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Annual Report
Österreichische Beteiligungs AG

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Editorial

Ladies and Gentlemen,

The annual report of Österreichische Beteiligungs AG (ÖBAG) for the 2020 financial year differs from last year's report in places because we decided that the growing importance of sustainable business practices deserved even greater emphasis. In addition to its annual report, ÖBAG is therefore publishing a separate sustainability report for financial year 2020 so as to dedicate even more space to the efforts of ÖBAG and its portfolio companies to tackle climate change, as well as to corporate and social sustainability and the pursuit of good governance.

This annual report, like the ones before it, contains all facts and figures relating to ÖBAG's business performance as well as information on significant events in financial year 2020. As you know, we faced multiple challenges in the year now ended. Still, we are happy with the outcome because our portfolio companies succeeded in safeguarding security of supply even in times of crisis. Whether Österreichische Post, Verbund, Telekom Austria, or OMV – ÖBAG's principal portfolio companies proved to be reliable partners for Austrians during the COVID-19 pandemic as well.

You can find out more about the importance of ÖBAG's portfolio companies for Austria as a business hub and for the labour market starting on page 29, where we discuss the findings of a study carried out by the Austrian Institute of Economic Research (Österreichisches Institut für Wirtschaftsforschung, WIFO). This is followed by an overview of the strategic action that ÖBAG took and the initiatives it launched in financial year 2020. From page 34, you can then read a summary of the performance of our portfolio companies. ÖBAG's financial statements for financial year 2020 are presented beginning on page 53.

To start with, however, you will find introductory statements from Austria's Finance Minister Gernot Blümel, ÖBAG's Supervisory Board Chairman Helmut Kern and ÖBAG's CEO Christine Catasta. In a guest commentary, Christoph Boschan, CEO of Wiener Börse AG, also discusses the importance of ÖBAG for the Austrian capital market. You will find supplementary information to our annual report on our digital channels on an ongoing basis.

We therefore invite you to follow us on LinkedIn or to check out the collection of articles in the Perspectives section of our website at www.oebag.gv.at/en.

Thank you for your interest!

Foreword by the Minister of Finance



Gernot Blümel
Federal Minister of Finance

Gernot Blümel has been Austria's Minister of Finance since January 2020. He was Chancellery Minister from 2017 to 2019 with responsibility for the EU, Arts, Culture and the Media.

The top priority of Austria's federal government in 2020 was protecting the health of our population and getting the country's economy and labour market through the crisis as unscathed as possible. We lost no time in shielding the Austrian economy with a broad range of rescue, stimulus and relief packages. The crisis hit Austria harder than other countries, which is why we are deliberately providing relief on a larger scale. The International Monetary Fund also recently affirmed Austria's approach.

By rapidly implementing effective forms of aid such as short-time work, tax deferrals, guarantees, lock-down revenue compensation, the revenue shortfall bonus and the fixed cost subsidy, we ensured that our companies are receiving the best possible support during the crisis and have set the scene for a successful comeback.

ÖBAG performs a supporting role and shoulders responsibility especially in economically challenging times by functioning as an umbrella organisation for leading companies in Austria. Thus, not only is it a major employer, but it also acts as a guarantor for the safeguarding of Austria as a business hub.

In accordance with this mandate, the Republic of Austria's investees that ÖBAG manages performed encouragingly once again last year, bringing the portfolio value – including that of BIG, which was transferred to the portfolio in 2019, and the management of the shares in Verbund – to around EUR 26.6 billion at year-end. This strong performance is also borne out in the dividend paid by ÖBAG and Verbund to the Republic of Austria, which was increased to more than EUR 600 million in 2020. In the past year, it therefore became apparent that ÖBAG's realignment towards active investment management with a focus on sustainable and long-term value creation for taxpayers was an important step and the right course to take.

Although ÖBAG has not been in existence for very long, the new structure of an active and professional investment management system has proven successful even in times of crisis. On this note, I would like to thank ÖBAG's employees for their commitment and wish them all the best in the future, successful work and continued good health!

Yours, Gernot Blümel
Federal Minister of Finance

Statement by the Chairman of the Supervisory Board

Helmut Kern has acted as Chairman of ÖBAG's Supervisory Board since 2019. He is also Deputy Chairman of the Vienna University Council and Chairman of the Economic Council of Statistics Austria.



Helmut Kern
Chairman of the Supervisory Board

All legal requirements met

2020 was an unprecedented year – not only for ÖBAG, but for the Austrian economy in general. The restrictions imposed in a bid to combat the COVID-19 pandemic led to a drop in Austrian GDP of 6.6% year-on-year. This shortfall was even higher than in 2009 (–3.8%), a year marked by the economic and financial crisis. Unemployment was also up 19.0% on the prior-year level owing to COVID-19, with hundreds of thousands more people on reduced working hours.

Despite these difficult conditions, ÖBAG can now, in summer 2021, look back on a satisfactory financial year, because in 2020 the Austrian state holding company proved to be a stabilising factor in the crisis. Although the international financial markets took an impressive roller coaster ride during the COVID-19 pandemic, thanks to stable majorities and their business models ÖBAG's listed portfolio companies succeeded in carrying out their core functions in the face of major challenges. In terms of critical infrastructure, security of supply in Austria was ensured at all times. At the same time, the portfolio companies continued to pursue their strategic plans.

In 2020, ÖBAG itself also succeeded in performing all of its tasks as set out in the amended ÖIAG Act. These include safeguarding Austria as a business and research hub, securing and creating jobs, and preserving and increasing the value of the portfolio companies. With its portfolio value rising to around EUR 26.6 billion (+14%) as of the 2020 reporting date, ÖBAG recorded significant growth in the value of its investment portfolio for a further time since 2019.

By engaging in active investment management, ÖBAG was also able to systematically implement the requirement to actively exercise and represent the public interest at the portfolio companies. ÖBAG now has representatives on the supervisory bodies of all of its portfolio companies; in seven companies, representatives of ÖBAG supply the supervisory board chairperson and represent the interests of Austrians there.

Given ÖBAG's strong performance and achievements in 2020, the Supervisory Board expects that the initiatives ÖBAG launched will continue to be pursued in a professional manner in the coming year.

As Chairman of ÖBAG's Supervisory Board, I would like to congratulate ÖBAG's team on behalf of the entire Supervisory Board for their sterling work in 2020. ÖBAG fulfils its statutory obligations very consistently and objectively through active investment management and close strategic collaboration with the country's leading companies. As the economy recovers after the COVID-19 pandemic subsides, ÖBAG will remain a strong partner for its portfolio companies and for the whole of Austria as a business hub.

Yours, Helmut Kern

Chairman of the Supervisory Board

Letter from the CEO of ÖBAG



Christine Catasta
CEO of ÖBAG

Christine Catasta was appointed CEO of ÖBAG in June 2021. She is an experienced economic expert and was most recently CEO of PwC Österreich. She also holds supervisory board positions at energy utility Verbund, Casinos Austria and Austrian Airlines.

Solid performance in an exceptional year

As CEO of ÖBAG with long-standing experience in the fields of auditing and management consulting, I would like to take this opportunity to give a positive review of ÖBAG's activities in an exceptional year in the annual report for financial year 2020. Looking at ÖBAG's financial and non-financial targets, we can quickly establish that the entire team at ÖBAG delivered a solid performance and did sterling work at a substantive level in 2020, a year overshadowed by the COVID-19 pandemic.

On account of its long-term focus, ÖBAG had an important role to play in 2020 as a stable anchor for our portfolio companies. The steps taken to contain the COVID-19 pandemic and the unfavourable movements on the financial markets caused a great deal of uncertainty, particularly in the first half of 2020. These effects of the crisis also posed huge challenges for our portfolio companies.

However, ÖBAG as a state holding company has a broader and longer-term focus than other institutional or private investors. We bring together key industries that generate large economic volumes, create plenty of jobs and make substantial tax payments. The state has a strategic interest in these portfolio companies. Last year showed that ÖBAG as a stable core shareholder can give the companies the security they need and provide a long-term perspective. And these enterprises, such as Österreichische Post, Telekom Austria and Verbund, were instrumental in maintaining a steady supply of services to the population last year.

With a view to safeguarding critical infrastructure in Austria, ÖBAG, along with the Austrian federal government, also took part in intensive negotiations with Austrian Airlines and Lufthansa in the first half of

2020 to protect Austrian Airlines and Vienna Schwechat Airport as an air transport hub.

Besides preserving and protecting critical infrastructure, ÖBAG took further important strategic action in the financial year now ended, such as creating a stable ownership structure at Casinos Austria (CASAG) with the signing of a syndicate agreement between ÖBAG and Sazka Group. The shareholder agreement also safeguarded the brand and headquarters in Austria.

The OMV syndicate agreement between ÖBAG and core shareholder Mubadala had already been extended ahead of time.

ÖBAG impressively implemented its long-term goal of creating value in its second year of existence on the back of the upward trend on the international stock exchanges in the second half of 2020. By the reporting date 31 December 2020, the value of ÖBAG's portfolio had grown by EUR 3.3 billion to EUR 26.6 billion. The dividends paid to the Austrian government were increased once again, with distributions from ÖBAG and Verbund in 2020 totalling over EUR 600 million. The dividends for the 2020 financial year, which will accrue to the Austrian government in 2021, are expected to amount to more than EUR 650 million.

ÖBAG also made important advances towards achieving our objective of securing a co-determination right in the portfolio companies in the interests of the Republic of Austria: for example, the position of chairperson of the supervisory boards of OMV and Casinos Austria in financial year 2020 was filled with experts nominated by ÖBAG. The selection and nomination process for members of the individual supervisory boards was further optimised at the same time.

Finally, the work of the supervisory boards at the ÖBAG portfolio companies included taking strategic action, for example in the areas of sustainability, digitalisation, corporate governance and diversity, to cope with the challenges of the future and thus create value for Austria.

Yours, Christine Catasta
CEO of ÖBAG

ÖBAG – Facts and Figures

Österreichische Beteiligungs AG (ÖBAG) is an independent holding company of the Republic of Austria. Actively managing its investments in eleven companies with major significance for the country, it functions as a calling card for Austria as a business hub. The name ÖBAG is synonymous with dependability and trust, and the company acts as an anchor of stability – for the economy but also for Austrians as owners. ÖBAG manages and structures the portfolio of assets with a strong sense of responsibility. ÖBAG's portfolio covers large sections of Austria's key industries, makes a significant contribution to the country's tax receipts, safeguards jobs and retains expertise and knowledge in the country. The portfolio includes listed companies such as OMV, Telekom Austria and Österreichische Post, but also Verbund, another publicly traded company that is managed by ÖBAG for the Federal Ministry of Finance (BMF). As at 31 December 2020, ÖBAG's stakes in the listed companies made up around 23% of the ATX's total value. BIG, one of Austria's largest property management companies, was added to the portfolio in 2019. Thanks to its professional management and the continuous growth in demand for real estate in 2020, this company's value also rose substantially.

ADDED VALUE FOR AUSTRIA AND ITS CITIZENS



A challenging economic environment

The COVID-19 pandemic left deep scars on both the economy and society. Eurozone economic output decreased by 7.9% in 2020, the steepest drop since the foundation of the economic area. Austria's gross domestic product (GDP) also fell by 6.6% year-on-year.

National and international forecasts predict a rebound for 2021 as a whole, though the magnitude of this effect will vary from region to region and from country to country and remains subject to numerous uncertainties at the current time. Negative economic effects were mitigated due to the stronger capitalisation of banks in the wake of the financial crisis and to the rapid, decisive intervention of policy-makers and central banks.

The volumes of aid granted, the measures adopted and the swift and decisive action taken by many governments are unprecedented for peacetime. Many countries also witnessed a paradigm shift regarding the boundaries between fiscal and monetary policy, which manifests itself in an increased intertwining of the two.

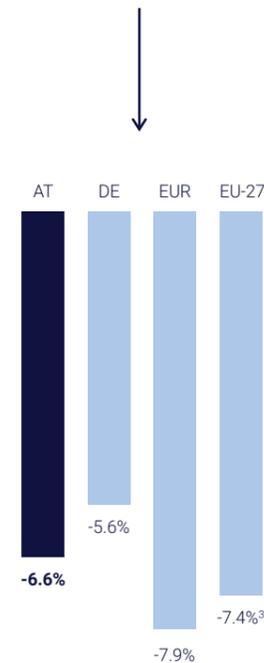
Most of the variations between the countries in 2020 were caused by differences in pandemic-related changes in behaviour resulting from lockdowns and social distancing, as well as by differences in the importance of tourism-dependent services to the overall economy. These two factors explain the decline in value creation in Austria in 2020.

The difference between developments here and in Germany, for example, is mainly attributable to the greater importance of tourism for the Austrian economy: German GDP saw a 5.6% decline. A large share of the shortfall in growth in Austria took place in periods during which official measures to stem the COVID-19 pandemic were in force.¹⁾

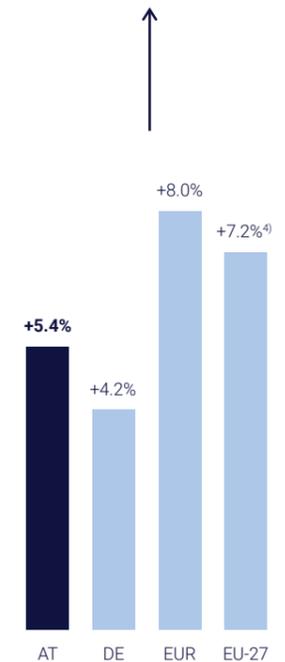


The COVID-19 crisis also posed major challenges for Austria's labour market. A look at the unemployment rate for 2020 as a whole reveals that Austria was unable to continue its long-term trend of rising employment: according to the Austrian Institute of Economic Research (WIFO), the unemployment rate rose to 5.4%. However, compared with the previous year (2019: 4.5%), the increase in the unemployment rate was relatively small, which can be attributed to use being made of short-time working in response to COVID-19. A comparison with other European countries shows that unemployment in Austria in 2020 was significantly lower than the rates for the euro area (8.0%) and the EU-27 (7.2%).²⁾

GDP growth (real)



Unemployment rate



The introduction of short-time working was a vital instrument for stabilising the labour market, with some 1.2 million employees in Austria (43% women and 57% men) receiving the short-time work allowance in 2020.

