment)</i>	-308.7	-530.5	-104.7	0.0	-943.9
Translation differences	-0.1	0.0	2.9	0.0	2.8
Depreciation and amortisation	-34.7	-24.3	-0.2	0.0	-59.2
<i>of which discontinued operations</i>	-5.3	0.0	0.0	0.0	-5.3
Business acquisition	-1.2	0.0	0.0	0.0	-1.2
Disposals	12.3	299.7	0.0	0.0	312.0
Accumulated depreciation and amortisation as of Dec 31, 2019 (incl. impairment)	-332.4	-255.1	-102.0	0.0	-689.5
<i>Carrying amounts before investment grants as of Jan 01, 2019</i>	128.0	852.5	183.5	51.0	1,215.0
Carrying amounts before investment grants as of Dec 31, 2019	120.4	1,027.4	179.4	43.6	1,370.8
Investment grants					
<i>As of Jan 01, 2019</i>	-32.9	-769.7	0.0	0.0	-802.6
Additions	-0.5	-53.6	0.0	0.0	-54.1
Disposals	0.2	236.0	0.0	0.0	236.2
Transfers	0.4	-0.6	0.0	0.0	-0.2
As of Dec 31, 2019	-32.8	-587.9	0.0	0.0	-620.7
<i>Accumulated depreciation and amortisation as of Jan 01, 2019</i>	22.4	334.4	0.0	0.0	356.8
Depreciation and amortisation	1.7	4.4	0.0	0.0	6.1
Disposals	-0.1	-236.0	0.0	0.0	-236.1
Accumulated depreciation and amortisation as of Dec 31, 2019	24.0	102.8	0.0	0.0	126.8
<i>Investment grants as of Jan 01, 2019</i>	-10.5	-435.3	0.0	0.0	-445.8
Investment grant as of Dec 31, 2019	-8.8	-485.1	0.0	0.0	-493.9
<i>Carrying amounts after investment grants as of Jan 01, 2019</i>	117.5	417.2	183.5	51.0	769.2
Carrying amounts after investment grants as of Dec 31, 2019	111.6	542.3	179.4	43.6	876.9

The development of intangible assets is shown in the table above.

The ÖBB 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 around 33.3 (py: around 27.2) years.

Expenses for research and development in the amount of around EUR 4.7 million (py: around EUR 5.2 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 around EUR 0.3 million (py: around EUR 1.4 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 Austria subgroup and, to a lesser extent, to other companies, and is subjected to an impairment test with regard to its future economic benefit. The amortisation of goodwill relates to differences from the initial consolidation of subsidiaries that were not recoverable and were derecognised in profit or loss. See Notes 2 and 3 for more information.

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:

	2020 in EUR million	2019 in EUR million
Cost		
<i>As of Jan 01</i>	<i>350.6</i>	<i>338.9</i>
Additions	4.8	4.0
Additions due to transfer from inventories	0.0	7.2
Additions at cost from subsequent acquisitions	2.0	5.1
Disposals at cost	-7.7	-6.7
Transfers from/to intangible assets	-5.1	2.1
As of Dec 31	344.6	350.6
Accumulated depreciation		
<i>As of Jan 01</i>	<i>-181.6</i>	<i>-184.0</i>
Depreciation and amortisation	-4.2	-4.0
Disposals	6.8	6.1
Transfers	0.7	0.3
As of Dec 31	-178.3	-181.6
Net carrying amounts as of Jan 01	169.0	154.9
Net carrying amounts as of Dec 31	166.2	169.0

All investment property held by the ÖBB Group is leased on the basis of operating agreements. The resulting lease income, excluding operating costs, amounted to around EUR 19.3 million (py: around EUR 19.6 million), which are offset by directly attributable expenses (including repairs and maintenance, but excluding operating costs) of around EUR 5.3 million (py: around EUR 6.6 million, excluding operating costs). In addition, operating expenses in the amount of around EUR 0.3 million (py: around EUR 0.6 million) were incurred, which were not offset by lease 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 around EUR 762.0 million (py: around EUR 619.0 million). The valuation of 85% (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.

	2020 in EUR million	2019 in EUR million
Interest in one joint venture	40.6	40.6
Interest in associated companies	28.9	25.6
As of Dec 31	69.5	66.2

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, 2020 in EUR million	Dec 31, 2019 in EUR million
Revenue	0.0	0.0
Depreciation	-1.1	-1.1
Interest income	0.1	0.1
Interest expenses	-0.2	-0.2
Tax expense or income	0.0 *)	0.0 *)
Annual profit/loss from continuing operations	0.0	0.0
Overall result	0.0	0.0
Cash and cash equivalents	210.9	102.0
Other current assets	103.1	66.4
Non-current assets	12.8	115.8
Current liabilities	201.9	200.8
<i>thereof current financial liabilities</i>	<i>198.1</i>	<i>196.9</i>
Non-current liabilities	43.8	2.3
<i>thereof non-current financial liabilities</i>	<i>0.0</i>	<i>0.0</i>
Net assets 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

*) Small 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 50/50 between Italy and Austria. 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 Società 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 around EUR 23.7 million (py: around EUR 23.4 million) and total expenses of around EUR 23.6 million (py: around EUR 23.3 million). BBT SE received around EUR 190.0 million (py: around EUR 160.0 million) in investment grants. In both reporting years, this amount was refunded by the federal government in the amount of around EUR 43.4 million (py: around EUR 46.3 million) as well as in accordance with the share purchase agreement of 18.04.2011 from the State of Tyrol in the amount of around EUR 6.0 million (py: around EUR 3.5 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).

	2020 in EUR million	2019 in EUR million
Development of investments in associated companies		
<i>As of Jan 01</i>	<i>25.6</i>	<i>23.9</i>
Effect of first-time consolidations	0.1	0.0
Net income from associated companies	1.0	3.6
Distributions and other changes	2.2	-1.9
As of Dec 31	28.9	25.6

As at 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 around EUR 0.1 million, which is recognised in profit or loss. 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

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

2019 in EUR million	Current	Non-current	Total
Investments	0.0	5.3	5.3
Financial assets - leasing	8.1	166.0	174.1
Other financial assets	26.8	114.8	141.6
Total	34.9	286.1	321.0

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. Differences arise due to value adjustments carried out in the reporting year as well as in previous years.

In addition, there are financial assets from finance leases amounting to around EUR 33.4 million (py: around EUR 30.0 million).

Financial assets - leasing (non-current) include in the amount of around EUR 81.8 million (py: around 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 leasing in the amount of around EUR 17.5 million (py: around 17.8 million) are subject to restrictions on rights of disposal.

Other financial assets

This item mainly shows short-term securities, investment certificates, derivatives related to electricity transactions and other derivatives with a positive present value that are not in a hedging relationship. Furthermore, financial assets of around EUR 21.9 million (py: around EUR 23.4 million), which are reported under other financial assets, 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	2020 in EUR million	2019 in EUR million
Gross carrying amount	249.5	265.3
Allowance	-0.1	-0.1
<i>thereof expected 12-month credit loss</i>	<i>-0.1</i>	<i>-0.1</i>
Carrying amount	249.4	265.2

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	2020 in EUR million	2019 in EUR million
As of Jan 01	0.1	0.6
Net revaluation of allowance of impairment	0.0 *)	-0.5
As of Dec 31	0.1	0.1

*) Small amount

The reduction in the value adjustment in the 2020 financial year is essentially due to the disposal of an asset as well as the change in the market data forming the basis of the value adjustment.

19. Discontinued operations and non-current assets held for sale and liabilities

19.1. Discontinued operations

In 2019, the Board of Management of ÖBB-Holding AG committed to divesting the General Cargo Logistics division, following the strategic decision to withdraw from this business area. The General Cargo Logistics division consisted of Q Logistics GmbH (now OmegaTelos GmbH) (Vienna, Austria) and its direct subsidiary European Contract Logistics - Czech Republic s.r.o. (Hradci Králové, Czech Republic) and European Contract Logistics d.o.o. (Maribor, Slovenia)

As of 31.12.2019, the Group had sold the operating business of Q Logistics GmbH and the subsidiary European Contract Logistics - Czech Republic s.r.o.. The consolidated financial statements therefore include the remaining assets and liabilities of Q Logistics GmbH (now OmegaTelos GmbH), which is no longer operational. In the 2019 financial year, European Contract Logistics d.o.o. was also reported, which was liquidated in 2020 and excluded from the scope of consolidation.

The business division had not previously been classified as discontinued or held for sale. Intra-group transactions were fully eliminated from the consolidated financial results and cash flows.

In 2020, receivables remaining with the ÖBB Group were impaired in the amount of around EUR 1.9 million. The expense is reported under the item " Other operating expenses".

Result from the discontinued operations

	2019 in TEUR
Revenues	199,602
Expenses	-257,434
Earnings before tax from discontinued operations	-57,832
Income taxes	-8
Earnings after tax from discontinued operations	-57,840
Results from discontinued operations allocated proportionately: to the shareholder of the parent company	-57,840

Cash flows from discontinued operations

	2019 in TEUR
Cash flow from operating activities	15,232
Cash flow from investing activities	-1,380
Cash flow from financing activities	-30,087
<i>Funds at the beginning of the period</i>	227
<i>Funds at the end of the period</i>	156

Effect of the disposal on the balance sheet items of the Group

	2019 in TEUR
Property, plant and equipment	-4,133
Intangible assets	-279
Deferred tax assets	-21
Trade receivables	-1,553
Other receivables	-258
Inventories	-826
Cash and cash equivalents	-96
Working capital and restructuring contribution	-34,000
Financial liabilities	126
Provisions	58
Other liabilities	310
Trade payables	1,501
Net assets and liabilities	-39,172
Remuneration received in cash	100

The values shown represent the assets and liabilities disposed of in the divestment of the General Cargo Logistics Division.