It was principally manufacturing companies, commercial enterprises and tourism businesses that applied for the allowance from the Austrian state for their employees. The short-time work allowance safeguarded 1.2 million jobs, around 200,000 of which were saved through the redistribution of working hours within companies. In Austria, an average of 11.8% of the active workforce were on short working hours between March and November.

Without this allowance, unemployment in Austria would have risen to more than one million at the end of April 2020.⁵⁾

* Based on a management agreement, ÖBAG manages the Austrian government's stake in Verbund, which is why Verbund AG is included in the relevant KPIs for presentation purposes. /
 ** The dividends distributed to the Republic of Austria correspond to the sum of the dividend payments by ÖBAG and Verbund to the Federal Ministry of Finance (BMF).



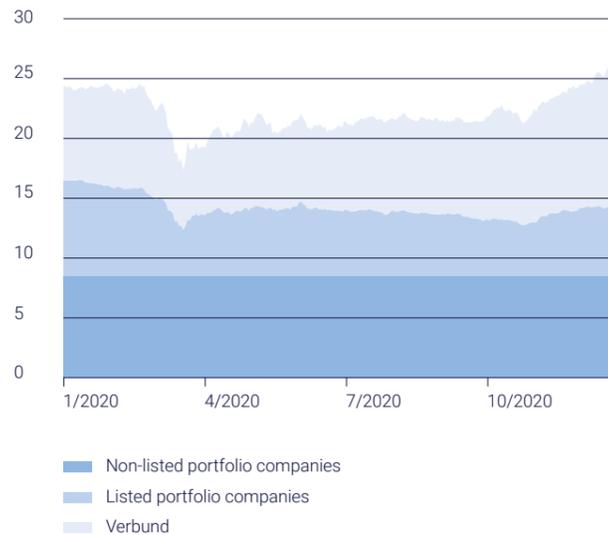
Solid net income for ÖBAG

Despite major economic challenges, ÖBAG turned in a solid performance in the financial year now ended: at EUR 498.1 million in 2020, revenue from ÖBAG's portfolio companies (excluding Verbund) was almost on a level with the pre-crisis year 2019 (EUR 499.7 million).

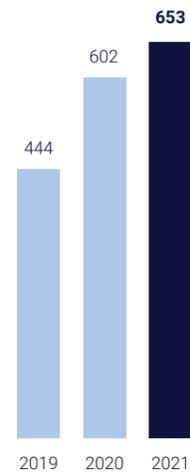
ÖBAG's earnings performance in 2020 was primarily characterised by the stable investment income mentioned earlier. Net income decreased only slightly, falling from EUR 492.1 million in 2019 to EUR 483.5 million in 2020. Total assets increased marginally from EUR 3,513.4 million in 2019 to EUR 3,521.9 million in 2020.

ÖBAG portfolio – positive performance*

in EUR billion



Dividend distributions to the Republic of Austria** in EUR million



Dividend distribution of over EUR 650 million to the Republic of Austria

Despite the year being dominated by the COVID-19 pandemic, the dividends from the portfolio companies showed a favourable trend, increasing by around 6% in 2021 compared with 2020. This will benefit the Republic of Austria, as by distributing an expected EUR 650 million or more, ÖBAG and its portfolio companies will make a valuable contribution to the national budget once again in 2021 (previous year: around EUR 600 million).

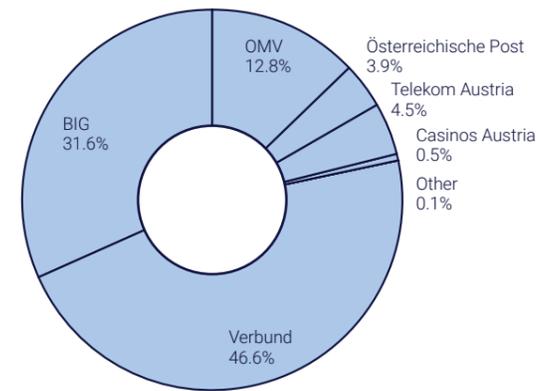


>650 million
dividend

The goal of value creation was also achieved through active investment management and the strong performance on the capital markets in the second half of the year, with the value of ÖBAG's portfolio growing by EUR 3.3 billion in the COVID-19 crisis year.

This jump is mainly attributable to the increase in the value of Verbund. The value of ÖBAG's non-listed portfolio companies rose by EUR 0.9 billion. Accounting for 46.6% of the total portfolio value, Verbund also constitutes the biggest stake in the portfolio, followed by BIG (31.6%) and OMV (12.8%).

Share of the portfolio value in %

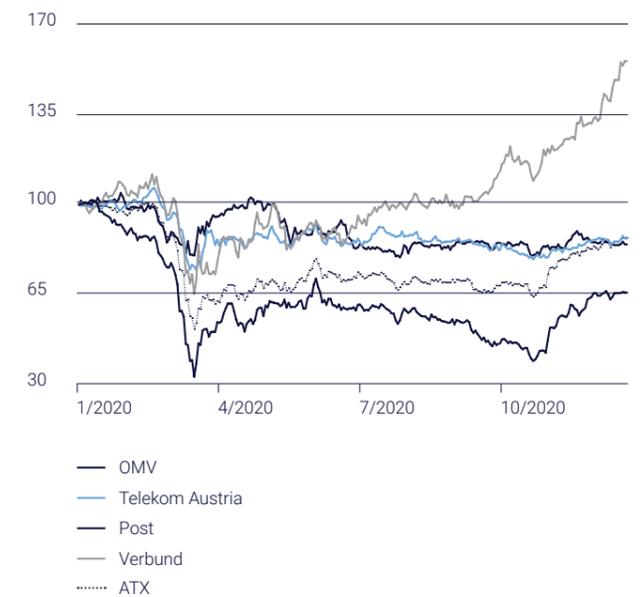


ÖBAG portfolio companies are mainstays in the Austrian capital market

Through its stakes in four listed companies, including "ATX heavyweights" Verbund and OMV, ÖBAG has companies in its portfolio that are paramount for the Vienna Stock Exchange and the ATX benchmark index. ÖBAG strives to communicate its role as a professional shareholder and partner with a view to motivating international investors to invest in the Austrian capital market and thus strengthen this market. The crisis showed that ÖBAG's portfolio companies with their crisis-resistant business models and stable ownership structures have the necessary resilience, even when times are tough. ÖBAG supports the companies as a stable core shareholder and gives them a long-term perspective.

In general, 2020 was a challenging year on the international financial markets. The Austrian capital market and the Vienna Stock Exchange also took a hit. Austria's benchmark index, the ATX, posted losses of 12.8% in the COVID-19-dominated year, but managed to regain some ground after falling to its low for the year in March 2020. Of ÖBAG's four listed companies, Verbund saw the best share price performance in the financial year now ended. The price of Verbund shares soared by a record 56.1%, significantly outperforming the ATX and also the European sector index STOXX Europe 600 Utilities.

Share price performance 2020 (indexed)





11

portfolio companies

26.6

billion euros total value

Tax receipts of EUR 8 billion

As an independent holding company, ÖBAG manages eleven state holdings with a total value of around EUR 26.6 billion (31 December 2020). In purely mathematical terms, this would give each resident of Austria a share of about EUR 3,000.

ÖBAG's portfolio companies play a major role in the successful development of Austria as a business hub, something which is also reflected in their contribution to Austrian GDP, estimated at approximately 4% of GDP.

Paying over EUR 8 billion in taxes and duties, including corporation tax and OMV's mineral oil tax as well as the gambling duties of Casinos Austria, the eleven companies make a significant contribution to the Austrian national budget.⁶⁾



4%

gross value creation of GDP



>135,000

jobs secured in Austria
(incl. upstream and downstream businesses)



>8.8

billion euros in taxes and duties⁷⁾

Voices from the business community

MAGENTA TELEKOM

“ÖBAG’s current set-up is a success story. Even in ÖBAG’s short history, the portfolio has also been strategically strengthened. Examples include the further development of OMV, the restoration of calm and the capacity for action at CASAG – despite the media coverage – and the negotiations to protect the Austrian Airlines hub in Vienna, whose economic existence was seriously threatened by the COVID-19 pandemic.”

Andreas Bierwirth
CEO Magenta Telekom

DO&CO

“In managing Austria’s most important state holdings, ÖBAG is of vital importance for our economy and for the Vienna stock market. ÖBAG’s proactive management is decisive for many Austrian companies. The regular business discussions in particular promote a cross-industry exchange of opinions and ideas and provide helpful input.”

Gottfried Neumeister
CFO Do&Co

VERBUND

“Companies in key industries that are involved in safeguarding system-critical infrastructure need to have a stable investor base, but also need their majority investors to have a reliable, strategic positioning. ÖBAG’s active investment management allows it to contribute constructively to the discussion and support management in implementing their corporate objectives for the benefit of all investors.”

Susanne Hennersdorf
Energy Expert, Verbund’s Supervisory Board

IHS

“Over the last few years, we have implemented several academic projects for ÖBAG, often working closely with its employees. The cooperation was invariably excellent. The ÖBAG team was open to discussion, contributed innovative ideas and provided strong support for our research.”

Alexander Schnabl
Institute for Advanced Studies (IHS)

BOEHRINGER-INGELHEIM

“ÖBAG actively works to maintain and increase the value of significant investees of the federal government in the interests of Austria as a business and research hub and for safeguarding and creating jobs in Austria. ÖBAG ensures active investment management in the interests of the Republic of Austria as a core shareholder of its listed portfolio companies. A good balance is needed to protect the owners’ interests.”

Philipp von Lattorff
Managing Director Boehringer-Ingelheim Austria

PRE MANAGEMENT CHINA

“I found ÖBAG and its team to be a very dedicated and professional unit. The objective is to strengthen the location for long-term growth and to develop and promote Austrian companies. Especially in times of crisis, such a concept is essential to maintain a country’s security of supply with critical products.”

Paal Raaum
PRE Management China, Investment
Committee ÖBAG

FEDERATION OF AUSTRIAN INDUSTRIES

“ÖBAG’s diversified portfolio encompasses the innovative know-how, expertise and innovative capabilities of Austrian companies. Its tax receipts help to achieve social stability and also to keep Austria as a business location competitive. As the owner’s representative, ÖBAG and its professional management team are important strategic partners for a forward-looking industrial policy in Austria.”

Christoph Neumayer
Secretary-General of the Federation of
Austrian Industries

EY AUSTRIA

“Like many other holding companies, ÖBAG faces the challenge of successfully balancing lean and efficient structures with the stringent regulatory requirements arising from its investments. I consider ÖBAG to have pulled this off. As far as we can judge from our cooperation, the Executive Board is supported in all material issues by a small but extremely knowledgeable and experienced team, which enables ÖBAG to act with a degree of professionalism befitting its role in the Austrian economy.”

Gerhard Schwartz
EY Austria

BCG

“ÖBAG is a professional organisation with which we have enjoyed first-class collaboration in recent months. The philosophy of active investment management is based on a deep understanding of the investees’ market and value creation potential. This is essential for effective governance, to take an investee’s performance to the next level.”

Michael Brigl
Managing Director and Senior Partner BCG

FINTECH OWN360

“ÖBAG, together with its system-critical investees, is a key player and also a role model for the capital market and financial communications in Austria. This is why we as a Fintech are particularly delighted about our successful collaboration with ÖBAG’s highly motivated team.”

Markus Fallenböck
Founder of the Fintech Own360

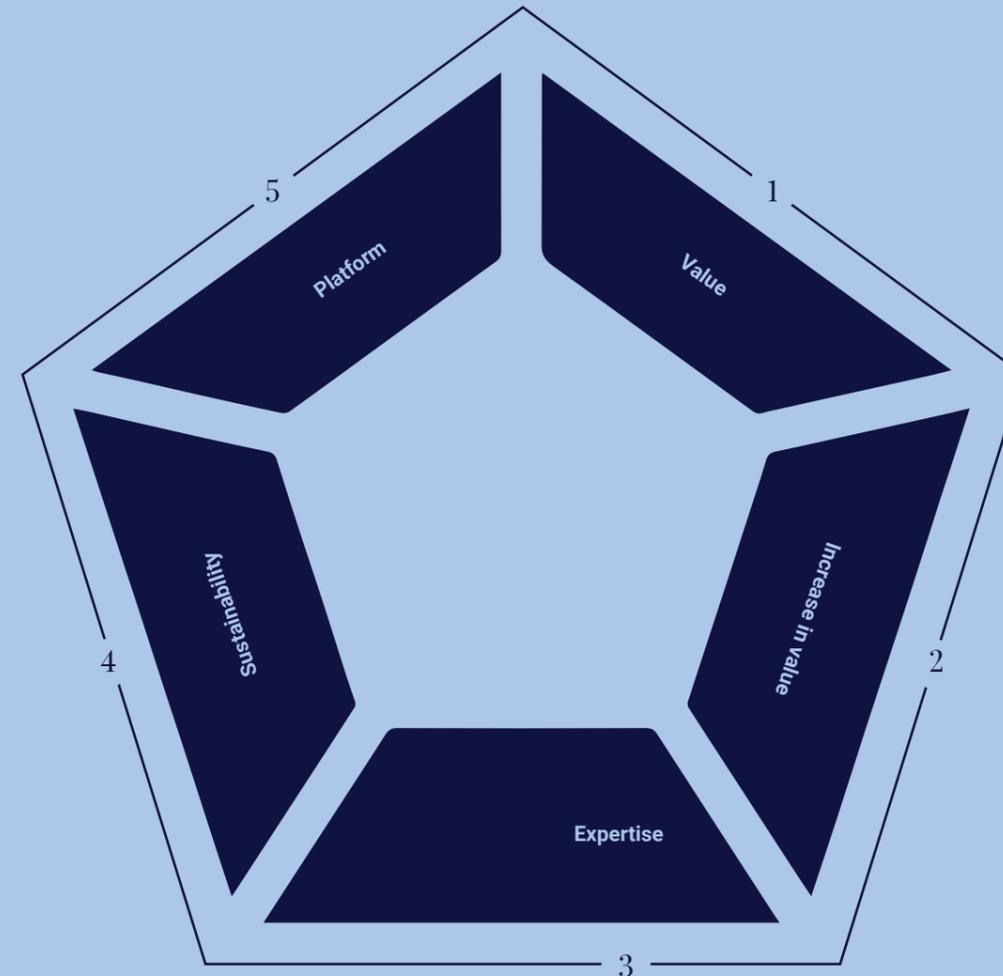
ÖBAG's strategy

The amendments to the ÖIAG Act (ÖBAG Act 2018) led to the basic strategic direction of the Austrian state holding company being redefined at the beginning of 2019. ÖBAG launched a comprehensive process to translate these legal requirements into a concrete corporate strategy. Overseen by international experts and experienced consultants, this process provided essential strategic directions for ÖBAG's actions based on best practices of comparable state holding companies.

ÖBAG's vision is to create clear value for Austria. On this basis, ÖBAG safeguards a reliable and significant contribution to the federal budget, works tirelessly to increase the value of its portfolio companies in the long term and takes steps to promote Austria as a business and research hub.

ÖBAG's investment portfolio comprises companies that have special strategic relevance for Austria as a whole and as a business centre in particular, with functions such as also guaranteeing security of supply in critical sectors or safeguarding relevant infrastructure.

All of ÖBAG's activities pivot around active, professional management of its current investment portfolio. Here, ÖBAG combines considerations in connection with strengthening Austria as a business location with the primary goal of sustainable value enhancement.



1

"Creating value for Austria" is the bedrock of all activities in connection with a contemporary state investment management approach on which ÖBAG's current strategy is based.

2

As an active shareholder with a long-term focus, we seek to be a reliable partner for achieving a sustainable increase in the value of our portfolio companies.

3

By recruiting experienced experts for key functions in ÖBAG companies, we ensure effective governance geared to long-term success.

4

Promoting our sustainability agenda is a cross-investment concern for ÖBAG.

5

ÖBAG is also a platform for knowledge exchange, thus furthering the development of Austria as a business hub. This is achieved, for example, through various scientific collaborations, regular publications and the promotion of deeper exchange between internal and external stakeholders.

Good governance

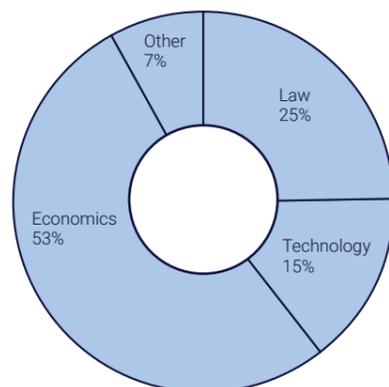
In the interests of strengthening Austria as a business location, ÖBAG believes that developing the domestic capital market is one of its main functions. By exercising effective control in the supervisory bodies of the portfolio companies and establishing good governance, ÖBAG seeks to help make Austria's capital market more attractive to foreign investors as well.

To this end, ÖBAG is implementing a wide range of measures and initiatives in its enduring pursuit of the ÖBAG goals defined for strengthening corporate governance.

Nomination of experts for the supervisory bodies of the portfolio companies is a particularly important aspect of ÖBAG's work, which is why professional processes have been put in place for this. For example, ÖBAG closely examines the previous education and career paths of potential supervisory board candidates when deciding whether these are a good fit with the experience and expertise required for the portfolio company in question. Here, emphasis is placed on diversity in the composition of the supervisory board to ensure that all relevant knowledge is present.

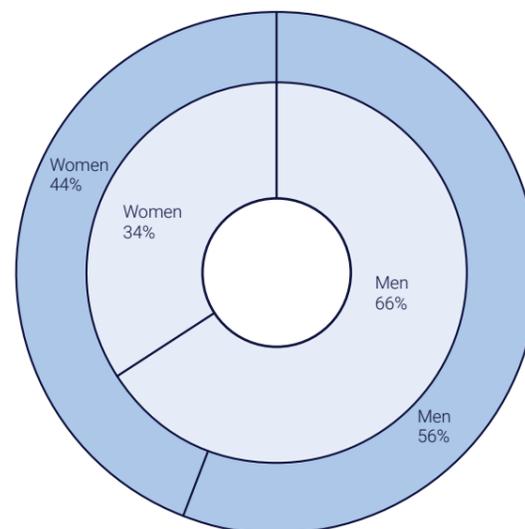
Qualifications of supervisory board members (shareholder representatives)

in %



Proportion of women on the supervisory boards of portfolio companies (shareholder representatives versus experts nominated by ÖBAG): 44%

in %

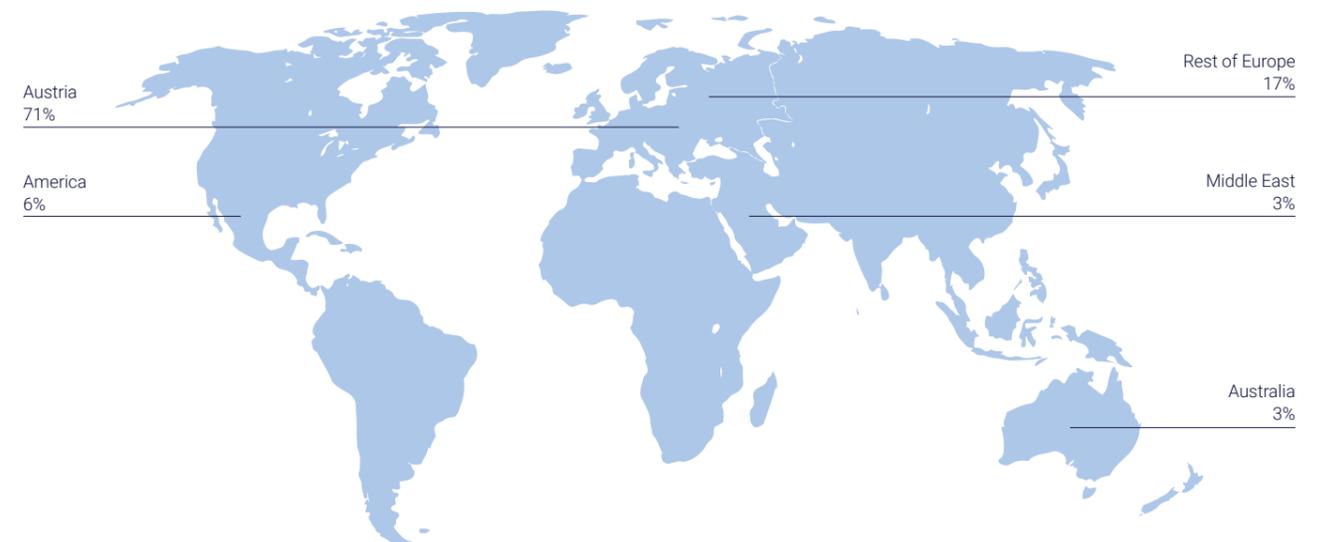


ÖBAG strives to increase the proportion of women as well as diversity, for example also in terms of international makeup on the supervisory boards and identifies potential candidates based on comprehensive skills profiles. In 2020, ÖBAG was particularly successful in the area of gender balance: the proportion of women among the shareholder representatives on the supervisory boards of ÖBAG companies was 34% in 2020 and as high as 44% among the supervisory board members nominated by ÖBAG.

However, ÖBAG's portfolio companies also boast extensive expertise in the area of internationality. In addition to supervisory board members from Austria, there are also representatives from other European countries, the Americas, Australia and the Middle East on the supervisory bodies of ÖBAG's main portfolio companies.

International makeup of supervisory boards

in %



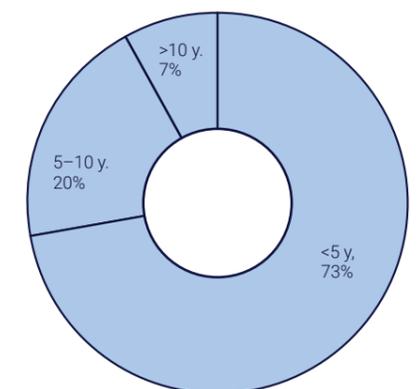
To maintain continuity in the supervisory boards while retaining the flexibility to adapt to new trends and developments plus the skills required for this, ÖBAG advocates the "staggered Board principle", aimed at different terms of office for the supervisory board members elected by the annual general meeting. This is also reflected in the high proportion of supervisory board members in office for fewer than five years on the supervisory board in question.

When filling expiring supervisory board appointments, ÖBAG consults experienced personnel consultants and prepares an overview of suitable candidates. Proposals for supervisory board appointments are then drawn up in the nomination committee of the relevant portfolio company.

A broad description of responsible governance at ÖBAG can be found starting on page 32 of ÖBAG's 2020 Sustainability Report.

Years on supervisory board

in %



Interview with ÖBAG's CEO Christine Catasta

ÖBAG is a stable anchor in turbulent times

Financial year 2020 presented a whole range of challenges for ÖBAG. The spread of the COVID-19 pandemic was a big test not only for the country of Austria but also for ÖBAG's investees. Despite these challenges, important strategic action was taken. Now, in summer 2021, both the companies and ÖBAG itself can give a positive review.

ÖBAG: Ms Catasta, you have stood in as ÖBAG's CEO since June, succeeding Thomas Schmid, who had to steer ÖBAG through the COVID-19 crisis. How is ÖBAG positioned now?

Catasta: In retrospect, the ÖBAG team did sterling work at a substantive level in what was an exceptional year. Although the stock markets went on a roller coaster ride in 2020, the increase in the value of our investment portfolio to EUR 26.6 billion, for example, shows that international investors are satisfied with the steps taken by ÖBAG.

ÖBAG: As a core shareholder, ÖBAG is a key partner for the management tier of its companies. What influence can ÖBAG exert in uncertain times, when distortions on the capital markets, lockdowns and restructuring measures are the order of the day?

Catasta: ÖBAG is a stable anchor in turbulent times. Providing public services and safeguarding critical infrastructure were clearly a priority for ÖBAG in 2020. I would like to offer very special thanks for this to the around 73,000 employees at all our portfolio companies worldwide (as at December 2020).

ÖBAG: Not all of your portfolio companies navigated the crisis so successfully – Casinos Austria for one.

Catasta: One of the big successes of ÖBAG's management in 2020 was bringing calm to Casinos Austria. In the spirit of active investment management, we put an end to years of dispute between several major shareholders, stabilised the ownership structure, and safeguarded the brand and Austria as a business hub through a syndicate agreement with our partner. As a member of CASAG's Supervisory Board, I see good progress being made in the realignment initiated and am confident that we will succeed in making CASAG future-proof.

ÖBAG: ÖBAG also extended the syndicate agreement for OMV in 2020. What does this entail?

Catasta: In times of crisis, stability is essential for our portfolio companies' long-term success. This was the reason we

extended OMV's long-running collaboration with the Mubadala Investment Company for another ten years. The agreement reinforces the intensive collaboration between ÖBAG and Mubadala. And both core shareholders support the strategic realignment that OMV recently initiated. The key provisions of this agreement are regular communication at shareholder level and ensuring independent technical expertise on the Supervisory Board.

ÖBAG: One of ÖBAG's main objectives – strengthening Austria as a business hub – seems to have been neglected somewhat in the crisis year 2020.

Catasta: I don't agree. Our portfolio companies also invested during the crisis. For example, concentrating energy infrastructure under the umbrella of Verbund was an important step in securing the supply of energy for the long haul. OMV's topping up its stake in Borealis is a major milestone in its transformation, and with the federal government's support in mitigating the impact of COVID-19 on the air transport hub, ÖBAG made a significant contribution to supporting the Austrian hub through the location agreement.

ÖBAG: Would you say that ÖBAG has secured jobs in Austria?

Catasta: Yes, ÖBAG and its portfolio companies secured a great many jobs in Austria during the crisis. A study carried out by the Institute for Advanced Studies (IHS, Vienna) showed that our portfolio companies safeguarded around 135,000 jobs in the country. So I'm happy to say that our companies have weathered the crisis comparatively well.

ÖBAG: One of the main reasons ÖBAG was founded was to strategically realign the Austrian state holding company and better represent the state's interests in the individual portfolio companies. Would you say that has been achieved?

Catasta: The amendment of the ÖIAG Act led to a new framework for our work being defined. This is the reason why ÖBAG is fully committed to active investment management. One of the things this role enables us to do is represent Austria's interests more efficiently than before by holding seats on companies' supervisory bodies. ÖBAG now represents the state with a strong voice in key investments like OMV, Verbund, Telekom Austria, BIG, Casinos Austria and Österreichische Post. In this role we see ourselves as a representative of all Austrians with the aim of actively working to increase the value of these investments and, in turn, the dividends.

ÖBAG: In the past, the appointment of supervisory board members by the state holding company often unleashed intense political debate. This seems to be different since the establishment of ÖBAG...

Catasta: We can take credit for the fact that since ÖBAG's foundation the way in which the supervisory board members in the individual portfolio companies are appointed has become a lot more professional. The team around my predecessor Thomas Schmid did a good job in this respect, putting structured selection procedures and transparent decision-making processes in place to ensure good governance. We have significantly increased the proportion of industry experts among the supervisory board members we appoint, and we attach great importance to internationality and diversity. Today, one in three supervisory

board members are women, and many female supervisory board members chair important committees such as audit committees.

ÖBAG: Along with diversity, sustainability is a keyword in the transformation of the Austrian economy...

Catasta: We have observed that as the pandemic subsides, both the US and the EU are reinvigorating their climate action efforts. The economy will have a crucial role to play here, and I firmly believe that Austria's flagship companies must actively lead the way. ÖBAG is pushing for the supervisory boards to take strategic action towards sustainability and supports collaborations between our investees in the fields of solar power, hydrogen and the circular economy, for instance.