19.2. Non-current assets held for sale and liabilities held for sale

	2020 in EUR million	2019 in EUR million
Non-current assets held for sale		
<i>As of Jan 01</i>	0.1	0.1
Disposals by sale	-0.1	-0.1
Additions (single assets)	0.1	0.1
As of Dec 31	0.1	0.1
<i>of which reported at amortised cost</i>	0.1	0.1

The assets held for sale as at 31.12.2020 are one (py: three) plot(s) of land (including buildings) and one railway line. The contracts have already been concluded, but the economic transition will not take place until 2021.

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.

In accordance with the Supervisory Board resolution of 11.02.2021, a parcel of land with a book value of around TEUR 2 was designated for sale after the reporting date with a sales price of around EUR 7.0 million.

The proceeds expected in 2021 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 around EUR 1.7 million (py: around EUR 1.7 million), which are reported together with the result from the disposal of other investments under other operating income.

The liabilities held for sale are a cost contribution that ÖBB-Infrastruktur AG will make to the purchaser of a railway line in the amount of around EUR 6.4 million, as the purchaser also assumes the decommissioning obligation. This amount has been reclassified from provisions and is shown at book value.

20. Trade and other receivables

This item is broken down as follows:

Dec 31, 2020 in EUR million	Current	Non-current	Total
Trade receivables	631.3	0.0	631.3
<i>thereof contract assets (construction contracts)</i>	<i>15.4</i>	<i>0.0</i>	<i>15.4</i>
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

Dec 31, 2019 in EUR million	Current	Non-current	Total
Trade receivables	595.7	0.0	595.7
<i>thereof contract assets (construction contracts)</i>	<i>13.7</i>	<i>0.0</i>	<i>13.7</i>
Other receivables and deferrals	313.0	131.8	444.8
Income tax receivables	0.9	0.0	0.9
Total	909.6	131.8	1,041.4

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 around EUR 88.3 million (py: around EUR 82.1 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 around EUR 196.4 million (py: around EUR 202.4 million). Accruals and deferrals items mainly relate to prepaid liability fees of around EUR 105.8 million (py: around EUR 121.9 million) and the salaries paid out in December, including taxes for January, amounting to around EUR 61.6 million (py: around EUR 64.6 million).

The allowances mainly refer to trade receivables and developed as follows:

	2020 in EUR million	2019 in EUR million
<i>As of Jan 01</i>	<i>33.5</i>	<i>42.4</i>
Utilisation	-3.6	-12.8
Net revaluation of allowances for impairment	33.4	3.9
As of Dec 31	63.3	33.5
<i>thereof from other receivables</i>	<i>1.1</i>	<i>0.8</i>

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, 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 "Infra- structure"	thereof towards third parties "Others"	Allowance	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	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
	693.5	231.1	286.5	160.4	15.5	62.2	4.5	36.0	20.1	1.7

Dec 31, 2019 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	587.1	12.1	8.2	3.9	574.8
90 to 180 days past due	12.2	1.1	1.0	0.1	11.2
180 to 360 days past due	6.5	1.9	1.7	0.2	4.6
more than 360 days past due	22.6	17.6	15.1	2.5	5.0
Total exposure	628.4	32.7	26.0	6.7	595.7

Dec 31, 2019 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"	Allowance	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	587.1	170.7	255.0	126.3	35.1	12.1	0.3	4.6	7.0	0.1
90 to 180 days past due	12.2	1.1	9.3	1.0	0.8	1.1	0.0	0.8	0.3	0.1
180 to 360 days past due	6.5	0.6	4.3	0.9	0.6	1.9	0.2	1.1	0.5	0.2
more than 360 days past due	22.6	5.2	13.7	2.6	1.1	17.6	3.9	10.9	2.0	0.8
Total exposure	628.4	177.7	282.4	130.7	37.6	32.7	4.4	17.3	9.8	1.2

The following table shows a summary of the default risk for trade receivables and other receivables:

Default risk in EUR million	2020	2019
Trade receivables	693.5	628.4
Other receivables	507.9	445.5
Total gross carrying amount of receivables	1,201.4	1,073.9
Impairment	63.3	33.5
<i>thereof for trade receivables</i>	<i>62.2</i>	<i>32.7</i>
<i>thereof for other receivables</i>	<i>1.1</i>	<i>0.8</i>
Carrying amount	1,138.1	1,040.5

See Note 29 for further details.

21. Inventories

This line item is composed as follows:

	Dec 31, 2020 in EUR million	Dec 31, 2019 in EUR million
Inventories	284.8	268.8
Finished goods	4.7	4.8
Down payments	5.1	4.8
Total	294.6	278.4
<i>thereof recovery objects</i>	<i>35.4</i>	<i>37.0</i>

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 properties for disposal. 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 around EUR 4.1 million (py: around EUR 0.2 million) and is reported in the cost of materials and purchased services. In 2020, reversals of impairment losses were effected of around EUR 0.3 million (py: EUR 0.0 million). Inventories include properties for disposal amounting to around EUR 35.4million (py: around EUR 37.0 million).

22. Cash and cash equivalents

This item is broken down as follows:

	Dec 31, 2020 in EUR million	Dec 31, 2019 in EUR million
Cash on hand and cash	2.9	5.7
Cash in banks	37.9	58.6
Total	40.8	64.3

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 shareholders' 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.

Additional paid-in capital increased by around EUR 61.0 million and amount to around EUR 141.8 million (py: around EUR 80.8 million). 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, 2020 in EUR million	Dec 31, 2019 in EUR million
Other reserves	-115.1	-113.8
<i>thereof cash flow hedge reserve</i>	-40.6	-57.8
<i>thereof translation differences</i>	-74.5	-56.0
Retained earnings	827.5	765.1

In addition, actuarial losses from the revaluation of provisions for severance payments of around EUR -17.3 million (py: around EUR -14.8 million) are reported under the item "Earned result". The actuarial losses in the statement of comprehensive income include tax effects amounting to around TEUR 0.0 (py: around TEUR 0.3).

Differences resulting from capital consolidation that arose before the transition to IFRS are reported in the result generated.

The development of the cash flow hedge reserve is as follows:

in EUR million	Cash flow hedge reserve	
	Development of carrying amount	Income taxes included therein
<i>As of Jan 01, 2019</i>	-36.0	-0.9
Realised gains and losses	13.6	0.9
Changes in the fair values	-35.4	2.1
As of Dec 31, 2019	-57.8	2.1
Realised gains and losses	14.9	0.1
Changes in the fair values	2.3	-2.5
As of Dec 31, 2020	-40.6	-0.3

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 to the reporting currency.

See the Consolidated Statement of Changes in Shareholders' Equity for further disclosures.

25. Financial liabilities

Financial liabilities comprise the following:

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

Dec 31, 2019 in EUR million	up to 1 year	1 to 5 years	more than 5 years	Total
Bonds	1,299.1	4,544.3	6,879.4	12,722.8
Bank loans	450.2	904.7	4,104.3	5,459.2
Financial liabilities leasing	94.5	226.5	344.7	665.7
Other financial liabilities	675.9	1,027.8	4,791.3	6,495.0
Total	2,519.7	6,703.3	16,119.7	25,342.7

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 around EUR 11,370.6 million in the reporting year (py: around EUR 12,669.7 million). In addition, liabilities to EUROFIMA in the amount of around EUR 1,303.2 million (py: around EUR 1,548.4 million) are secured by guarantees from the Federal Government.

Bonds issued

Bonds with a total nominal value of around EUR 11,375.0 million (py: around EUR 12,675.0 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 - 2021	XS0648186517	3.6250%
50,000,000.00	EUR	2011 - 2021	XS0648186517	3.6250%
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 (around USD 108.5 million), of which three (py: three) were issued in the amount of USD 60.0 million (py: around USD 58.2 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 around EUR 4,095.7 million (py: around EUR 4,125.6 million) financing from the European Investment Bank (EIB). Liabilities in the amount of around EUR 57.3 million (py: around EUR 57.3 million) are collateralised. The Österreichische Kontrollbank Aktiengesellschaft provided guarantees for financial liabilities in the amount of around EUR 50.3 million (py: around EUR 49.8 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). Differences regularly arise due to value adjustments that were required in the reporting year as well as in previous years.

Other financial liabilities

The other financial liabilities mainly consist of EUROFIMA loans amounting to around EUR 1,303.2 million (py: around EUR 1,548.4 million), of which in the 2020 reporting year, an amount of around EUR 410.9 million (py: around EUR 259.7 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 around EUR 6,100.7 million (py: around EUR 4,010.5 million) and the negative present values of derivative financial instruments. Of the liabilities to the federal government (OeBFA), around EUR 409.8 million (py: around EUR 123.6 million) are short-term.

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's 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%
5,218,250,000.00	EUR	Total		

*) Average effective interest rate.

Financial liabilities from leasing of around EUR 27.0 million (py: around EUR 28.6 million) are linked to financial assets and other financial liabilities of around EUR 772.0 million (py: around EUR 914.7 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, 2020 in EUR million	Dec 31, 2019 in EUR million
Statutory severance payments	81.0	75.8
Pensions	1.4	1.4
Anniversary bonuses	277.0	263.7
Other provisions for personnel	0.9	0.6
Total	360.3	341.5
<i>thereof long-term</i>	<i>360.3</i>	<i>341.5</i>

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, 2020	Dec 31, 2019
Discount rate severance payments	1.00%	1.40%
Discount rate pensions	0.85%	1.25%
Discount rate anniversary bonuses	0.55%	0.90%
Rate of compensation increase	3.60%	3.70%
Rate of pension payment increases	2.00%	2.00%
Employee turnover rate anniversary bonuses of tenured employees	0.00 - 1.04%	0.00 - 2.12%
Employee turnover rate anniversary bonuses of other workers and employees	0.00 - 7.71%	0.00 - 8.60%

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 around EUR 11.7 million (py: around EUR 10.6 million) into the defined contribution plan (VBV Vorsorgekasse AG and APK-PENSIONS KASSE AG) in the two reporting years.