ÖBAG's value proposition

Clear goals and strong core values provide a framework for our actions and form the basis for the stability and value creation of ÖBAG's portfolio.⁹⁾

Public service provision

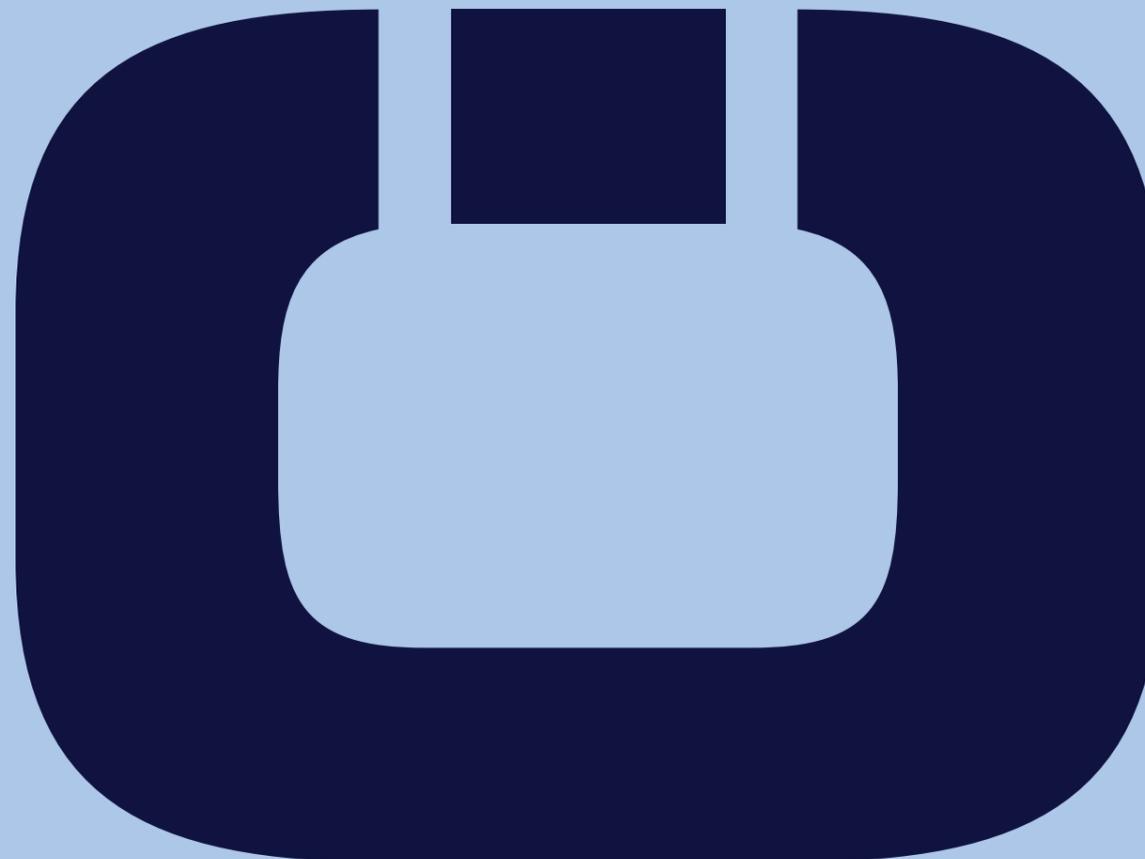
ÖBAG's portfolio companies help to make the daily lives of Austrians easier. Companies like Verbund, OMV, BIG, Österreichische Post and Telekom Austria operate critical infrastructure and play a vital role in safeguarding a continuous supply of services. ÖBAG ensures that this will remain the case going forward and keeps the management function in Austria by taking steps such as concluding syndicate agreements with other major shareholders.

Safeguarding and creation of jobs

In times of economic uncertainty, job security is essential. ÖBAG's six largest portfolio companies employ around 73,000 people worldwide. Including employees at upstream and downstream operations, ÖBAG companies together safeguard over 135,000 jobs in Austria alone, a study carried out by the Institute for Advanced Studies (IHS, Vienna) showed.

Contribution to tax receipts and value creation

ÖBAG's portfolio companies pay billions of euros in taxes and duties in Austria, thus contributing to the Austrian national budget. These flagship enterprises also transfer some of their profits to the state coffers via ÖBAG in the form of dividends. It all adds up: all eleven portfolio companies taken together will pay over EUR 650 million in dividends to the Republic of Austria in 2021 for financial year 2020.



Forward-looking investments in Austria as a business hub

As an integral part of public service provision, ÖBAG's portfolio companies also bear responsibility for ensuring a future-proof infrastructure in Austria. This not only involves carrying out regular maintenance on existing infrastructure – be it educational buildings, gas and energy networks, or power plants. Research, development and investment in future technologies are also essential. ÖBAG as the owner pushes the boards of the companies to invest in key infrastructure and also encourages research and development collaborations between the portfolio companies.

Strategic action to mitigate climate change and promote sustainability

Sustainability and climate change are major challenges for us all. As flagship enterprises in their sectors, ÖBAG's portfolio companies have a particularly important role to play as partners in the energy transition and turnaround in climate policy. ÖBAG sees itself as a strategic trailblazer in promoting sustainability at its companies. Many of ÖBAG's portfolio companies are doing well in implementing the Sustainable Development Goals, often far better than their international peers.

Sustainability highlights of ÖBAG's portfolio companies

ÖBAG's portfolio companies are accomplishing a great deal in the field of sustainability and are trailblazers in individual sustainability initiatives in their respective industries. Even in a year dominated by the COVID-19 crisis, the portfolio companies launched new sustainability projects, continued working on existing ones and refined their carbon strategies. The highlights of 2020 shown here illustrate the variety of activities, but also their efficacy. The wide range of actions is in the foreground in the numerous activities presented.

CLIMATE ACTION INITIATIVES



20 hectares

BIG launches Austrian solar power initiative: photovoltaic systems covering around 20 hectares on roofs at BIG and ARE by 2023.

CLIMATE-NEUTRAL TRANSPORTATION



2,100

Österreichische Post has around 2,100 vehicles in its fleet, the largest in Austria.

RENEWABLE ENERGY



34,000 PVs

Verbund and OMV are working together to install the largest solar park in Austria.

INFRASTRUCTURE INVESTMENTS



90%

of the area in the buildings in BIG's portfolio are accessible.

INDUSTRY AND INNOVATION



€1 billion

OMV and Borealis are investing in future innovations to take their place as leaders in the circular economy for plastics.

CARBON NEUTRALITY



2014

In 2014, Telekom Austria became the first Austrian telecommunications company to operate a completely carbon-neutral network.

CLEAN & AFFORDABLE ENERGY



50%

Verbund supplies half of all households in Austria with clean (renewable) energy.

GENDER EQUALITY



44%+

More than 40% of supervisory board members nominated by ÖBAG are female – and this number is growing.

ÖBAG's importance in the capital market



Christoph Boschan, CEO of Wiener Börse

2020 was an eventful year for us all, but especially for the financial markets. The stock exchange is never idle. Share prices are by nature volatile, as they reflect investors' expectations. Due to the outbreak of the pandemic and the uncertainty this created, stock markets around the globe suffered major price setbacks.

Cyclical companies with mature business models were disproportionately highly penalised by investors at the onset of the pandemic. As usual, it was the ones that withstood the challenges that were rewarded: following the slump in the early days of the pandemic, the ATX recovered as the year went on, before a sharp upward trend took hold towards the end of the year. Verbund and OMV have been included in Austria's benchmark index without interruption since its inception in 1991, which is no mean feat. Since then, the ATX has held its ground, delivering an annual average return of 6.5%. Dividends account for about half of this.

An active state core shareholder like ÖBAG promotes capital market development in Austria. This is essential for the growth of Austria as a financial hub. Firstly to manage the crisis, because this requires capital. Secondly, countries with developed capital markets grow faster and more sustainably. A competitive economy must prioritise innovation, and expertise and capital are needed for its implementation. Developments at publicly traded companies such as Telekom Austria, which had a market capitalisation of EUR 4.2 billion at the end of 2020, or Österreichische Post, with EUR 1.9 billion, show how the transformation into modern businesses is working.

It is likely that many private investors used the year to improve their financial literacy. In spite of the fluctuations, we have observed that Austrians' interest in the capital markets is growing. Statistics published by the Austrian central bank on the financial assets of private households show that private individuals in Austria invested record amounts in shares (EUR 2.4 billion) and funds (EUR 4 billion) – the highest figures in 20 years. Thanks to proactive capital market dialogue, a reliable dividend policy and solid business models, shares of Austrian companies will continue to attract the attention of investors at home and abroad.



Christoph Boschan has been CEO of Wiener Börse since 2016. In the previous twenty years he worked for a wide range of stock markets, most recently as joint CEO of the Stuttgart Stock Exchange and a member of the Management Board of Euwax.



STUDY

WIFO study – The State as a Long-term Investor

What effects does a public core shareholder have on publicly traded companies? And what are their benefits for society? A study conducted by the Austrian Institute for Economic Research (WIFO) examined these questions.

Österreichische Beteiligungs AG commissioned the Austrian Institute of Economic Research (WIFO) in 2020 to examine the role of the state as an owner of companies by analysing international trends and empirical evidence from studies on public shareholdings. The study came to the surprising conclusion that despite large waves of privatisation in the past, public ownership of companies is by no means in retreat: at the end of 2017, for example, around 14% of the world's 10,000 biggest listed companies were publicly owned. An OECD analysis puts China in the lead, a country whose public sector owns 38% of the investments. Other emerging market economies (28%) and highly developed countries in Asia (23%) also have large shares held in public hands. In Europe, around 9% of investments are publicly owned, whereas in Austria the publicly owned share of the companies first listed in Vienna is in the upper middle range at around 16%.¹⁰⁾

Change in self-image

According to the authors of the study, however, the basic understanding and the functions of public companies have changed considerably in recent decades. They wrote, "The most important conclusion to be drawn from the international examples is that state-owned investment companies are systematically withdrawing from the operational management of the investees and instead concentrating on the nomination of highly qualified supervisory board or management board members."¹¹⁾ Active investment management approaches were also being pursued in an attempt to implement local objectives, they said. According to the authors of the study, these include safeguarding critical infrastructure and enterprises that provide services of general interest, effective corporate governance, and protecting companies in the event of a crisis by providing temporary crisis capital.

Stable anchor

In principle, public shareholdings provide an avenue for having a strategic anchor shareholder. According to the authors, beyond achieving a long-term increase in the enterprise value this shareholder is "not pursuing any entrepreneurial interests of its own through the investment. Associated with this is the willingness to support the company in good times and in bad and to assist management during difficult periods, but also to resist the lure of attractive sales offers."

What benefits can a public shareholding have for a company's operating activities? The authors of the study believe there are multiple benefits: a higher credit rating would improve access to debt capital, hostile takeovers would be prevented and the creation of professional governance structures would increase security for small shareholders. Finally, international studies also attest to a "positive R&D effect" of public shareholdings through the financing of innovations with a large share of basic research.¹³⁾

For more information on the study, please refer to ÖBAG's 2020 Annual Report and website at www.oebag.gv.at.

Michael Peneder, Susanne Bärenthaler-Sieber, Michael Böheim, Thomas Url: The State as a Long-term Investor. Austrian Institute of Economic Research, commissioned by Österreichische Beteiligungs AG.

Highlights 2020

A year of strategic action for ÖBAG

In 2020, ÖBAG achieved numerous milestones at its portfolio companies, supporting them through its own management. The focus of these activities was on deepening partnerships among the portfolio companies, safeguarding Austria as a business hub in a year of crisis and realigning the companies. Syndicate partnerships were extended, priorities were set in the area of governance and realignments were initiated at both ÖBAG itself and in the portfolio companies.

The milestones include the following:

New syndicate agreement between ÖBAG and Sazka Group

The goals for the strategic development of Casinos Austria were set by mutual agreement in the syndicate agreement signed by ÖBAG and Sazka Group that has already received the green light from the EU Competition Commission. The syndicate agreement will facilitate strong, concerted cooperation at owner level as well as more effective corporate governance. Safeguarding Austria as a business hub and increasing player protection are the primary aims defined in the syndicate agreement. By entering into this agreement, ÖBAG protected Austria's interests in the casinos and remains a powerful core shareholder. The restructuring of the supervisory board and the election of Wolfgang Hesoun as the new supervisory board chairman in 2020 constituted a further milestone for the realignment.

Extension of the syndicate agreement between ÖBAG and Mubadala

In 2020, ÖBAG renewed its syndicate agreement with Mubadala for the next ten years. ÖBAG and the second-largest

core shareholder of the Austrian energy group OMV decided to continue their cooperation for ten more years.

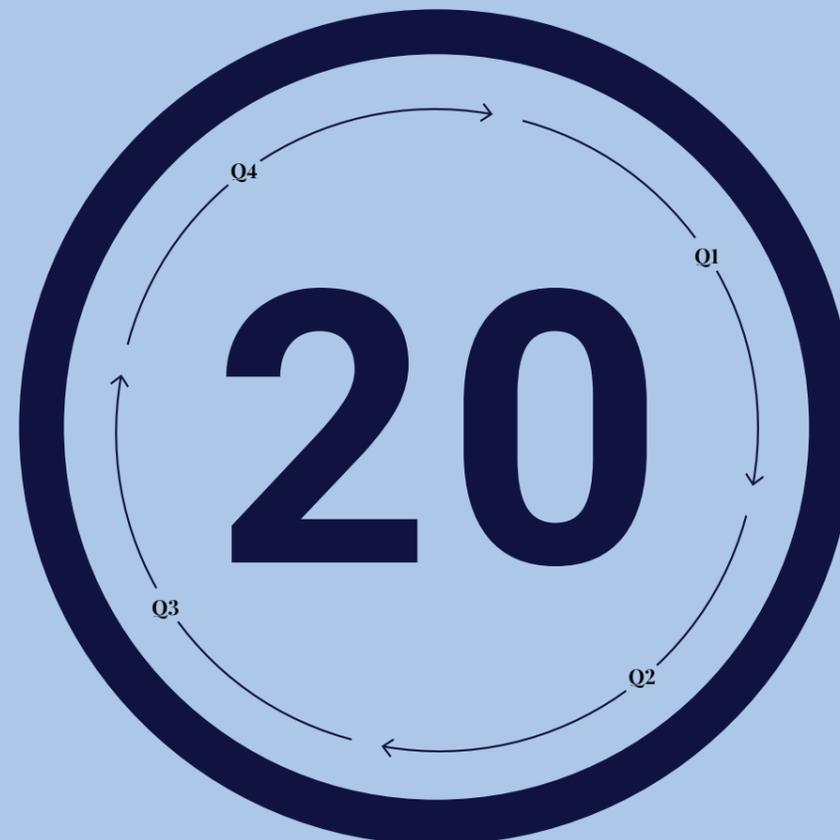
The July 2020 agreement strengthens the partnership between Austria and Abu Dhabi that has been in place since 1994. Stepping up the cooperation created an essential condition for a successful transformation. This key company is therefore well positioned to cope with the changes in the energy sector.

Focus on experts in supervisory board appointments

ÖBAG continued to professionalise the nomination process for supervisory board members in 2020. In the supervisory boards of ÖBAG's portfolio companies, cornerstones for sustainable realignments were put in place at several of ÖBAG's companies in 2020. Many new members were appointed to the supervisory boards of ÖBAG companies in the financial year now ended.

ÖBAG management strengthened

ÖBAG further strengthened its own management team in 2020. The two newly appointed directors add diversity to ÖBAG's top-tier management. Christine Catasta, now ÖBAG's CEO, was put in charge of investment management, and Maximilian Schnödl was appointed as director of strategy at ÖBAG. Another expert, Martin Holzinger, who had been part of ÖBAG's management team since 2019, took over as head of the ÖBAG operations team in 2021.



Business and industry platform

Our stated goals for 2020 were to think laterally and longer-term despite the coronavirus crisis and add value for Austria through active investment management, as well as to initiate trailblazing projects for the location in order to support the companies involved and the Austrian business community as a professional partner. In addition to carrying out its core functions, ÖBAG established itself as a virtual dialogue platform. Numerous stakeholder calls, workshops and discussions with experts from our portfolio companies, business, industry, the scientific community and the capital markets took place over digital platforms in 2020, allowing ÖBAG to establish enduring partnerships together with our portfolio companies.

Location guarantee for Austrian Airlines and safeguarding of the Vienna hub

The COVID-19 pandemic posed enormous challenges for the airline industry. Following long negotiations with Austrian Airlines and Lufthansa, a contribution from ÖBAG in the COVID-19 crisis year 2020 succeeded in safeguarding Vienna as a hub for international air traffic. The outcome of the negotiations is hugely important for Austria as a business hub. ÖBAG filled the directorship positions at Austrian Airlines and ÖLP based on a location agreement between Austrian Airlines, Lufthansa and the Republic of Austria to ensure compliance with all location requirements for the company agreed as part of the financing package for the benefit of the Austrian location.

ÖBAG Forum on state holdings as a stable anchor in the crisis

Stronger networks between the portfolio companies were established in 2020. ÖBAG sees itself as a platform for dialogue between its portfolio companies and Austria's business community. In this spirit, ÖBAG organised multiple events in 2020. The most important of these was the ÖBAG Forum held at the end of November with the headline "Quo vadis, Wirtschaft?" (Quo vadis, economy?) and attended by around 200 people. The panellists at this second ÖBAG Forum, which in 2020 took place online, agreed that particularly in economically very volatile times, state-owned investment companies have a special responsibility. In this Forum, high-ranking speakers discuss the role of the state as an investor, among them CEOs of Austrian state holdings Thomas Arnoldner (Telekom Austria), Bettina Glatz-Kremsner (Casinos Austria), Georg Pölzl (Österreichische Post), Michael Strugl (Verbund), Hans-Peter Weiss (Bundesimmobiliengesellschaft) and economic experts. The keynote speech was given by Philipp Hildebrand, Vice Chairman of the world's largest asset management company, BlackRock Inc.

Please see page 44 of ÖBAG's sustainability report for more information on the events organised and instigated by ÖBAG in 2020.

The ÖBAG team and ÖBAG's legal foundation



ÖBAG
ÖBAG's offices are on the 8th floor of the new university building.

ÖBAG's CEO and directors

CEO of ÖBAG

- **Mag. Dr. Christine Catasta**
CEO of ÖBAG

Directors of ÖBAG

- **Dr. Maximilian Schnödl, M.B.A.**
Head of Strategy
- **Mag. Martin Holzinger, M.B.A.**
Head of Operations (since 2021)

Changes in ÖBAG's management team

ÖBAG strengthened its management team in financial year 2020. Christine Catasta and Maximilian Schnödl were appointed as new directors of ÖBAG and reinforce ÖBAG's expertise in the areas of capital markets and digitalisation. Martin Holzinger was also appointed to ÖBAG's management team in 2021. He heads the ÖBAG operations team. CEO Thomas Schmid stepped down in June 2021 before his term ended. Director Christine Catasta will act as CEO for the time being.

Composition of ÖBAG's Supervisory Board

- **Prof. Mag. Helmut Kern, MA**
Chairman of the Supervisory Board
- **Karl Ochsner jun.**
1st Deputy Chairman of the Supervisory Board
- **Dr. Günther Helm**
2nd Deputy Chairman of the Supervisory Board

Members

- Dr. Christian Ebner
- Mag. PhDr. Susanne Höllinger, CSE
- Dipl. Ing. Iris Ortner, MBA

Employee representatives

- Christine Asperger (until 1 October 2020)
- Herbert Lindner (from 30 November 2020)
- Werner Luksch
- Helmut Köstinger

ÖBAG employees

Danijela Babic, Andreas Berger, Aakriti Chandihok, Sigrid Falkner, Johanna Feurstein, Katharina Hochreiter, Kerstin Hosa, Jan Klajnert, Silvia Knull, Melanie Laure, Markus Lengauer, Madeleine Martinot, Hemma Parsché, Michael Pichler, Jürgen Prumetz, Eveline Schröfl, Silvia Scopic, Stefan Setzger, Balazs Szabo, Bettina Vodicka

Law

The first step towards active investment management was taken with the entry into force of the ÖIAG Act 2000, as amended, on 1 January 2019, which led to ÖBAG's transformation into a stock corporation with effect from 20 February 2019. In 2020, ÖBAG succeeded in performing all of its tasks as set out in the amended ÖIAG Act. These include safeguarding Austria as a business and research hub, securing and creating jobs, and preserving and increasing the value of the portfolio companies.



ÖBAG's portfolio

Our portfolio companies

Overview

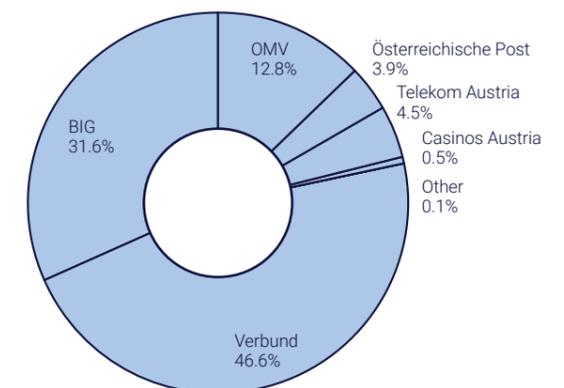
As a public holding company, ÖBAG manages eleven state holdings with a total value of around EUR 26.6 billion (31 December 2020). ÖBAG's work focuses on active investment management aimed at increasing the value of its portfolio. In addition, ÖBAG has set itself the goal of safeguarding and strengthening Austria as a business location to create lasting value for generations to come.

ÖBAG's portfolio covers large sections of Austria's key industries, and has a significant role to play in Austria's development as a business hub. ÖBAG's portfolio companies are significant taxpayers in Austria, secure 135,000 jobs and retain expertise and knowledge in the country. As a reliable long-term investor, ÖBAG is actively committed to preserving and expanding value creation in Austria.

Other investments

In FIMBAG, GKB Bergbau, IMIB and SCHOELLER-BLECKMANN Gesellschaft m.b.H., ÖBAG manages four more investments whose activities are essentially limited to the orderly winding up of outstanding business transactions and/or to closure and protective measures enshrined in law.

Share of portfolio by value in %



KPI	Verbund	OMV	Telekom Austria	Österreichische Post	BIG	Casinos Austria	APK
Revenue (in millions of EUR)	3,234.6	16,550.0	4,549.4	2,189.2	1,186.2	1,134.2	19.3
EBIT (in millions of EUR)	921.9	1,050.0	638.9	160.6	1,070.2	20.1	8.7
Employees	2,870	25,291	17,949	22,966	967	3,316	100
Value of ÖBAG's stake (in EUR million)	12,376.2	3,402.0	1,195.6	1,024.6	8,403.0	135.0	20.0
ÖBAG's share as a %	51.00	31.50	28.42	52.85%	100.00	33.24	32.97



2,189.2

Group sales revenues
(in EUR million)



160.6

EBIT
(in EUR million)



1.60

dividend per share
(in EUR)

Österreichische Post is Austria's leading supplier of logistics and postal services. In addition to delivering letters, direct mail, print media, small packets, packages and express deliveries, Österreichische Post offers a range of logistics solutions and innovative online services. High-quality products and services in the fields of banking and telecommunications complete what it has to offer. The postal service's international operations also extend to nine other European countries.

In 2020, 86% of revenue was generated within the Austrian market. Here Österreichische Post takes a leading role in delivering letters, direct mail, publications and packages. In the hard-fought package market Österreichische Post succeeded in increasing volumes further amid growing competitive and price pressure. The company processes 58% of the total volume of packages in Austria, with that share rising to as much as 71% among private clients.

As in previous years, Österreichische Post once again managed to increase the number of packages it processed in 2020. The logistics company transported 166 million packages in 2020, an increase of 30%.

Österreichische Post operates in a rapidly changing area of business marked by intense competition. To remain successful, it will also be necessary in future to retain market leadership in its core business, to target profitable growth in markets outside Austria and to push expansion of its digital and branch offerings.

Österreichische Post AG

	2019	2020
Group sales revenues (in EUR million)	2,021.6	2,189.2
EBIT (in EUR million)	200.6	160.6
Net income (loss) for the financial year (in EUR million)	144.5	115.3
Investments/asset additions* (in EUR million)	153.1	143.3
Free operating cash flow (in EUR million)	150.5	125.7
Dividend per share (in EUR)	2.08	1.60
Number of employees	20,338	22,966
Letters/direct mail delivered (in millions)	5,107	4,560
Packages sent within Austria (in millions)	127	166

* Definition changed from the previous year.



3,234.6

Group sales revenues
(in EUR million)



921.9

EBIT
(in EUR million)



0.75

dividend per share
(in EUR)

Publicly traded Verbund AG is Austria's leading energy utility and one of the largest producers of hydroelectricity in Europe. Verbund operates over 100 hydropower plants in Austria and Germany. The company's value chain comprises the generation, transportation, trading and sale of electrical energy and other energy sources as well as the provision of energy services.

Through its subsidiary Austrian Power Grid (APG), Verbund is responsible for the safe operation and sustainable expansion of the Austrian high-voltage grid extending over approximately 3,500 kilometres. As an independent transmission system operator, APG is tasked with maintaining a constant balance between electricity supply and demand. Through careful, long-term grid planning, Verbund therefore provides the backbone of Austrian power supply via APG as a key element of the energy transition.

With a market capitalisation in excess of EUR 24 billion as at 31 December 2020, Verbund AG is Austria's largest listed company by a large margin and employs around 2,900 people. The name Verbund is synonymous with environmentally friendly generation of electricity.

Verbund generates around 97% of its electricity from hydropower, supplemented by wind power. Residential customers benefit from electricity that comes exclusively from hydropower and district heating, in addition to a wide range of innovative products for "smart" households. Verbund offers industrial and commercial customers one-stop energy solutions tailored to their needs.

Verbund AG

	2019	2020
Group sales revenues (in EUR million)	3,895.0	3,234.6
EBIT (in EUR million)	865.9	921.9
Net income (loss) for the financial year (in EUR million)	640.7	723.9
Investments/asset additions (in EUR million)	438.9	628.5
Free cash flow (in EUR million)	817.4	590.9
Dividend per share (in EUR)	0.69	0.75
Number of employees	2,772	2,870
Energy generation (in GWh)	33,159	33,482



1,134.2

Gross gaming revenue
(in EUR million)



20.1

EBIT
(in EUR million)



594

Tax payments in Austria
(in EUR million)

Casinos Austria AG (CASAG) manages twelve casinos in Austria and has investments in international lottery operations. Key subsidiaries include Österreichische Lotterien GmbH, the online gaming platform win2day, VLT provider WINWIN and the sports-book tipp3.

In the past financial year, the COVID-19 pandemic left deep scars on the balance sheet of the Casinos Austria and Austrian Lotteries Group. After all of the twelve casinos in Austria and 21 WINWIN locations (VLT) were forced to close for a total of 135 days in 2020 due to the COVID-19 pandemic and 26 international branches also had to remain closed for many days, consolidated gross gaming revenue fell to EUR 1.134 billion in 2020 (2019: EUR 1.359 billion).

Paying EUR 594 million in taxes and contributions in Austria, the group remains one of the country's largest taxpayers.

Casinos Austria AG

	2019	2020
Gross gaming revenue (in EUR million)	1,359.1	1,134.2
EBIT (in EUR million)	152.6	20.1
Net income (loss) for the financial year (in EUR million)	112.0	0.9
Investments/asset additions (in EUR million)	31.1	32.1
Free cash flow (in EUR million)	170.9	119.0
Number of employees	3,336	3,316
Domestic casino guests (in millions)	2.28	n/a

Voices from the portfolio companies

TELEKOM AUSTRIA AG

“We enjoy professional collaboration with ÖBAG built on mutual respect. The strategic input we receive always gives us clear guidance for developing our business.”

Thomas Arnoldner
CEO Telekom Austria AG

BIG GROUP

“ÖBAG has assisted us in our business endeavours since the get-go and fully supported our strategy for sustainable growth plus a strong market and customer focus. We appreciate the professional collaboration with the ÖBAG team. The focus is crystal clear: investments are measured at the value they generate for every single person in Austria.”