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:

	2020 in EUR million	2019 in EUR million
<i>Defined benefit commitments as of Jan 01</i>	<i>75.8</i>	<i>68.6</i>
Service cost	3.3	3.1
Interest cost	1.0	1.4
Subtotal recorded in the net income	4.3	4.5
Actuarial losses (+) / gains (-) from changes in demographic assumptions	0.0	0.0
Actuarial losses (+) / gains (-) from changes in financial assumptions	3.6	9.2
Experience adjustments	-1.3	0.3
Recognised in other comprehensive income	2.3	9.5
Severance payments	-2.1	-2.3
Company sales and acquisitions	0.6	-4.4
Defined benefit commitments as of Dec 31	81.0	75.8

Provisions for severance payments are due in the amount of around EUR 0.7 million (py: around EUR 0.7 million), in 2021 in the amount of around EUR 30.2 million (py: around EUR 22.6 million), in 2022 to 2024 in the amount of around EUR 50.1 million (py: around EUR 52.5 million), after 2025. The average duration is 16.3 (py: 16.4) years.

The following sensitivity analysis for the provision of severance payments outlines the effect on the obligations of changes in key actuarial assumptions. In each case, one significant factor was changed, while the others were held constant. In reality, however, it is unlikely that these factors will not correlate. The calculation of the obligation using changed parameters is analogous to the calculation of the actual obligation using the projected unit credit method (PUC method) in accordance with IAS 19.

A change in the actuarial assumptions would have the following effect:

Sensitivity analysis of the provisions for severance payments	Change in assumption	Increase of the parameter / change in DBO		Decrease of the parameter / change in DBO	
	in %	2020 in EUR million	2019 in EUR million	2020 in EUR million	2019 in EUR million
Interest rate	+/- 0.2	-2.9	-2.3	2.1	2.4
Salary increase	+/- 0.2	2.0	2.4	-2.9	-2.3

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:

	2020 in EUR million	2019 in EUR million
<i>Defined benefit commitments as of Jan 01</i>	<i>263.7</i>	<i>249.0</i>
Service cost	12.5	11.3
Interest cost	2.3	3.8
Anniversary bonuses	-21.4	-23.4
Reclassifications	0.0	0.0
Company sales and acquisitions	0.0	-3.3
Actuarial losses (+) / gains (-)	21.2	22.1
Experience adjustments	-1.3	4.2
Defined benefit commitments as of Dec 31	277.0	263.7

The average duration is 9.0 (py: 8.8) 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 %	2020 in EUR million	2019 in EUR million	2020 in EUR million	2019 in EUR million
Interest rate	+/- 0.2	-5.2	-4.8	4.8	4.3
Salary increase	+/- 0.2	4.6	4.2	-5.0	-4.7

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 ÖBB Group employees 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 around EUR 19.4 million (py: around EUR 19.1 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 conducted according to actuarial principles, assuming a discount factor of 0.85% (py: 1.3%) and a retirement age of 60 years.

26.2. Other provisions

in EUR million	As of Jan 01, 2020	Utilisation	Release	Transfers	Accretion expenses	Additions	As of Dec 31, 2020
Public services according to EU Directive 1370/2007	159.9	-7.0	0.0	0.0	-0.3	186.9	339.5
Asset retirement obligations	48.9	-0.1	-0.7	-6.4	0.0	0.3	42.0
Environmental protection measures	36.9	-1.7	-1.4	0.0	0.0	0.7	34.5
Bad debts and public services	28.7	-16.6	-1.8	-0.3	0.0	15.0	24.9
Demolition cost and similar obligations	25.2	-5.7	-1.1	0.0	0.0	4.5	22.9
Loss set aside	5.6	-4.3	-0.3	0.0	0.0	14.9	15.9
Reimbursement of travel expenses	3.0	-0.3	-0.7	0.0	0.0	1.1	3.1
Non-income taxes and fees	2.5	-0.1	-1.5	-0.2	0.0	1.0	1.6
Reorganization	0.8	0.0	0.0	0.0	0.0	-0.3	0.4
Others	120.8	-37.1	-13.2	2.8	1.4	60.2	134.9
Total	432.2	-72.9	-20.7	-4.1	1.1	284.3	619.8
<i>thereof long-term</i>	<i>232.8</i>						<i>222.6</i>

The sum of the column "Reclassifications" represents reclassifications to liabilities or non-current liabilities held for sale.

The accounting of the Federal Transport Services Contract (VDV) is audited annually ex-post 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 1370/2007 as well as for impending losses from a transport service contract, a provision of around EUR 339.5 million (py: around EUR 159.9 million) is disclosed. The increase in the current financial year results mainly from expected repayment requirements within the scope of the final settlements of the transport service contracts for the 2020 timetable year.

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. In addition to cost and interest rate adjustments, the additions relate to provisions for newly defined routes to be decommissioned in the amount of around EUR 0.3 million (py: around EUR 36.0 million). See Note 19 regarding the transfer in an amount of around EUR 6.4 million.

The provision for environmental protection measures relates to expected remediation measures and soil contamination. In accordance with the relevant statutory provisions, it was recognised with the probable expenses as anticipated and was reversed in 2020 in the amount of around EUR 1.4 million (py: around EUR 9.0 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 around 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 1.9% (py: 0.0 to 1.9%) depending on the term, if applicable. Adjustments due to changes in the discount rate were insignificant.

Of the other provisions, around EUR 222.6 million (py: around EUR 232.8 million) are classified as non-current. The payment date for these provisions is expected after 2021. The payments for the provisions classified as current are expected to be made in 2021. Where uncertainties exist regarding maturity, the provisions concerned were predominantly classified as current.

27. Trade payables and other liabilities

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
<i>thereof deferral of federal subsidies</i>	<i>1,221.5</i>	<i>0.0</i>	<i>1,221.5</i>
<i>thereof accrued personnel liabilities</i>	<i>184.5</i>	<i>0.0</i>	<i>184.5</i>
<i>thereof other deferrals</i>	<i>66.1</i>	<i>29.8</i>	<i>95.9</i>
<i>thereof taxes</i>	<i>56.4</i>	<i>0.0</i>	<i>56.4</i>
<i>thereof social security</i>	<i>38.0</i>	<i>0.0</i>	<i>38.0</i>
Total	2,641.5	34.5	2,676.0

Dec 31, 2019 in EUR million	Current	Non-current	Total
Trade payables	879.8	0.0	879.8
Other liabilities	1,564.1	40.1	1,604.2
<i>thereof deferral of federal subsidies</i>	<i>1,146.8</i>	<i>0.0</i>	<i>1,146.8</i>
<i>thereof accrued personnel liabilities</i>	<i>182.7</i>	<i>0.0</i>	<i>182.7</i>
<i>thereof other deferrals</i>	<i>67.5</i>	<i>34.2</i>	<i>101.7</i>
<i>thereof taxes</i>	<i>66.9</i>	<i>0.0</i>	<i>66.9</i>
<i>thereof social security</i>	<i>38.1</i>	<i>0.0</i>	<i>38.1</i>
Total	2,443.9	40.1	2,484.0

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 around EUR 86.8 million (py: around EUR 17.2 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".

A sale-and-lease-back transaction resulted in a deferred income item of around EUR 2.7 million (py: around EUR 6.0 million), which is reported in other deferrals. The sales revenue from these finance leases is 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 around EUR 3.5 million (py: around EUR 4.4 million), ticket pre-sales of around EUR 18.5 million (py: around EUR 38.4 million) and accrued income from building lease and lease agreements of around EUR 20.7 million (py: around EUR 23.6 million).

Contract liabilities mainly include early payments received on revenues for subsequent periods of around EUR 10.2 million (py: around EUR 14.5 million), 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

	2020 in EUR million	2019 in EUR million
Contingent liabilities from lease transactions	44.4	51.9
Other contingent liabilities	28.2	33.5
Total	72.6	85.4

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 accordance 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 around EUR 0.6 million (py: around EUR 0.7 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's financial assets and liabilities are subject in particular to risks from changes in exchange rates, interest rates and the creditworthiness of contractual partners (credit risk). 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 underlying 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 only enters into financial transactions on behalf and for the account of its subsidiary companies with their consent and order, has created a risk-oriented monitoring environment that includes guidelines and procedures for risk assessment, and for approving, reporting, and monitoring financial instruments. The protection of the ÖBB Group assets is the first priority for any and all financial activities.

Most of the derivatives at the Group level (around 92% (py: around 94%) of nominal value are non-structured standard hedges (plain vanilla interest rate swaps and plain vanilla commodity swaps). A share of around 8% (py: around 6%) of the nominal amount is attributable to a structured derivative. This specific structured derivative has a total nominal volume of EUR 20.0 million with a term through 2022. The share changed compared to the prior year due to the planned expiry of interest rate swaps in two companies. In total, the nominal value of the interest rate swaps changed from around EUR 318.8 million to around EUR 244.9 million.

In 2020, commodity swaps with a nominal value of around EUR 22.3 million were concluded, of which commodity swaps with a nominal value of around EUR 7.9 million expired on 31.12.2020.

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 Statement of Financial Position. Fluctuations in market interest rates that exceed a certain level agreed with the ÖBB-Infrastruktur Group companies therefore need to be limited (for example, by using derivative financial instruments), in order to minimise their effect on earnings performance.