Hans-Peter Weiss
CEO BIG Group

CASINOS AUSTRIA AG

“This past business year was the most challenging in the entire history of our company. Due to the extremely strenuous conditions, it was enormously difficult for the entire corporate group to stay on course economically. We also went through a large-scale restructuring programme affecting all divisions, which in turn laid the foundation for a positive future for the group. During this difficult phase, we were consistently able to rely on ÖBAG and count on its input for the good of the company.”

Bettina Glatz-Kremsner
Managing Director Casinos Austria AG

OMV AG

“OMV kicked off the biggest transformation in the company’s history in 2020 with the Borealis transaction. Far-sighted dialogue, objective decision-making and professional collaboration are essential at such times. ÖBAG has always actively supported us in all this, showing considerable appreciation.”

Rainer Seele
CEO OMV AG

APK PENSIONS KASSE AG

“ÖBAG was one of the main institutions involved in the creation and continued development of the pension fund system in Austria and has always shown itself to be a reliable partner. Short, professional decision paths are an important foundation for good corporate governance.”

Christian Böhm
Chairman of the Executive Board
APK Pensionskasse AG

VERBUND AG

“Cooperation and dialogue between companies are very important, especially in challenging times. ÖBAG has succeeded in giving the companies it represents a new platform for constructive collaboration which we all very much appreciate.”

Michael Strugl
Chairman of the Executive Board Verbund AG

ÖSTERREICHISCHE POST AG

“As an Austrian flagship company and part of the critical infrastructure, we benefit especially in these challenging times from ÖBAG’s professional investment management. At least as important is the composition of the supervisory board, which ideally should include individuals who are competent in all of the specialist areas that are important for a company. Here, too, we benefit from the experts ÖBAG supplies. Last but not least, for us ÖBAG acts as an effective buffer between policy-makers and companies.”

Georg Pölzl
CEO Österreichische Post AG



16,550

Group sales revenues
(in EUR million)



1,050

EBIT
(in EUR million)



1.85

Dividend per share
(in EUR)

OMV AG produces and markets oil and gas, as well as chemical solutions in a responsible way and develops innovative solutions for a circular economy.

With Group sales revenues of EUR 17 billion and a workforce of around 25,000 employees in 2020 (including Borealis), OMV is one of Austria's largest listed industrial companies. In Exploration & Production, OMV has a strong base in Central and Eastern Europe as well as a balanced international portfolio, with Middle East & Africa, the North Sea, Russia and Asia-Pacific as core regions. Daily average production was 463,000 boe/d in 2020 with an emphasis on natural gas.

In Refining & Marketing, OMV operates three refineries in Europe and owns a 15% share in ADNOC Refining and ADNOC Global Trading. OMV's total refinery capacity exceeds 500,000 bbl/d. Furthermore, OMV operates about 2,100 filling stations in ten European countries and runs gas storage facilities in Austria and Germany. In 2020, total natural gas sales volumes amounted to around 164 TWh.

In Chemicals & Materials, OMV, together with its subsidiary Borealis, is one of the world's leading providers of advanced and circular polyolefin solutions and a European market leader in base chemicals, fertilisers and the mechanical recycling of plastics. The company supplies services and products to customers around the globe through Borealis and its two important joint ventures: Borouge (with the Abu Dhabi National Oil Company, or ADNOC, based in UAE) and Baystar™ (with Total, based in the US).

OMV AG

	2019	2020
Group sales revenues (in EUR million)	23,461	16,550
EBIT (in EUR million)	3,582	1,050
Net income (loss) for the financial year (in EUR million)	2,147	1,478
Investments (in EUR million)	4,916	6,048
Free cash flow (in EUR million)	-583	-2,811
Dividend per share (in EUR)	1.75	1.85
Number of employees	19,845	25,291
Production (in kboe/day)	487	463



4,549.4

Group sales revenues
(in EUR million)



638.9

EBIT
(in EUR million)



0.25

Dividend per share
(in EUR)

System-critical infrastructure such as that operated by publicly traded Telekom Austria AG has demonstrated its vital importance in times like the ongoing COVID-19 pandemic in particular. The group's infrastructure is built on its high-performance, future-proof fixed-line and mobile networks, data centres and the associated product and service portfolio, which are accelerating the digital transformation. The networks also ensure digital communication, continuity and interaction for companies and their employees, the public sector and private individuals even under significantly increased load and have very quickly become an essential part of economic and social life during the crisis.

Annual capital spending of around EUR 450 million in Austria, safeguarding of around 18,000 jobs directly and indirectly, and contributions of approximately EUR 1 billion per year to the tax coffers underline the importance of Telekom Austria for Austria as a business hub.

Even in a market environment dominated by the COVID-19 pandemic, Telekom Austria demonstrated its strength in 2020, recording stable development in terms of both financial and operating performance amid challenging conditions.

Telekom Austria AG

	2019	2020
Group sales revenues (in EUR million)	4,565.2	4,549.4
EBIT (in EUR million)	614.8	638.9
Net income (loss) for the financial year (in EUR million)	327.4	388.8
Investments/asset additions (in EUR million)	879.8	651.4
Free cash flow (in EUR million)	343.7	503.7
Dividend per share (in EUR)	0.23	0.25
Number of employees	18,344	17,949
Mobile phone customers (in thousands)	21,288.1	21,864.2
Landline RGUs (in thousands)	6,147.7	6,050.3



1,186.2

Group sales revenues
(in EUR million)



1,070.2

EBIT
(in EUR million)



7.3

Lettable space
(in million m²)

BIG (Bundesimmobiliengesellschaft) is one of Austria's largest property owners, with over 2,000 properties and a current fair value of EUR 14.4 billion.

BIG's services span the entire life cycle of a building, from development and delivery to lettings up to maintenance and operation. Its subsidiary ARE Austrian Real Estate GmbH focuses on office and residential properties and sites for development. BIG's strategic objective is to recognise the needs of tenants and users, to ensure their quality of life and of work and thus to increase the value of the BIG property portfolio over the long term.

BIG was transferred to ÖBAG's portfolio in 2019. The company's earlier course of growth and its market-orientated approach were confirmed in 2020. The expansion of existing areas, development of new areas of business and testing of international markets, with particular emphasis on Germany, are intended to achieve a long-term increase in the value of the portfolio. Here sustainability, digitalisation and innovation are not just buzz words: they are values that the business lives by, which the company understands to be an opportunity for and a route to a future worth living.

BIG projects in areas such as schools, universities, specialist properties as well as office and residential construction will also be a significant catalyst for the Austrian domestic economy in 2021.

BIG Group

	2019	2020
Group sales revenues (in EUR million)	1,130.7	1,186.2
EBIT (in EUR million)	1,110.8	1,070.2
Net income (loss) for the financial year (in EUR million)	795.6	759.1
Investments* (in EUR million)	869.1	1,079.7
Funds from operations (FFO, in EUR million)	514.7	532.6
Number of employees	937	967
Lettable space (in million m ²)	7.3	7.3
Fair value (in EUR million)	13,424.2	14,422.1

* Definition changed from the previous year.



6,717.3

Invested assets
(in EUR million)



662,000

Number of
beneficiaries



4.2

OeKB performance
(in %)

APK Pensionskasse AG is a pioneer in the development of Austria's retirement system. It currently represents around 146,000 beneficiaries and manages 19 investment and risk associations with assets of approximately EUR 5.5 billion, of which four are open to new clients without restrictions and 15 are managed for a sponsoring company or a group. Its customer base mainly comprises large Austrian companies (or groups of companies) and subsidiaries of international groups that operate in Austria. The variety of different investment styles allows beneficiaries to have their own risk preference reflected in the investment of their pension assets.

APK Pensionskasse is considered the top performer among inter-company pension funds, both in the short and the long term. Its performance of 4.2% in 2020 put it 2.5 percentage points ahead of its immediate peers (2019: 14.2% performance and 3 percentage points performance advantage). Together with its subsidiaries (first and foremost APK Vorsorgekasse AG), APK Pensionskasse AG looks after 662,000 beneficiaries with assets of EUR 6.7 billion. The APK Group deals exclusively with financial provision in the area of second pillar (company) and third pillar (individual) pension schemes.

APK Pensionskasse AG

	2019	2020
Invested assets (in EUR million)	6,417.0	6,717.3
Group sales revenues (in EUR million)	21.0	19.3
EBIT (in EUR million)	17.7	8.7
Net income (loss) for the financial year (in EUR million)	13.3	6.5
Investments (in EUR million)	0.3	0.4
Free cash flow (in EUR million)	7.3	4.2
Dividend per share (in EUR)	-	7.0
Number of employees	93	100
Number of beneficiaries	645,000	662,000

Additional companies

FIMBAG

FIMBAG (Finanzmarkteteiligung AG des Bundes in Liqu.) was founded to assist the Austrian federal government in connection with the measures introduced under the Financial Market Stability Act and to minimise the effects of the 2008 global financial crisis as far as possible. Its liquidation was agreed on 3 November 2015 after the tasks it had been given had been largely fulfilled.

GKB-Bergbau

As a wholly owned subsidiary of ÖBAG, GKB-Bergbau GmbH is engaged in conducting an orderly withdrawal from mining operations while consolidating the remaining rights and obligations of the former Österreichische Bergbauholding in its own hands. In doing so, GKB is actively completing the measures required by law for safeguarding and closure including recultivation.

IMIB

The operating units of the steel and technology division of the former VOESTALPINE AG were bought out in 1987. IMIB Immobilien und Industriebeteiligungen GmbH also holds a 13% shareholding in VAMED AG and focuses on resolving any open matters of business.

SCHOELLER-BLECKMANN

Until 1995 SCHOELLER-BLECKMANN Gesellschaft m.b.H. was the parent company of several firms that specialised in manufacturing stainless steel. These were sold off in the course of the Republic of Austria's privatisation programme. After these privatisations were completed, the company now concentrates on safeguarding the former works site as required by law.

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Balance sheet as at 31 December 2020

ASSETS in EUR	As at 31/12/2020	As at 31/12/2019
A. Fixed assets		
I. Intangible fixed assets		
Concessions, rights	9,431.00	26,418.24
II. Tangible fixed assets		
1. Land	121,750.42	2,435,252.53
2. Operating and office equipment	154,173.51	149,225.40
	275,923.93	2,584,477.93
III. Long-term financial assets		
1. Shares in affiliated companies	1,698,124,169.55	1,694,708,169.55
2. Other long-term equity investments	1,807,508,611.72	1,807,508,611.72
	3,505,632,781.27	3,502,216,781.27
	3,505,918,136.20	3,504,827,677.44
B. Current assets		
I. Receivables and other assets		
1. Trade receivables <i>of which with a remaining maturity of more than one year EUR 0.00 (2019: EUR 0.00 thousand)</i>	73,701.10	61,906.43
2. Receivables from investees and investors <i>of which with a remaining maturity of more than one year EUR 0.00 (2019: EUR 0.00 thousand)</i> <i>of which trade receivables EUR 0.00 (2019: EUR 0.00 thousand)</i>	66,593.00	0.00
3. Other receivables and assets <i>of which with a remaining maturity of more than one year EUR 0.00 2019: EUR 0.00 thousand)</i>	33,308.70	86,145.36
	173,602.80	148,051.79
II. Cash in hand, cash at banks	15,745,182.90	8,298,620.71
	15,918,785.70	8,446,672.50
C. Prepaid expenses		
	98,694.80	92,729.95
	3,521,935,616.70	3,513,367,079.89

EQUITY AND LIABILITIES in EUR	As at 31/12/2020	As at 31/12/2019
A. Equity		
I. Share capital called in <i>share capital assumed EUR 363,365,000.00 (2019: EUR 363,365.00 thousand) share capital paid in EUR 363,365,000.00 (2019: EUR 363,365.00 thousand)</i>	363,365,000.00	363,365,000.00
II. Capital reserves		
1. Appropriated	328,238,362.16	328,238,362.16
2. Unappropriated	1,802,912,449.84	1,802,912,449.84
	2,131,150,812.00	2,131,150,812.00
III. Revenue reserves (statutory reserves)	36,336,417.08	36,336,417.08
IV. Net retained income <i>of which profit carried forward EUR 452,065,834.18 (2019: EUR 439,955.98 thousand)</i>	935,531,494.11	932,065,834.18
	3,466,383,723.19	3,462,918,063.26
B. Provisions		
1. Provisions for severance payments	78,325.00	62,861.00
2. Provisions for pensions	578,177.00	591,693.00
3. Other provisions	36,974,968.57	32,085,352.63
	37,631,470.57	32,739,906.63
C. Liabilities		
1. Liabilities to banks <i>of which with a remaining maturity of up to one year EUR 0.00 (2019: EUR 0.00 thousand) of which with a remaining maturity of more than one year EUR 0.00 (2019: EUR 0.00 thousand)</i>	0.00	0.00
2. Advance payments received for orders <i>of which with a remaining maturity of up to one year EUR 0.00 (2019: EUR 0.00 thousand) of which with a remaining maturity of more than one year EUR 0.00 (2019: EUR 0.00 thousand)</i>	0.00	0.00
3. Trade payables <i>of which with a remaining maturity of up to one year EUR 568,798.90 (2019: EUR 1,126.33 thousand) of which with a remaining maturity of more than one year EUR 0.00 (2019: EUR 0.00 thousand)</i>	568,798.90	1,126,337.36
4. Liabilities to affiliated companies <i>of which other EUR 16,717,478.33 (2019: EUR 15,918.62 thousand) of which with a remaining maturity of up to one year EUR 16,717,478.33 (2019: EUR 15,971.09 thousand) of which with a remaining maturity of more than one year EUR 0.00 (2019: EUR 0.00 thousand)</i>	16,733,114.27	15,971,091.14
5. Liabilities to investees and investors <i>of which with a remaining maturity of up to one year EUR 3,398.92 (2019: EUR 1.67 thousand) of which with a remaining maturity of more than one year EUR 0.00 (2019: EUR 0.00 thousand)</i>	3,398.92	1,670.10
6. Other liabilities <i>of which taxes EUR 184,938.88 (2019: EUR 70.94 thousand) of which related to social security EUR 615,110.85 (2019: EUR 610.01 thousand) of which with a remaining maturity of up to one year EUR 615,110.85 (2019: EUR 610,011.40 thousand) of which with a remaining maturity of more than one year EUR 0.00 (2019: EUR 0.00 thousand)</i>	615,110.85	610,011.40
Total liabilities <i>of which with a remaining maturity of up to one year EUR 17,920,422.94 (2019: EUR 17,709.11 thousand) of which with a remaining maturity of more than one year EUR 0.00 (2019: EUR 0.00 thousand)</i>	17,920,422.94	17,709,110.00
	3,521,935,616.70	3,513,367,079.89

Income statement

1 January 2020 until 31 December 2020

in EUR	2020	2020	2019	2019
1. Revenue		677,152.84		405,361.66
2. Other operating income		1,332,705.84		1,588,080.43
3. Cost of materials and other purchased services				
a) Cost of materials	0.00		9,424.29	
b) Cost of purchased services	46,872.71	-46,872.71	75,322.92	-84,747.21
4. Personnel expenses				
a) Salaries	2,836,292.63		2,380,666.08	
b) Social security expenses of which expenses for pensions and similar obligations	622,876.69 75,418.58	-3,459,169.32	492,408.48 67,160.75	-2,873,074.56
5. Amortisation of intangible fixed assets and depreciation of tangible fixed assets		-108,898.81		-110,884.76
6. Other operating expenses		-13,035,029.89		-5,842,459.22
7. Subtotal of lines 1 to 5 (operating result)		-14,640,112.05		-6,917,723.66
8. Income from long-term equity investments of which from affiliated companies	498,106,689.96 274,256,000.00		499,667,930.92 274,256,000.00	
9. Other interest and similar income		3,808.38		1,676.59
10. Expenses relating to long-term financial assets (write-downs)		0.00		-500,000.00
11. Interest and similar expenses of which from affiliated companies		-1,226.36 -1,226.36		-137,719.97 -1,434.93
12. Subtotal of lines 7 to 9 (financial result)		498,109,271.98		499,031,887.54
13. Earnings before taxes		483,469,159.93		492,114,163.88
14. Income taxes		-3,500.00		-4,313.00
15. Earnings after taxes = net income for the financial year		483,465,659.93		492,109,850.88
16. Profits carried forward from the previous year		452,065,834.18		439,955,983.30
17. Net retained income		935,531,494.11		932,065,834.18

Notes to the financial statements

for financial year 2020

A. Basic information

The Company is wholly owned by the Republic of Austria.

Effective 1 January 2019, Österreichische Bundes- und Industriebeteiligungen GmbH (ÖBIB) was converted to a stock corporation named Österreichische Beteiligungs AG (ÖBAG) with headquarters in Vienna.

In accordance with Section 1(2) of the ÖIAG Act 2000, as amended, the Company's main functions are to hold and supervise the investment and exercise the rights (investment management) in companies in which ÖBAG is currently a shareholder or investments that will be transferred to ÖBAG in the future by federal law or under a legal transaction (investees); to acquire shares in accordance with Section 7(3), (4) and (5); measures to promote Austria as a business location in accordance with Section 7(5); investment management of companies not owned by ÖBAG in accordance with Section 7(a) (external investment management); and to issue shares (privatisation management) in line with federal government mandate in accordance with Section 8(1).

Accounting policies

General principles

The accounting provisions of the Austrian Commercial Code (Unternehmensgesetzbuch, UGB) as amended were applied in preparing these annual financial statements as at 31 December 2020. The Company is categorised as a small stock corporation in accordance with Section 221 of the Austrian Commercial Code (UGB) as the provisions of Section 221(4a) of the Austrian Commercial Code (UGB) do not apply because of Section 11 of the ÖIAG Act 2000, as amended.

The annual financial statements have been prepared in accordance with Austrian Generally Accepted Accounting Principles and in compliance with the general requirement to present a true and fair view of the Company's assets, liabilities, financial position and financial performance (Section 222(2) of the Austrian Commercial Code (UGB)). The principle of materiality was observed.

In preparing these annual financial statements, the principle of completeness according to statutory provisions was adhered to.

Individual assets and liabilities were measured in observance of the principle of individual measurement and under the going concern assumption.

The principle of prudence was observed by reporting only the profits realised as at the reporting date. All identifiable risks and expected losses were taken into consideration – if required by law.

Austrian Generally Accepted Accounting Principles as codified in Section 201(2) of the Austrian Commercial Code (UGB) were observed, as were the rules for classification and measurement for the balance sheet and the income statement of Sections 195 to 211 and 222 to 235 of the Austrian Commercial Code (UGB). The income statement was prepared using the total cost format.

In addition, preparation of the annual financial statements is consistent with the ÖIAG Act 2000, as amended.

All amounts are shown in euros unless otherwise indicated.

These annual financial statements were prepared under the going concern assumption (also considering the COVID-19 crisis) in accordance with Section 201(2)(2) of the Austrian Commercial Code (UGB).

Fixed assets

Intangible fixed assets are generally recognised at cost and amortised using the straight-line method. Amortisation rates are 20–33.3%.

Tangible fixed assets are measured at cost less depreciation, which is generally determined using the straight-line method. Impairment losses are recognised if the impairment is expected to be permanent.

Low-value assets (cost up to EUR 800.00) are fully written off in the year of acquisition and reported as an addition and a disposal.

Tangible fixed assets are depreciated using the following depreciation rates:

Buildings on third-party land	10%
Operating and office equipment	10–33.3%

Shares in affiliated companies and other long-term equity investments are generally recognised at cost.

Permanent impairment is reflected by recognising impairment losses.

Statement of changes in fixed assets

The statement of changes in fixed assets in the annex shows changes in the individual items of fixed assets and the breakdown of annual depreciation, as well as cumulative write-downs by individual items.

Current assets

Receivables and other assets are recognised at nominal value. Identifiable risks are reflected by recognising corresponding valuation allowances.

Equity

Nominal capital

Share capital amounts to EUR 363,365,000.00 and is divided into 5,000 no-par value shares.

Distributions

Distributions of EUR 480,000,000.00 (previous year: EUR 370,000,000.00) were made to the owners in financial year 2020.

Provisions/liabilities

Provisions for severance payments are recognised on the reporting date with the amount calculated in accordance with actuarial principles. This includes applying the entry age normal method with an actuarial interest rate of 1.73% and an average pay increase of 2.50% (2019: actuarial interest rate of 2.10% assuming an average pay increase of 2.50%). In accordance with the Austrian Commercial Code (UGB), the average interest rate (ten years) is applied as the actuarial interest rate for calculating the provision. Retirement age is assumed to be 65 (previous year: 65). The savings period extends from the relevant entry date until the retirement date. No fluctuation is assumed. The calculations are based on the AVÖ 2018-P tables (2019: AVÖ 2018-P).

In accordance with actuarial principles, the amount of provisions for pensions is determined by applying an actuarial interest rate of 1.73% and an average benefit increase of 2.00% (2019: actuarial interest rate of 2.10% assuming an average pension increase of 2.00%) and the entry age normal method. In accordance with the Austrian Commercial Code (UGB), the average interest rate (ten years) is applied as the actuarial interest rate for calculating the provision. The calculations are based on the AVÖ 2018-P tables (2019: AVÖ 2018-P).

Other provisions include obligations to provide additional funding for outsourced pensions. In accordance with actuarial principles, the basis for calculating this obligation to provide additional funding is determined by applying an actuarial interest rate of 1.73% assuming a duration of eight years and an average benefit increase of 2.00% (2019: actuarial interest rate of 2.10% assuming an average pension increase of 2.00%) and the entry age normal method. In accordance with the Austrian Commercial Code (UGB), the average interest rate (ten years) is applied as the actuarial interest rate for calculating the provision. The calculations are based on the AVÖ 2018-P tables (2019: AVÖ 2018-P).

In accordance with actuarial principles, the provision for health insurance premiums is determined by applying an actuarial interest rate of 1.73% and an average pay increase of 4.00% (2019: actuarial interest rate of 2.10% assuming an average pay increase of 4.76%) and the entry age normal method. In accordance with the Austrian Commercial Code (UGB), the average interest rate (ten years) is applied as the actuarial interest rate for calculating the provision. The calculations are based on the AVÖ 2018-P tables (2019: AVÖ 2018-P). The remaining other provisions include the identifiable risks and uncertain liabilities up to the reporting date, and they are recognised at the expected settlement amount.

Liabilities are recognised at the settlement amount based on the principle of prudence.

B. Notes to the balance sheet

a. Intangible fixed assets and tangible fixed assets

Changes in intangible fixed assets and tangible fixed assets are presented in the statement of changes in fixed assets (annex to the notes to the financial statements).

b. Long-term financial assets

In financial year 2020 just ended, ÖBAG land was contributed to Bundesimmobiliengesellschaft mbH or its subsidiaries. As at 31 December 2019, the carrying amount of this land amounted to EUR 2,297,791.33; the carrying amount of the equity investment in Bundesimmobiliengesellschaft mbH was increased to EUR 3,416,000.00 using the market value determined by means of an external appraisal.

Changes in long-term financial assets are presented in detail in the statement of changes in fixed assets (annex to the notes to the financial statements). Details on other long-term equity investments can be found in the list of shareholdings.

c. Receivables and other assets

Item in EUR million	Carrying amount
Trade receivables (previous year)	0.07 (0.06)
Receivables from affiliated companies (previous year)	0.07 (0.00)
Other receivables and assets (previous year)	0.03 (0.09)
Total (previous year total)	0.17 (0.15)

“Receivables from affiliated companies” includes trade receivables of EUR 0.06 million (previous year: EUR 0.00 million) and other receivables of EUR 0.01 million (previous year: EUR 0.00 million).

All receivables are of a current nature.

d. Cash in hand, cash at banks

The amount presented under this item primarily comprises fixed term deposits and cash at Austrian banks.

e. Prepaid expenses

The prepaid expenses presented concern expenditures made prior to 31 December 2020 to the extent that they represent expenses for a certain time after this date.

f. Equity

Share capital amounts to EUR 363,365,000.00 (prior year: EUR 363,365,000.00) and is divided into 5,000 no-par value shares. All shares are owned by the Republic of Austria.

Based on a resolution of the ÖBAG Annual General Meeting of 4 November 2020, a dividend of EUR 480.00 million was distributed from the profit of 2019 to the Republic of Austria and EUR 452.00 million was carried forward to new account.

g. Provisions

Other provisions include primarily provisions for obligations to provide additional funding for pensions and provisions for leave not taken, anniversary bonuses and other personnel expenses of EUR 29.51 million (previous year: EUR 24.57 million) and other provisions (particularly for long-term equity investments) of EUR 7.46 million (previous year: EUR 7.52 million).

h. Liabilities

Item in EUR million	Remaining maturity of less than one year	Remaining maturity of more than one year	thereof remaining maturity between one and five years	Carrying amount
Trade payables (previous year)	0.58 (1.18)	0.00 (0.00)	0.00 (0.00)	0.58 (1.18)
Liabilities to affiliated companies (previous year)	16.72 (15.92)	0.00 (0.00)	0.00 (0.00)	16.72 (15.92)
Liabilities to long-term investees and investors (previous year)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Other liabilities (previous year)	0.62 (0.61)	0.00 (0.00)	0.00 (0.00)	0.62 (0.61)
Total (previous year total)	17.92 (17.71)	0.00 (0.00)	0.00 (0.00)	17.92 (17.71)

The item "Liabilities to affiliated companies" comprises trade payables of EUR 0.02 million (previous year: EUR 0.05 million), liabilities from investments of IMIB Immobilien- und Industriebeteiligungen GmbH of EUR 15.10 million (previous year: EUR 14.30 million) and liabilities from shareholder contributions of EUR 1.62 million (previous year: EUR 1.62 million) at IMIB Immobilien- und Industriebeteiligungen GmbH.

i. Contingent liabilities

As a result of mergers and successions in recent years, GKB-Bergbau GmbH assumed various rights and obligations. One liability issue with a maximum liability of EUR 3.90 million exists vis-a-vis Österreichische Bundesforste from a land transfer. At the time, ÖIAG (now ÖBAG) acceded the transfer agreement and assumed a "deficiency guarantee" for the event that GKB-Bergbau GmbH, as the wholly owned subsidiary of the successor company ÖBAG, is unable to meet its obligations. In accordance with the title of the deficiency guarantee, the amount of EUR 3.90 million is presented as a contingent liability.

C. Notes to the income statement

a. Revenue

Revenue mainly comprises income from recharging and rental income.

b. Other operating income

Other operating income mainly comprises income from the contribution of ÖBAG land to the subsidiaries of Bundesimmobiliengesellschaft mbH in the amount of EUR 3.42 million, which is contrasted by a reduction of EUR 2.30 million in the carrying amount of the land sold.

Contrary to the previous year 2019, there was no income from the reversal of provisions for obligations to provide additional funding for pensions (previous year: EUR 1.42 million).

c. Cost of materials and other purchased manufacturing services

The cost of materials and other purchased services relates to the cost of materials and services purchased for recharging.

d. Personnel expenses

in EUR million	2020	2019
Salaries	2.84	2.38
Expenses for severance payments	0.01	0.00
Payments to employee pension funds	0.03	0.02
Expenses for pensions	0.08	0.07
Expenses for social security as required by law as well as income-based charges and compulsory contributions	0.48	0.39
Other social security expenses	0.02	0.01
Total	3.46	2.87

Movements in provisions for pension obligations outsourced to APK Pensionskasse Aktiengesellschaft are presented under other operating expenses, and further details are provided there.

e. Other operating expenses

in EUR million	2020	2019
Taxes other than those classified as income taxes	0.01	0.02
Expenses for pension obligations outsourced to APK	5.51	0.00
Other	7.51	5.82
Total	13.03	5.84

Expenses for pension obligations outsourced to APK relate to movements in provisions in connection with defined benefit pension commitments transferred to the former ÖIAG, now ÖBAG, within the scope of earlier mergers (see paragraph D for further information).