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.

	Fixed interest financial instruments in EUR million	Variable interest financial instruments in EUR million
Financial instruments (current and non-current)		
Dec 31, 2020		
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
<i>of which to the Federal Government (OeBFA)</i>	<i>6,100.7</i>	<i>0.0</i>
Total	21,663.1	6.9

	Fixed interest financial instruments in EUR million	Variable interest financial instruments in EUR million
Financial instruments (current and non-current)		
Dec 31, 2019		
Financial assets	235.0	22.1
Trade receivables	1.1	6.3
Other receivables and assets	1.0	0.0
Cash and cash equivalents	28.4	20.9
Total	265.5	49.3
Financial liabilities	23,769.7	731.3
<i>of which to the Federal Government (OeBFA)</i>	<i>4,010.5</i>	<i>0.0</i>
Total	23,769.7	731.3

The underlying hedged items were classified as fixed or variable interest financial instruments, taking into account the derivatives (hedging instruments) concluded.

None of the Group's current 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. The latter have made it clear that they no longer seek to induce or force banks to submit IBORs from the end of 2021.

In response to the announcements, 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.

Sensitivity analysis interest rate risk as of Dec 31, 2020 in EUR million	Effect in income statement		Effect in shareholders' equity	
	+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

Sensitivity analysis interest rate risk as of Dec 31, 2019 in EUR million	Effect in income statement		Effect in shareholders' equity	
	+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	0.2	-0.2	0.0	0.0
Liabilities				
Financial liabilities	-7.2	7.2	14.5	-13.8
Consolidated effect 2019	-6.8	6.8	14.5	-13.8

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 2020	in USD million
Trade receivables	8.6
Other financial assets	123.9
Trade payables	-8.1
Other financial liabilities	-125.5
	-1.1
less forward foreign exchange contracts/currency swaps	0.0
Net exchange rate risk	-1.1

Currency-sensitive financial instruments 2019	in USD million
Trade receivables	9.9
Other financial assets	119.2
Trade payables	-8.8
Other financial liabilities	-124.1
	-3.7
less forward foreign exchange contracts/currency swaps	0.0
Net exchange rate risk	-3.7

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 around EUR 0.0 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 is checked daily by ÖBB-Holding AG. 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 2020			
Financial assets	314.7	-17.5	297.2
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	-99.4	1,105.8
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	-99.4	1,178.4
Total exposure 2019			
Financial assets	321.1	-17.8	303.3
Trade receivables	607.2	-60.6	546.6
Other receivables and assets	130.8	0.0	130.8
Cash and cash equivalents	64.3	0.0	64.3
Risk current and non-current assets	1,123.4	-78.4	1,045.0
Contingent liabilities from lease transactions	51.9	0.0	51.9
Other contingent liabilities	33.5	0.0	33.5
Credit risk from issued guarantees	85.4	0.0	85.4
Total credit risk as of Dec 31, 2019	1,208.8	-78.4	1,130.4

See Note 20 with regard to the maturities.

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	non-cash		Carrying amount of 2021 cash flows		Carrying amount of 2022-2025 cash flows		Carrying amount of 2026 et seq. cash flows	
	Carrying amount Dec 31, 2020	Carrying amount Dec 31, 2020	Interest *) 2021	Redemption *) 2021	Interest 2022-2025	Redemption 2022-2025	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	Cash flows 2021			Cash flows 2022-2025		Cash flows 2026 et seq.	
	Carrying amount Dec 31, 2020	Interest 2021	Redemption 2021	Interest 2022-2025	Redemption 2022-2025	Interest 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
<i>Cash paid</i>		0.0	35.7	0.0	74.8	0.0	0.0
Diesel swaps - Cash flow hedges	0.2	0.0	0.0	0.0	0.0	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
Financial guarantees							
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

in EUR million	non-cash		Carrying amount of 2020 cash flows		Carrying amount of 2021-2024 cash flows		Carrying amount of 2025 et seq. cash flows	
	Carrying amount Dec 31, 2019	Carrying amount Dec 31, 2019	Interest *) 2020	Redemption *) 2020	Interest 2021-2024	Redemption 2021-2024	Interest 2025 et seq.	Redemption 2025 et seq.
Original financial liabilities								
Bonds	12,722.8	0.0	423.2	1,299.1	1,227.7	4,544.3	1,387.0	6,879.4
Bank loans	5,459.2	0.0	127.0	450.2	456.7	904.7	743.5	4,104.3
Finance leasing, sub-lease and CBL liabilities	665.7	17.8	14.6	94.5	36.4	226.5	24.9	326.9
Other financial liabilities	6,410.2	35.9	83.9	461.7	264.9	925.2	2,820.1	4,802.2
Trade payables	869.0	0.0	0.0	851.8	0.0	17.2	0.0	0.0
Other liabilities	1,214.0	0.0	0.0	1,208.7	0.0	5.3	0.0	0.0

*) Other financial liabilities include liabilities from accrued interest payments for bonds and liabilities to credit institutions. The actual interest payments 2019 from these accrued liabilities are presented in a separate line as Bonds and Liabilities to Credit Institutions and not in Other Financial Liabilities.

		Cash flows 2020		Cash flows 2021-2024		Cash flows 2025 et seq.	
	Carrying amount	Interest	Redemption	Interest	Redemption	Interest	Redemption
in EUR million	Dec 31, 2019	2020	2020	2021-2024	2021-2024	2025 et seq.	2025 et seq.
Derivative financial receivables							
Other derivatives not designated as hedges	12.0	0.0	10.2	0.0	2.2	0.0	0.0
Power derivatives with cash flow hedges	8.5	0.0	19.2	0.0	23.7	0.0	0.0
Cash paid		0.0	19.2	0.0	23.7	0.0	0.0
Derivative financial liabilities							
Interest rate derivatives not designated as hedges	2.5	0.8	0.0	1.6	0.0	0.0	0.0
Interest derivatives - Cash flow hedges	58.9	11.2	0.0	35.6	0.0	16.4	0.0
Power derivatives - Cash flow hedges	6.8	0.0	25.2	0.0	69.8	0.0	0.0
Other derivatives not designated as hedges	16.6	0.0	66.8	0.0	13.5	0.0	4.4
Financial guarantees							
Guarantees from cross-border leasing	51.9	3.7	3.4	11.8	16.6	0.0	31.9
Other contingent liabilities	33.5	0.0	13.7	0.0	12.6	0.0	7.2

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 according to 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, 2020		
Maturity	Number of swaps	Nominal volume in EUR million
Portfolio	12	224.9
<i>thereof maturing 2025 et seq.</i>	<i>12</i>	<i>224.9</i>
<hr/>		
Dec 31, 2019		
Maturity	Number of swaps	Nominal volume in EUR million
Portfolio	17	298.8
<i>thereof maturing 2020</i>	<i>5</i>	<i>73.9</i>
<i>thereof maturing 2024 et seq.</i>	<i>12</i>	<i>224.9</i>

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 (around EUR 18.8 million (py: around EUR 20.1 million)). In addition, ineffective portions of hedge accounting relationships amounting to around EUR 0.0 million (py: around EUR 0.02 million) were recognised in profit or loss. As at the reporting date, the termination of hedging instruments (cash flow hedges) resulted in around EUR 9.1 million (py: around EUR 17.5 million), which subsequently reverse, are recognised in equity through other comprehensive income, which subsequently reverse: 2021: around EUR 6.8 million (py: around EUR 8.4 million, 2022 - 2025: around EUR 2.2 million (py: around EUR 8.4 million, 2026 onwards: around EUR 0.1 million (py: around EUR 0.7 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 around 1,200 GWh per delivery year on a rolling basis over three years for the purchase of traction current and energy losses as well as around 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, 2020			Nominal volume	Average exercise price	Fair value
Maturity	Number of swaps	MWh	in EUR million	in EUR	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

Power derivatives designated as hedges Dec 31, 2019			Nominal volume	Average exercise price	Fair value
Maturity	Number of swaps	MWh	in EUR million	in EUR	in EUR million
Portfolio	128	3,187,416	137.9		1.7
thereof maturing 2020	39	1,145,064	44.4	40.4	1.8
thereof maturing 2021	55	1,183,872	51.9	44.8	1.1
thereof maturing 2022	28	683,280	32.8	46.7	-0.9
thereof maturing 2023	6	175,200	8.7	48.3	-0.3

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. The market valuation of the forwards for emission certificates as at the balance sheet date is based on the European Emission Allowances Futures Settlement Price.

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
<i>As of Jan 01, 2019</i>	<i>33.2</i>	<i>8.1</i>	<i>41.2</i>	<i>10.3</i>	<i>30.9</i>
Traction power addition	-33.7	0.0	-33.7	-8.4	-25.3
Operating facilities addition	-0.9	0.0	-0.9	-0.2	-0.7
Operating facilities closed	-1.3	1.3	0.0	0.0	0.0
Transfer to income statement 2019	1.7	-5.1	-3.5	-0.9	-2.6
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

29.4.2. Cashflow Hedges – Diesel

Fluctuations in diesel prices mean that the raw material "diesel" represents a financial risk for ÖBB-Produktion GmbH 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 GmbH as well as Österreichische Postbus AG and thus on the ÖBB Group. ÖBB-Produktion GmbH 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 GmbH 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 GmbH 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 01.01.2021 to 31.12.2021 was designated as the underlying hedged item in the 2020 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 GmbH in the 2020 financial year is to hedge the first 60% of the planned purchase volume of diesel excluding the biodiesel component for the 2021 financial year. The objective for the hedging relationship of Österreichische Postbus AG for the financial year 2020 is to hedge the first 70% of the planned purchase volume of diesel excluding the biodiesel portion for the financial year 2021.

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, 2020			Nominal	Average	Fair value
Maturity	Number		volume	exercise price	
	of swaps	Tons	in EUR million	in EUR	in EUR million
Portfolio	6	41,549	14.4	347.1	0.3
<i>thereof maturing 2021</i>	<i>6</i>	<i>41,549</i>	<i>14.4</i>	<i>347.1</i>	<i>0.3</i>

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, 2020 in EUR million	OCI	Deferred tax	OCI after deferred tax
<i>As of Jan 01, 2020</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
amounts not affecting net income	0.3	-0.1	0.2
As of Dec 31, 2020	0.3	-0.1	0.2

Sensitivity analysis for interest rate risk

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 around EUR 1.5 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, 2020				
Power derivatives not designated as hedges	Number of swaps	Nominal volume	Number of swaps	Nominal volume
Maturity	Purchases	in EUR million	Sale	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

Dec 31, 2019				
Power derivatives not designated as hedges	Number of swaps	Nominal volume	Number of swaps	Nominal volume
Maturity	Purchases	in EUR million	Sale	in EUR million
Portfolio	102	92.7	91	68.7
thereof maturing 2020	74	77.0	74	61.8
thereof maturing 2021	20	13.0	11	5.1
thereof maturing 2022	8	2.7	6	1.8

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.

Managed equity as of 31.12.2020 around EUR 2,754.3 million (py: around EUR 2,632.1 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 around EUR 13,911.8 million in the reporting year (py: around EUR 15,282.1 million). Of this amount, around EUR 13,763.8 million (py: around EUR 14,975.4 million) were unadjusted quoted prices (Level 1 measurement), while around EUR 148.0 million (py: around EUR 306.7 million), applied a valuation model based on market prices. 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 around EUR 55.7 million (py: around EUR 55.9 million). These were measured according to Level 2 input parameters.

Financial assets Dec 31, 2020 in EUR million	Carrying amount	less non- financial instruments	Financial instruments	FVtPL equity instruments	manda- torily at FVtPL	at amortised cost	Lease	Cash	Hedge Account- ing	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 categorie				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 instruments	at amortised cost	at Fair Value through Profit and Loss (Held for Trading)	Hedge Accounting	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	

Financial assets Dec 31, 2019 in EUR million	Carrying amount	less non- financial instruments	Financial instruments	FVtPL equity instru- ments	manda- torily at FVtPL	at amortised cost	Lease	Cash	Hedge Accounting	Fair value
Non-current assets										
Financial assets	286.1	0.0	286.1	5.3	0.0	251.7	25.8	0.0	3.3	305.7
Other receivables and assets	131.8	116.6	15.2	0.0	0.0	15.2	0.0	0.0	0.0	15.2
Current assets										
Financial assets	34.9	0.0	34.9	0.0	12.0	13.5	4.2	0.0	5.2	34.9
Trade receivables	595.7	21.2	574.5	0.0	0.0	574.5	0.0	0.0	0.0	574.5
Other receivables and assets	313.0	198.2	114.8	0.0	0.0	114.8	0.0	0.0	0.0	114.8
Cash and cash equivalents	64.3	0.0	64.3	0.0	0.0	0.0	0.0	64.3	0.0	64.3
Total carrying amount per categorie				5.3	12.0	969.7	30.1	64.3	8.5	

Financial liabilities Dec 31, 2019 in EUR million	Carrying amount	less non- financial instruments	Financial instruments	at amortised cost	at Fair Value through Profit and Loss (Held for Trading)	Hedge Accounting	Lease	Fair value
Non-current liabilities								
Financial liabilities	22,823.0	0.0	22,823.0	22,463.6	6.4	51.1	301.9	24,592.0
Other liabilities	40.1	34.8	5.3	2.6	0.0	0.0	2.7	5.3
Current liabilities								
Financial liabilities	2,519.7	0.0	2,519.7	2,416.8	12.7	14.6	75.6	2,566.2
Trade payables	879.8	10.8	869.0	869.0	0.0	0.0	0.0	869.0
Other liabilities	1,564.1	355.4	1,208.7	1,208.7	0.0	0.0	0.0	1,208.7
Total carrying amount per categorie				26,960.7	19.1	65.7	380.2	

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, 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

as of Dec 31, 2019 in EUR million	Gross carrying amount reported	Potential offset amount not reported in the financial statement	Net amount after potential offsetting
Power derivative assets	12.0	-4.9	7.1
Power derivative liabilities	-12.3	4.9	-7.4

Net financial results by measurement categories

The net result subdivided into measurement categories is as follows:

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
FVtPL (equity instruments)	0.0	0.0	0.0	-0.2	0.0	0.2
Financial Instruments measured at FVtPL (mandatory approach)	0.0	0.0	0.0	0.0	0.0	0.0
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 offset from loans in the amount of around EUR 3.5 million.

Result of subsequent measurement Dec 31, 2019 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)	21.1	0.0	-0.7	0.5	1.2	0.0
Held-to-Maturity Investments (HtM)						
FVtPL (equity instruments)	0.0	0.0	0.0	0.0	0.0	0.9
Financial Instruments measured at FVtPL (mandatory approach)	0.0	-10.9	0.0	0.0	0.0	0.0
Financial Liabilities Measured at Amortised Cost (FLAC) *)	-587.4	0.0	-3.0	0.0	0.0	0.0
Hedge Accounting	-23.5	0.0	-0.2	0.0	0.0	0.0
Cash and cash equivalents	0.0	0.0	-0.1	0.0	0.0	0.0

*) Interest expenses include negative interest offset from loans in the amount of around EUR 0.7 million.

Interest earnings from financial liabilities classified as financial liabilities measured at amortised cost (expenses in the net amount of around EUR 539.6 million (py: around EUR 587.4 million)) mainly include interest expenses 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.

in EUR million	Assets		Shareholders' equity and liabilities	
	Carrying amounts as of Dec 31, 2020	Carrying amounts as of Dec 31, 2019	Carrying amounts as of Dec 31, 2020	Carrying amounts as of Dec 31, 2019
Interest rate swaps				
without hedge relation	0.0	0.0	2.0	2.5
with cash flow hedges	0.0	0.0	52.8	58.9
Power forwards				
without hedge relation	14.2	12.0	15.2	12.3
with cash flow hedges	10.0	8.5	0.2	6.8
Diesel swaps				
with cash flow hedges	0.2	0.0	0.0	0.0
Other derivatives				
Derivatives without a hedging relationship	0.0	0.0	4.3	4.3
Total	24.4	20.5	74.5	84.8

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, 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

Dec 31, 2019		
in EUR million	Level 2	Total
Derivatives designated as hedge instrument	8.5	8.5
Derivatives held for trading	12.0	12.0
Financial assets	20.5	20.5
Derivatives held for trading	19.1	19.1
Derivatives designated as hedge instrument	65.7	65.7
Financial liabilities	84.8	84.8

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 took place.

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 around 26.000 (py: around 21,200) lease agreements, most of which are open-ended and could be terminated with a maximum notice period of six months. These include around 4000 (py: 4,150) external fixed-term lease agreements ending between 2021 and 2114 (py: 2020 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 minimum lease payments from the irrevocable operating leases are as follows:

Dec 31, 2020 in EUR million	Total	up to 1 year	1 to 5 years	more than 5 years
Land and buildings	437.2	46.5	110.4	280.3
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

Dec 31, 2019 in EUR million	Total	up to 1 year	1 to 5 years	more than 5 years
Land and buildings	429.2	49.2	126.4	253.6
Other technical equipment and machinery	0.3	0.0	0.1	0.2
Other plant, furniture and fixtures	0.5	0.3	0.2	0.0
Automobiles and trucks	8.3	1.7	4.4	2.2

The ÖBB Group leases facilities that are classified as operating leases. The agreements have different contractual terms customary in the market, depending on the leased property.

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, 2020 in EUR million	Dec 31, 2019 in EUR million
Investment property	163.7	163.9
Land and buildings	434.3	63.8
Technical equipment and machinery	12.0	5.7
Other plant, furniture and fixtures	1.9	1.6
Intangible assets	0.1	0.1
Total	612.0	235.1

Finance lease

The following table presents a maturity analysis of the lease receivables and shows the undiscounted lease payments to be received after the reporting date.

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	33.4	

*) Small amount.

Dec 31, 2019	Minimum lease payments in EUR million	Included interest income in EUR million
2020	4.5	0.3
2021 - 2024	16.2	0.7
after 2024	10.5	0.2
Total of minimum lease payments	31.2	1.2
less interest	-1.2	
Present value of lease payments	30.0	

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). For leases, the agreed period of the termination waiver or extension option is used to estimate the term of the lease. 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, 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	676.6	

Dec 31, 2019	Minimum lease payments in EUR million	Interest expense included in EUR million
2020	99.9	15.4
2021 - 2024	286.7	39.2
after 2024	318.0	26.4
Total of minimum lease payments	704.6	81.0
less interest	-81.0	
Present value of lease payments	623.6	

Amounts recognised in the income statement

in EUR million	2020	2019
Interest expenses for lease liabilities	3.9	4.3
Expenses for short-term leases	32.1	52.0
Expenses for leases of a low-value asset	3.5	3.3
Expenses from variable lease payments not included in the measurement of lease liability	0.2	6.6
Income from the sublease of rights of use	0.5	0.0

Amounts recognised in the Cash Flow Statement

in EUR million	2020	2019
Total cash paid for leases	-103.9	-94.2

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 around EUR 26.3 million, of which a leaseback agreement for 800 wagons was signed in the same period. This transaction generates a sale and leaseback finance lease. The leasing liability for the 800 wagons as at 31.12.2015 amounts to around EUR 18.1 million. The proceeds from the sale of around EUR 19.8 million for the 800 wagons will be dissolved over six years (duration of the lease).

Leasing agreements already concluded as at 31.12.2020

The ÖBB Group has concluded a leasing agreement for the lease of office space, which commences in 2022. This result in total payments (undiscounted) for the period 2022 until the end of the waiver of termination on 31.12.2042 in the amount of around EUR 186.8 million).

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 31.12.2020.

The remaining CBL transaction of ÖBB-Infrastruktur AG is linked via sublease agreements with ÖBB-Produktion GmbH and ÖBB-Personenverkehr.

All three (py: three) CBL transactions are sale and leaseback transactions. In this transaction, the contractual partner is the buyer of the assets and leases them back to the respective companies of the ÖBB Group. Partially, payment obligations - including the payments required when exercising the purchase option - were secured by concluding repayment vehicles with various banks 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.

Release of CBL transactions

There were no (py: one) premature terminations in the reporting year 2020.

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 31.12.2020, the financial assets in connection with unrelated leasing transactions amount to around EUR 138.6 million (py: around EUR 142.6 million). The related financial liabilities as at 31.12.2020 amount to around EUR 229.8 million (py: around EUR 239.3 million). These leasing liabilities include liabilities of a financing nature in the amount of around EUR 149.8 million (py: around EUR 156.8 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 31.12.2020, there are total value adjustments on investments amounting to around EUR 0.1 million (py: around 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 31.12.2020, contingent liabilities from CBL transactions amounted to around EUR 44.4 million (py: around EUR 51.9 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.

Concession 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 of 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.
- ÖBB-Infrastruktur AG was again granted the "Concession No. 5030 for the construction and operation of a railway infrastructure" for the Ss on Swiss territory by order of the Federal Department of the Environment, Transport, Energy and Communications dated 03.03.2017,
 - for the St. Margrethen - Border (- Bregenz) line for a period of fifty years, i.e. until 31.12.2067, and
 - for the Buchs SG - Border (- Feldkirch) line for a period of five years, i.e.

until 31.12.2022.

ÖBB-Infrastruktur AG thus has current and valid infrastructure concessions as an infrastructure manager within the meaning of the relevant provisions of EU law for the Ss 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.

The Stab Recht team is to submit a timely application to the Swiss DETEC for an extension of the concession period for the Buchs SG - border (- Feldkirch) § in order to ensure that all concession acts are uniformly limited until 31.12.2067.

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.

The infrastructure assets in Liechtenstein and Switzerland are owned by ÖBB-Infrastruktur AG and have a carrying amount as at 31.12.2020 of around EUR 22.9 million (py: around EUR 23.9 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 Board 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:

in EUR million, rounded	Members of the executive bodies of the Group and their related persons and companies		Associated companies		Subsidiaries, not consolidated	
	2020	2019	2020	2019	2020	2019
Sale of goods/rendering of services (total revenue)	0.1	0.1	30.3	35.4	0.5	0.7
Purchase of goods/services (total expenditure)	0.1	0.1	46.6	38.8	3.9	5.6
Receivables as of Dec 31	0.1	0.0	5.4	5.3	0.1	0.1
Liabilities as of Dec 31	0.0	0.0	4.1	6.7	1.2	1.1

Transactions with the Group's executive bodies and related parties are primarily transactions with companies in which members of the Supervisory Board or managing directors have a controlling influence.

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 around EUR 1,187.9 million in the reporting year (py: around EUR 756.0 million). Services are provided to the federal provinces and municipalities on the basis of transport service contracts, for which around EUR 256.7 million (py: around EUR 388.3 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 2020 amounts to around EUR 92.3 million (py: around EUR 83.3 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 2020.

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 5.0 million to compensate for the loss of the infrastructure charge for private passenger transport.

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 agreement with the Federal Ministry of Transport, Building and Urban Affairs and the Federal Ministry of Finance before making such changes.

In 2020, was granted on the basis of the valid subsidy agreement 2018 to 2023 pursuant to Section 55b of the Railway Act in an amount of around EUR 986.4 million (py: around EUR 963.7 million) for expansion and reinvestment. An amount was granted for inspection, maintenance and fault clearance of around EUR 594.1 million (py: around EUR 583.5 million).

ÖBB-Infrastruktur AG has made investment grants for the construction costs of the Brenner Base Tunnel amounting to around EUR 190.0 million (py: around EUR 160.0 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 around EUR 49.4 million (py: around EUR 49.8 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 2020 amount to around EUR 2,412.7 million (py: around EUR 2,328.1 million). The grant for expansion and reinvestment investments amounting to around EUR 986.4 million (py: around EUR 963.7 million) was reduced due to the investment measures undertaken and a more favourable interest rate development in the income statement by around EUR 16.6 million (py: around EUR 71.3 million) to around EUR 969.8 million (py: around EUR 892.3 million). The grant for operational management as well as inspection, maintenance, fault clearance and repair amounting to around EUR 1,426.3 million (py: around EUR 1,444.9 million) was reduced by a total of around EUR 379.4 million (py: around EUR 243.1 million) due to an improvement in operating performance and the more favourable interest rate development in the income statement.

The grant attributable to the interest capitalised in accordance with IAS 23 in the amount of around EUR 104.6 million (py: around EUR 102.3 million) is to be seen as an investment subsidy 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 around EUR 1,046.9 million (py: around EUR 1,099.5 million). The accrued amounts in connection with the grants for expansion and reinvestment amounting to around EUR 12.9 million (py: around EUR 69.1 million) and in connection with operational management and apprenticeship training amounting to around EUR 61.7 million (py: around EUR 235.3 million) are reported under other liabilities, the deferred amount from maintenance of around EUR 16.8 million (py: EUR 7.8 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 around EUR 3.6 million (py: around EUR 2.2 million), which is recognised under deferred income.

The development of the grants in the year 2020 is therefore as follows:

in EUR million	Total grant	Accruals and repayments	Recognised 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

In the reporting year, an amount of around EUR 150.0 million was refunded in December 2020.

The development of grants in the year 2019 was as follows:

in EUR million	Total grant	Accruals	Recognised in income 2019
§ 42 (1) Operation	861.4	-331.0	530.4
§ 42 (2) Inspection, maintenance, disposal and repair	583.5	-14.4	569.1
§ 42 (2) Expansion and reinvestment	883.2	9.2	892.4
Total	2,328.1	-336.2	1,991.9

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 around EUR 77.3 million (py: around EUR 61.4 million). In addition, EU subsidies amounting to around EUR 9.5 million (py: around EUR 10.5 million) were granted. 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 around TEUR 1.170 (py: around TEUR 1.412). This includes entitlements from previous periods and benefits in kind. In addition, payments for statutory contributions to the employee pension fund of around TEUR 18 (py: around TEUR 21) in the reporting year and payments to a pension fund of around TEUR 49 (py: around TEUR 47) were incurred. Compared to the previous year, provisions for vacations increased from around TEUR 201 by around TEUR 20 to around TEUR 221. The current employment contracts do not provide for any severance payment obligations. As at 31.12.2020, the provisions relating to target agreements amount to around TEUR 368 (py: around TEUR 329).

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 board members 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, two thirds of the salary of the top executives is fixed and one third 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 an external defined-contribution pension fund scheme, except for members of the Board of Management who are seconded for the time of their activity in the Board within a definite ÖBB employment relation in accordance with the general terms and conditions for employment with 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 remuneration for a Supervisory Board mandate was last revised at the 2019 Annual General Meeting. 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 around TEUR 357 (py: around TEUR 308). The remuneration of the remaining Supervisory Board members at the Group companies amounted to around TEUR 307 (py: around TEUR 398).

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 around EUR 18.2 million (py: around EUR 160.9 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 grants received in this context in the amount of around EUR 104.6 million (py: around EUR 102.3 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 following 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, 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

in EUR million	As of Dec 31, 2018	IFRS 16 changes as of Jan 01, 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, 2019
Non-current financial liabilities							
Bonds	12,720.5	0.0	-1.3	1.1	-1,296.6	0.0	11,423.7
Bank loans	4,996.0	0.0	281.9	1.2	-270.1	0.0	5,009.0
Financial liabilities leasing	340.2	397.4	-75.6	0.5	-91.3	0.0	571.2
Other financial liabilities	3,665.3	0.0	2,210.7	0.0	-42.4	-14.5	5,819.1
Total non-current financial liabilities	21,722.0	397.4	2,415.7	2.8	-1,700.4	-14.5	22,823.0
Current financial liabilities							
Bonds	1,539.5	0.0	-1,540.0	0.0	1,299.6	0.0	1,299.1
Bank loans	206.3	0.0	-60.5	0.6	144.0	0.0	290.4
Financial liabilities leasing	18.6	15.6	-18.6	0.0	78.9	0.0	94.5
Other financial liabilities	626.3	0.0	-58.1	0.0	108.4	-1.8	674.8
Total excluding financial liabilities, which are part of cash and cash equivalents	2,390.7	15.6	-1,677.2	0.6	1,630.9	-1.8	2,358.8

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 transport, local rail transport and bus transport as well as the travel agency activities of Rail Tours Touristik GmbH.

Rail Cargo Austria

The business activities are divided into five complementary, cross-border rail businesses to enable the Rail Cargo Austria sub-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 forwarders: 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: 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.

Q Logistics GmbH was also recognised as the general cargo logistics business area (warehousing and contract logistics, general cargo transports and food logistics) until its disposal in 2019. This business was presented as a discontinued operation in 2019 (Note 19). The company was renamed OmegaTelos GmbH in the 2020 financial year following the disposal of the business operations of Q Logistics GmbH and the discontinuation of operations as of 31.12.2019.

Information on the subsidiaries, associated companies, equity investments, other shares and changes in the ÖBB Group existing as at 31.12.2020 in the financial year 2020:

Changes in the basis of consolidation

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. Furthermore, LCA Logistik Center Austria Süd GmbH was founded as an equity company in the reporting year 2020 through the acquisition of 50% of the shares of Kärntner Beteiligungsverwaltung ("KBV").

Rail Cargo Operator-Port/Rail Services GmbH and iMobility GmbH were consolidated for the first time in the previous year. Rail Cargo Carrier - Germany GmbH was merged with Rail Cargo Carrier - PCT GmbH with retroactive effect from 01.01.2019 and renamed Rail Cargo Carrier - Germany GmbH. In addition, Rail Cargo Wagon - Austria GmbH was merged into Rail Cargo Austria AG in the previous year. The European Contract Logistics - Czech Republic s.r.o. subsidiary was sold in 2019 and is therefore no longer included in the scope of companies accounted for using the full consolidation method.

Other changes in the schedule of investments

Further acquisitions, new establishments and changes in consolidation types are noted in the list of investments shown as follows in parentheses.

ÖBB-Personenverkehr Group		Country, registered office	Type of consolidation
Merger with Österreichische Postbus Aktiengesellschaft			
100%	ÖBB-Postbus GmbH	A-1100 Vienna	V
New incorporation			
100%	OBB ITALIA S.R.L.	IT-20121 Milano MI	V0

Rail Cargo Group		Country, registered office	Type of consolidation
New incorporation			
50%	TransAnt GmbH	A-4020 Linz	E0
49%	LTS Immobilien GmbH	A-2320 Schwechat	E0
40%	ETL Lokservice GmbH	A-2320 Schwechat	E0

ÖBB-Infrastruktur Group		Country, registered office	Type of consolidation
Purchase			
50%	LCA Logistik Center Austria Süd GmbH	A-9586 Fürnitz	E

Other companies		Country, registered office	Type of consolidation
Intra-group sale to ÖBB-Holding AG			
100%	iMobility GmbH	A-1040 Vienna	V
Liquidation			
100%	European Contract Logistics (podjetje za spedicijo, prevoznistvo in trgovino) d.o.o.	SLO-2000 Maribor	V

Abbreviations and footnotes

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	Investees not recorded using the equity method due to minor significance

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		
└▶ 100% Österreichische Postbus Aktiengesellschaft (Merger with ÖBB-Postbus GmbH)	A-1100 Vienna	V
└▶ 100% ČSAD AUTOBUSY České Budějovice a.s. (Transfer to Österreichische Postbus Aktiengesellschaft with a merger)	A-1100 Vienna	V
└▶ 100% Rail Tours Touristik Gesellschaft m.b.H.	CZ-37001 České Budějovice	V
└▶ 100% iMobility GmbH (Intra-group purchase from ÖBB-Holding AG)	A-1100 Vienna	V
└▶ 100% OBB ITALIA S.R.L.	A-1040 Vienna	V
└▶ 98.57% FZB Fahrzeugbetrieb GmbH	IT-20121 Milano MI	V0
└▶ 50% (100%) ÖBB-Produktion Gesellschaft mbH	A-1100 Vienna	V
└▶ 49.9% City Air Terminal Betriebsgesellschaft m.b.H.	A-1100 Vienna	V *)
└▶ 49% (100%) ÖBB-Technische Services-Gesellschaft mbH	A-1300 Vienna-Airport	E
└▶ 100% Technical Services Hungaria Járűjavító Kft.	A-1110 Vienna	V *)
└▶ 100% (py: 51%) Technical Services Slovakia, s.r.o. (Purchase of the remaining 49%)	HU-3527 Miskolc	V
└▶ 60% ÖBB STADLER Service GmbH	SK-91701 Trnava	V
└▶ 51% TS-MÁV Gépészeti Services Kft.	A-1150 Vienna	V
└▶ 50% TransAnt GmbH	HU-1097 Budapest	V
└▶ 49% LTS Immobilien GmbH	A-4020 Linz	E0
└▶ 40% ETL Lokservice GmbH	A-2320 Schwechat	E0
└▶ 10% Railteam B.V.	A-2320 Schwechat	E0
└▶ 6.71% (7.38%) Bureau central de clearing s.c.r.l.	NL-1012 AB Amsterdam	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-1220 Vienna	E0
└▶ 50% HAELA Abfallverwertung GmbH	A-4470 Enns	E
└▶ 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 Uluslararası Tasimacilik Lojistik ve Ticaret Limited Sirketi	TR-34303 Halkali-Istanbul	V
└▶ 74% Rail Cargo Logistics 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 (formerly Rail Cargo Carrier - PCT GmbH; merged and renamed retroactively as of .1.2019 in May 2019)	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	V0
▶ 100%	Rail Cargo Carrier – Poland Sp.z.o.o. (Renamed; before January 2020: Rail Time Polska Sp. z o.o.) (Purchase of all shares in May 2019)	PL-02-017 Warszawa	V0
▶ 75%	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	V
▶ 100%	Rail Cargo Terminal – Praha s.r.o	CZ-13000 Praha 3	V
▶ 85% (py: 100%)	Rail Cargo Terminal - BILK (Sale of 15.0000018% 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 Járműjavító Kft. (intra-group purchase 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 Brussels	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
▶ 51% (100%)	ÖBB-Technische Services Gesellschaft mbH	A-1110 Vienna	V *)
▶ 100% (py: 51%)	Technical Services Slovakia, s.r.o. (Purchase of the remaining 49% of the shares retrospectively as of 1.1.2020 in June 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-2320 Schwechat	E0
▶ 40%	ETL Lokservice GmbH	A-2320 Schwechat	E0
▶ 50% (100%)	ÖBB-Produktion Gesellschaft mbH	A-1100 Vienna	V *)
▶ 50%	TransAnt GmbH (intra-group purchase by Rail Cargo Austria AG from ÖBB-Technische Services Gesellschaft mbH in January 2021)	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
▶ KD share	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% Austrian Rail Construction & Consulting GmbH	A-1020 Vienna	V
└▶	100% Austrian Rail Construction & Consulting GmbH & Co KG	A-1020 Vienna	V0
└▶	100% Güterterminal Werndorf Projekt GmbH	A-1020 Vienna	V0
└▶	100% Mungos Sicher & Sauber GmbH	A-1020 Vienna	V
└▶	100% Mungos Sicher & Sauber GmbH & Co KG	A-1150 Vienna	V
└▶	100% Netz- und Streckenentwicklung GmbH	A-1150 Vienna	V
└▶	100% ÖBB-Güterzentrum Wien Süd Betriebsgesellschaft m.b.H.	A-1020 Vienna	V0
└▶	100% ÖBB-Immobilienmanagement Gesellschaft mbH	A-1020 Vienna	V0
└▶	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% Gauermannngasse 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	V
└▶	100% Rail Equipment GmbH	A-1020 Vienna	V0
└▶	100% Rail Equipment GmbH & Co KG	A-1040 Vienna	V
└▶	50% LCA Logistik Center Austria Süd GmbH	A-1040 Vienna	V
└▶	51% WS Service GmbH	A-9586 Fürnitz	E
└▶	50% Galleria di Base del Brennero – Brenner Base Tunnel BBT SE	A-3151 St. Georgen am Steinfeld	V
└▶	43.05% Weichenwerk Wörth GmbH	I-39100 Bozen	E
└▶	27.74% (31.12.2020: 25%) Breitspur Planungsgesellschaft mbH (increase of the shares in January 2021)	A-3151 St. Georgen am Steinfeld	E
└▶	8% HIT Rail B.V.	A-1010 Vienna	E
└▶	KG-Anteil Tiefgarage Stuben Gesellschaft m.b.H. & Co. KG	NL-3500 HA Utrecht	0
Others		Country, registered office	Type of consolidation
100% ÖBB-Business Competence Center GmbH			
└▶	34% Wellcon Gesellschaft für Prävention und Arbeitsmedizin GmbH	A-1030 Vienna	V
100% ÖBB-Finanzierungsservice GmbH		A-1030 Vienna	E
100% ÖBB-Werbung GmbH		A-1100 Vienna	V
100% OmegaTelos GmbH (Renamed; formerly Q Logistics GmbH)		A-1100 Vienna	V
└▶	100% European Contract Logistics - Slovakia s.r.o. „v likvidácii“	A-1100 Vienna	V
└▶	95% European Contract Logistics - Serbia d.o.o.	SLO-2000 Maribor	V
└▶	45% logMAster Kft.	SK-81103 Bratislava	V0
26%	Verkehrsauskunft Österreich VAO GmbH	SRB-11070 Novi Beograd	V0
2%	EUROFIMA Europäische Gesellschaft für die Finanzierung von Eisenbahnmaterial AG	HU-2151 Fot	E

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.

ÖBB-Personenverkehr Group		Shareholders' equity in TEUR		Profit or loss in TEUR	
		Dec 31, 2020	Dec 31, 2019	2020	2019
100%	ÖBB ITALIA S.R.L.	37	NEW 2020	27	NEW 2020

Rail Cargo Group		Shareholders' equity in TEUR		Profit or loss in TEUR	
		Dec 31, 2020	Dec 31, 2019	2020	2019
100%	Rail Cargo Carrier - Slovakia s.r.o.	427	445	-1	41
100%	Rail Cargo Carrier - Poland Sp.z.o.o.	-112	-122	8	-197
100%	LOGISZTÁR Kft.	388	667	113	-36
50%	AUL Abfallumladelogistik Austria GmbH	547	720	-187	-190 ¹⁾
50%	TransAnt GmbH	2,185	NEW 2020	0	NEW 2020
49%	LTS Immobilien GmbH	2,100	NEW 2020	0	NEW 2020
40%	ETL Lokservice GmbH	1,100	NEW 2020	0	NEW 2020
33.33%	boxXagency Kft.	99	-73	-86	-55 ¹⁾
30%	Agrochimtranspack Kft.	n/a	n/a	n/a	n/a

Abbreviations and footnotes

¹⁾ Preliminary values for 2020.
n/a not applicable

ÖBB-Infrastruktur Group		Shareholders' equity in TEUR		Profit or loss in TEUR	
		Dec 31, 2020	Dec 31, 2019	2020	2019
100%	Austrian Rail Construction & Consulting GmbH	137	138	0	0
100%	Austrian Rail Construction & Consulting GmbH & Co KG	208	208	-2	-2
100%	Netz- und Streckenentwicklung GmbH	83	89	-6	-6
100%	ÖBB-Güterzentrum Wien Süd Betriebsgesellschaft m.b.H.	23	26	-4	-3
100%	ÖBB-Stiftungs Management Gesellschaft mbH	72	72	0	0

Others		Shareholders' equity in TEUR		Profit or loss in TEUR	
		Dec 31, 2020	Dec 31, 2019	2020	2019
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. (i. L.)	n/a	248	n/a	6
26%	Verkehrsauskunft Österreich VAO GmbH	2,441	2,675	-559	-558 ¹⁾

Abbreviations and footnotes

¹⁾ Preliminary values for 2020.
i. L. in liquidation
n/a not applicable

35. Events after the reporting date

An important decision in favour of ÖBB-Infrastruktur AG was made by Schienen-Control GmbH (SCK) with the first partial decision on station charges dated 12.01.2021. The partial decision covers the station charges of the product catalogues 2012 to 26.11.2015 and covers the legal situation before the entry into force of the EisbG amendment BGBl I 137/15 (the transposition of Directive 2012/34/EU into national law; allocation of passenger platforms to the minimum access package). The period from 27.11.2015 is to be assessed on the basis of the new legal position. The regulatory authority sees the need for further investigative steps in this regard. This situation would have an impact on the item Other Provisions.

Regulation (EU) 2020/1429 provides member states with the possibility to allow infrastructure managers to reduce, waive or defer charges for access to railway infrastructure in order to address the negative economic consequences of the COVID 19 pandemic and to support railway undertakings. Delegated Regulation (EU) 2020/2180 of the European Commission dated 18.12.2020 extended the reference period from 01.03.2020 to 31.12.2020 so that this regulation now applies until 30.06.2021. The Federal Ministry of Transport, Building and Urban Affairs (BMK) authorises ÖBB-Infrastruktur AG on the basis of this ordinance to apply the suspension of infrastructure charges (direct costs and market surcharges) to the market segments 1) manipulated freight transport (combined transport and single-wagon transport), 2) non-manipulated freight transport and 3) own-account passenger transport.

Three financing agreements dated 21.01.2021 were concluded between ÖBB-Infrastruktur AG and the Republic of Austria via the Austrian Federal Financing Agency (ÖBFA) with a total nominal value of approximately EUR 552.0 million and terms of two and a half, six and 30 years respectively.

The Board of Management of ÖBB-Holding AG released the audited consolidated financial statements as at 31.12.2020 for forwarding to the Supervisory Board on 25.03.2021. 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 2020 (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
Mag. Arnold Schiefer

Chairman of the Board of Management

Members of the Supervisory Board

Mag. ^a Andrea Reithmayer	from 28.05.2020	Chairwoman (from 04.06.2020)
Mag. Gilbert Trattner	until 28.05.2020	Chairman
Dr. Kurt Weinberger		1st Vice Chairperson
Dipl.-Ing. Herbert Kasser	from 16.03.2020	2nd Vice Chairperson (from 20.03.2020)
Mag. Christian Weissenburger	until 16.03.2020	2nd Vice Chairperson
Roman Hebenstreit		3rd Vice Chairperson/Employee Representative
Dr. ⁱⁿ Cattina Leitner		
Mag. ^a Elfriede Baumann	from 28.05.2020	
Mag. ^a Brigitte Ederer	from 28.05.2020	
Mag. Markus Himmelbauer	from 28.05.2020	
Dr. ⁱⁿ Angela Köppl	from 28.05.2020	
Dipl.-Ing. ⁱⁿ Dr. ⁱⁿ Monika Forstinger	until 28.05.2020	
Mag. Wolf Dieter Hofer	until 28.05.2020	
Dr. ⁱⁿ Barbara Kolm	until 28.05.2020	
Karl Ochsner	until 28.05.2020	
Mag. Andreas Martinsich		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 25.03.2021

Members of the Board of Management

Ing. Mag. (FH) Andreas Matthä

Mag. Arnold Schiefer

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, 2020, the consolidated statement of profit or loss and other 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, 2020 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 Matter Paragraph

The group financial statements of Österreichische Bundesbahnen-Holding Aktiengesellschaft for the year ended December 31, 2019 were audited by another group auditor who expressed an unmodified opinion on those consolidated statements on March 24, 2020.

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 25, 2021

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. Publication or sharing with third parties of the Group financial statements together with our auditor's opinion is only allowed if the financial statements and the management report are identical with the audited version. This audit opinion is only applicable to the German and complete financial statements with the management report. Section 281 paragraph 2 UGB (Austrian Company Code) applies to alternate versions.

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
CO₂	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	Euro 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-to-net-worth ratio	= Equity / property, plant and equipment
PP&E-to-net-worth ratio II	= (Equity + non-current borrowings) / PP&E
PP&E ratio	= Property, plant and equipment / total assets
py	prior year
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
R&D	Research and development
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	Total gross tonnage kilometres (= freight weight + weight of the train x kilometres 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

Impressum

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ÖBB Customer Service

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Note

For reasons of better readability, the masculine and feminine forms have not been universally used for persons. The meaning is always understood to refer to both genders.

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/gb2020



02/07

Start of construction for ÖBB green power centre

The largest reconstruction work in the almost 100-year existence of the Spullersee power plant begins. The pressure pipelines will be completely renewed. All work takes place in compliance with all safety regulations in high alpine terrain at over 1,800 metres above sea level.



03/07

The new campaign “Rethinking the Future”

The crisis has taught us all a few things and changed our perspectives. The current campaign once again positions Austrian Federal Railways as the ones who make it happen. In this way, ÖBB is to be positioned more strongly as an enabler for climate-friendly holidays in Austria and make people want to travel by bus and train again.

That was 2020

21/08

ÖBB invests Euro 40 million in Nightjet hub in Vienna-Simmering

The ÖBB workshop in Simmering is one of the five largest workshops of ÖBB-Technische Services and is the competence centre for maintenance and repair of long-distance trains. In future, Simmering will also become the central location for the maintenance of the new Nightjet sets.



01/09

New apprenticeship workshop Bludenz

The railway of the future needs trained specialists – ÖBB takes this challenge seriously. This is demonstrated by the new building of the training workshop at the new location in Bludenz. At the beginning of September, the talent factory with state-of-the-art facilities and more space for the highest standard of training was opened together with Minister Leonore Gewessler.



08/09

Digital automatic coupling

The integrated power and data line of the digital automatic coupler (DAC) enables largely automated coupling for the first time and also creates the conditions for the automation and digitalisation of rail freight transport in Europe – an important step towards increasing its attractiveness and productivity.



11/09

Hydrogen train in passenger service in test

For the first time in Austria, the ÖBB has been testing a hydrogen train in scheduled operation with passengers since the beginning of September instead of using a diesel multiple unit. During a test phase of about ten weeks, Alstom's "Coradia iLint" was assessed from a technical, operational and economic point of view.



16/10

Presentation of the outline plan with Federal Minister

ÖBB will invest around Euro 17.5 billion in a modern and efficient railway infrastructure by 2026 on behalf of the Federal Government and another Euro 5.0 billion for projects which will be implemented after 2026. This will make lines, stations and safety technology fit for the future.

30/11

Wolfurt freight terminal part of the AlbatrossExpress network

The network guarantees a connection to the very important container terminals in the ports of Rotterdam and Antwerp, both of which are pursuing very ambitious and sustainable growth strategies with the expansion of rail freight transport.



“As Chairman of the Board of Management, Andreas Matthä has demonstrated to a high degree that he steers the company with great professional competence, strategic vision and commitment and keeps it on course even in difficult times.”

ANDREA REITHMAYER, CHAIRWOMAN OF THE SUPERVISORY BOARD OF ÖBB-HOLDING AG

13/11

Bird protection along the S7

ÖBB-Infrastruktur AG and the Donau-Auen National Park set an example for biodiversity – bird protection along the S7. As a partner in the transnational project “LIFE Danube Free Sky”, ÖBB is working together with the Danube Floodplain National Park to protect birds along the Danube and make the S7 south of the National Park safe for birds.



31/12

Spare parts from 3D printers

Not far from the St. Pölten apprenticeship workshop, trains and train components are repaired and maintained in halls belonging to ÖBB-Technische Services. As it was no longer possible to obtain spare parts of the required quality, the idea arose to produce the urgently needed battery nozzles using the 3D printer in the apprenticeship workshop.



17/12

Andreas Matthä reappointed CEO of ÖBB-Holding

The Supervisory Board of ÖBB-Holding AG has reappointed Andreas Matthä as Chairman of the Board of Management and unanimously voted to extend his term of office, starting on 1 July 2021.

4.2 mil. t

of greenhouse gas emissions
saved in Austria through
ÖBB transport services by
rail and bus

CO₂ emissions of
ÖBB rail transport
compared to ...

Automobiles:

1:27

Trucks:

1:40

Aircraft:

1:51

(as of 2019)

TODAY. FOR TOMORROW. FOR US.

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