In financial year 2020, these expenses amounted to EUR 5.51 million, while the expense amounted to EUR 0.0 million in financial year 2019, and by contrast, an amount of EUR 1.42 million was incurred from the reversal of provisions for obligations to provide additional funding for pensions and presented under other operating income.

The remaining other operating expenses include rent, IT expenses, insurance expenses, fees, consulting expenses and similar items, as well as recharged expenses for purchased services.

f. Income from long-term equity investments

The Company received income of EUR 498.11 million (previous year: EUR 499.67 million) from long-term equity investments in financial year 2020.

g. Expenses relating to long-term financial assets

There were no expenses relating to long-term financial assets in financial year 2020 (previous year: EUR 0.50 million).

h. Interest income

in EUR million	2020	2019
Other interest and similar income	0.00	0.00
Interest and similar expenses	-0.00	-0.14
Total	-0.00	-0.14

i. Net retained income

Net retained income amounts to EUR 935.53 million after adding back the profit carried forward from the previous year (previous year: EUR 932.07 million). This includes an amount of EUR 123.05 million originating from reversal of a write-down on the interest in Österreichische Post AG taken in financial year 2006 which is not eligible for distribution.

D. Corporate bodies and employees

a.

ÖBAG employed an average of 20 employees/salaried employees in 2020 (previous year: 16).

b. Pensions and severance payments:

Expenses for in EUR million	Severance payments and payments to employee pension funds		Pensions	
	2020	2019	2020	2019
Directors/ Executive Board and senior executives	0.00	0.00	0.00	0.00
Other employees	0.03	0.02	5.59	0.07
Total	0.03	0.02	5.59	0.07

The obligations to provide additional funding recognised as a liability on the reporting date are determined by deducting the ÖBAG plan assets estimated by APK Pensionskasse Aktiengesellschaft on the date of recognition from the cover requirement under company law calculated using actuarial methods as at 31 December 2020. APK Pensionskasse Aktiengesellschaft provided the final accounting of ÖBAG plan assets with the 2020 annual statement. The pension obligations result primarily from past mergers of companies (Vereinigte Edelstahlwerke AG/Austrian Industries AG) with the former ÖIAG, now ÖBAG (beneficiaries as at 31 December 2020: 132 persons) and from the assumption of the pension obligations for salaried employees of the former Donaudampfschiffahrtsgesellschaft from the owner, the Austrian Ministry of Finance (BMF) (beneficiaries as at 31 December 2020: 96 persons).

Expenses for employee pension funds as defined by the Company Employee Provision Act (Betriebliches Mitarbeitervorsorgegesetz, BMVG) are presented explicitly in the notes to the income statement.

c. Executive Board

MMag. Thomas Schmid (since 29 March 2019)

d. Supervisory Board

Prof. Mag Helmut Kern, MA, Chairman
Karl Ochsner, 1st Deputy Chairman
Dr. Günther Helm, 2nd Deputy Chairman
Dr. Christian Ebner
Mag. PhDr. Susanne Höllinger
Dipl.-Ing. Iris Ortner, MBA
Helmut Köstinger
Werner Luksch
Christine Asperger (until 1 October 2020)
Herbert Lindner (from 4 November 2020)

The Supervisory Board was constituted on 15 February 2019. With the exception of Herbert Lindner, this is also the date of the initial appointments of the Supervisory Board members listed.

e. Relationship of the Company to the Executive Board and Supervisory Board and their remuneration

The Executive Board has an employment relationship with the Company. No performance relationships exist beyond that between the Executive Board and the Company.

The fixed component of the Executive Board remuneration of MMag. Thomas Schmid (including in-kind and social security expenses) amounted to EUR 411,520.00 in financial year 2020. Because it is only possible to ascertain at the end of the year whether targets have been reached, variable remuneration components are paid out in the following year. Consequently, the variable remuneration components granted to the Executive Board in 2020 were paid in respect to financial year 2019. The variable remuneration component for financial year 2019 amounts to EUR 148,619.80.

The ÖBAG Executive Board cedes all claims to remuneration and other financial benefits from its activities on the Supervisory Boards of OMV Aktiengesellschaft, Telekom Austria Aktiengesellschaft, Bundesimmobiliengesellschaft mbH, ARE Austrian Real Estate GmbH, Österreichische Lotterien GmbH and Verbund AG to Österreichische Beteiligungs AG.

In accordance with Section 98(1) of the Austrian Stock Corporation Act (Aktiengesetz, AktG), supervisory board members of a stock corporation can be granted remuneration for their work which is appropriate to their tasks and in line with that company's position. On 15 February 2019, and until the Annual General Meeting resolves otherwise, the annual remuneration for the members of the Supervisory Board was set as follows:

- Chairman of the Supervisory Board: EUR 25,000.00
- Each deputy chairman of the Supervisory Board: EUR 20,000.00
- Each chairman of a Supervisory Board committee: EUR 20,000.00
- Each ordinary member of the Supervisory Board (shareholder and employee representatives): EUR 15,000.00

Even in the event that several functions are carried out, the amounts listed are not cumulative, which means that each member only receives the respective highest listed amount. In addition to the Supervisory Board remuneration, members of the Supervisory Board are reimbursed for their expenses (e.g. travel expenses) for meetings of the Supervisory Board or a committee. Attendance fees are not paid. If a Supervisory Board term begins or ends during the financial year, the remuneration is prorated on a daily basis. Likewise, for changes in the Chairman of the Supervisory Board, the Deputy Chairman or the Chairman of a committee, the higher remuneration is prorated.

Remuneration granted to the Supervisory Board during the reporting period (excluding individual reimbursement of expenses) amounted to a total of EUR 157,616.44.

Beyond the board function, no performance relationships exist between the members of the Supervisory Board and the Company.

f. Loans granted to corporate bodies and employees

The Company did not grant any loans to corporate bodies and employees in 2020.

g. Relationship of the Company to the owners

The Company reported to the owner on the business performance. Relationships with the owner or related parties were settled on an arm's length basis.

Company	Head-quarters	Equity and result	Equity in EUR million	Shareholding in %	Net income/loss EUR million
APK Pensionskasse Aktiengesellschaft	Vienna	2020	64.67	32.97	2.76
Bundesimmobiliengesellschaft mbH	Vienna	2020	1,079.09	100.0	253.65
Casinos Austria AG	Vienna	2020	624.49	33.24	42.45
FIMBAG Finanzmarkteteiligung Aktiengesellschaft des Bundes i. L.	Vienna	2020	0.07	100.0	0.00
IMIB Immobilien- und Industriebeteiligungen GmbH	Vienna	2020	9.14	100.0	1.59
GKB-Bergbau GmbH	Bärnbach	2020	27.00	100.0	0.25
Österreichische Post Aktiengesellschaft	Vienna	2020	707.95	52.85	112.25
OMV Aktiengesellschaft	Vienna	2020	5,433.62	31.50	235.46
SCHOELLER-BLECKMANN Gesellschaft m.b.H.	Ternitz	2020	3.28	100.0	-0.10
Telekom Austria Aktiengesellschaft	Vienna	2020	5,791.13	28.42	-32.07

E. List of shareholdings

The information presented on equity and on the net income/loss for the financial year corresponds to the companies' separate financial statements.

The federal law of 26 April 2000 which took effect on 17 May 2000 (ÖIAG Act 2000) expressly excludes the formation of a group relationship between ÖBAG and its investees. As a result of this law, ÖBAG is exempt from the requirement of preparing consolidated annual financial statements.

In addition to the direct investment in APK Pensionskasse AG of 32.97%, ÖBAG also holds an indirect investment through its wholly owned subsidiary IMIB of 0.39%, resulting in a total shareholding of 33.36%.

F. Other disclosures

Events after the reporting date

No material events after the reporting date have come to our attention.

Vienna, 4 June 2021

The Executive Board
MMag. Thomas Schmid e.h.

Statement of changes in fixed assets pursuant to Section 226 (1) of the Austrian Commercial Code (UGB) as at 31 December 2020

in EUR	Cost					Accumulated depreciation, amortisation and write-downs				Carrying amount	Carrying amount	
	As at 1/1/2020	Additions	Reclassifications	Disposals	As at 31/12/2020	As at 1/1/2020	Depreciation, amortisation and write-downs	Reclassifications	Disposals	As at 31/12/2020	31/12/2020	31/12/2019
Fixed assets												
I. Intangible fixed assets												
Concessions, rights	379,780.03	1,028.00	0.00	231,239.02	149,569.01	353,361.79	18,015.24	0.00	231,239.02	140,138.01	9,431.00	26,418.24
II. Tangible fixed assets												
1. Land, land rights and buildings, including buildings on third-party land												
Undeveloped land	2,447,059.20	0.00	0.00	2,303,823.41	143,235.79	11,806.67	14,496.98	0.00	4,818.28	21,485.37	121,750.42	2,435,252.53
2. Other equipment, operating and office equipment*	822,950.50	88,256.05	0.00	334,647.76	576,558.79	673,725.10	76,386.59	0.00	327,726.41	422,385.28	154,173.51	149,225.40
	3,270,009.70	88,256.05	0.00	2,638,471.17	719,794.58	685,531.77	90,883.57	0.00	332,544.69	443,870.65	275,923.93	2,584,477.93
III. Long-term financial assets												
1. Shares in affiliated companies	2,137,025,411.51	3,416,000.00	0.00	0.00	2,140,441,411.51	442,317,241.96	0.00	0.00	0.00	442,317,241.96	1,698,124,169.55	1,694,708,169.55
2. Other long-term equity investments	1,807,508,611.72	0.00	0.00	0.00	1,807,508,611.72	0.00	0.00	0.00	0.00	0.00	1,807,508,611.72	1,807,508,611.72
	3,944,534,023.23	3,416,000.00	0.00	0.00	3,947,950,023.23	442,317,241.96	0.00	0.00	0.00	442,317,241.96	3,505,632,781.27	3,502,216,781.27
	3,948,183,812.96	3,505,284.05	0.00	2,869,710.19	3,948,819,386.82	443,356,135.52	108,898.81	0.00	563,783.71	442,901,250.62	3,505,918,136.20	3,504,827,677.44
* of which low-value assets in accordance with Section 13 of the Austrian Income Tax Act (Einkommensteuergesetz, EStG)	0.00	10,465.59	0.00	10,465.59	0.00	0.00	10,465.59	0.00	10,465.59	0.00	0.00	0.00

Management report for financial year 2020

I. Report on economic position

1.1 Legal framework

The amendment of the ÖIAG Act 2000, the Federal Real Estate Act (Bundesimmobiliengesetz) and the Financial Market Stability Act (Finanzmarktstabilitätsgesetz) took effect as at 1 January 2019. In accordance with Sections 245 et seq. of the Austrian Stock Corporation Act (Aktengesetz, AktG), Österreichische Bundes- und Industriebeteiligungen GmbH (ÖBIB) was converted to a stock corporation headquartered in Vienna. The company name is now Österreichische Beteiligungs AG (ÖBAG).

In accordance with Section 1(2) of the ÖIAG Act 2000, as amended, the functions of ÖBAG primarily include the following activities:

- active investment management in regard to investments in companies in which ÖBAG is a shareholder or investments that will be transferred to ÖBAG in the future by federal law or under a legal transaction (letter a);
- acquisition of shares in accordance with Section 7(3), (4) and (5) (letter b);
- measures to promote Austria as a business location in accordance with Section 7(5) (letter c);
- external investment management of companies not owned by ÖBAG in accordance with Section 7(a) (letter d); and
- issuing shares (privatisation management) in line with a federal government mandate in accordance with Section 8(1) (letter e).

1.2 Economic environment

A global outbreak of a virus caused by the SARS-CoV-2 coronavirus, referred to as COVID-19, occurred in the early months of 2020 (COVID-19 crisis).

Originating in China in late 2019, the virus became an epidemic in China in January 2020 before subsequently spreading to other countries. Many countries around the world, and particularly the European countries, implemented strict measures to limit the spread of the disease.

As a consequence of the pandemic and the measures to combat its spread, the economy and international trade suffered significant negative impacts in 2020. According to experts from the International Monetary Fund (IMF), this triggered a 3.3% drop in global GDP in 2020.

The European Union reported a particularly sharp drop of -6.1%, while Austria saw GDP fall by -6.6% in 2020.

The IMF predicts that the global economy will see a significant recovery in 2021 and 2022. In light of this assessment, the IMF expects global GDP to rise by 6.0% in 2021 and by 4.4% in 2022. Much lower growth rates are expected in the European Union: 4.4% in 2021 and 3.9% in 2022 (IMF, April 2021).

Experts at the Austrian Institute of Economic Research (Österreichisches Institut für Wirtschaftsforschung, WIFO) expect GDP to rise by 4.5% in 2021 and by 3.5% in 2022, although these estimates are still qualified by the uncertainty surrounding the ongoing COVID-19 crisis.

1.3 Business performance

In 2020, business performance was mainly characterised by the effects of the COVID-19 crisis on Austria as a business location and on ÖBAG's equity investments. Despite major economic challenges, ÖBAG saw its 2020 dividend income of EUR 498.1 million reach nearly the level of the previous year (EUR 499.7 million). At EUR 480.0 million in 2020, ÖBAG distributed higher dividends to the Austrian Federal Ministry of Finance (BMF) and thus made a major contribution to the national budget.

Through requests submitted to the Austrian Federal Ministry of Finance (BMF) and the Austrian Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK) in 2020, ÖBAG also supported the Federal Republic of Austria in developing courses of action for the funding package for Austrian Airlines AG, which was drawn into a financial crisis as a result of travel restrictions in response to COVID-19.

Other major events include the signing of a syndicate agreement with SAZKA Group a.s., the largest shareholder of Casinos Austria AG besides ÖBAG, and the extension for a further ten years of the syndicate agreement with Mubadala Petroleum and Petrochemicals Holding Company LLC concerning the joint investment in OMV.

The income trend in 2020 was characterised on the one hand by stable investment income of EUR 498.1 million (previous year: EUR 499.7 million) and on the other by an increase in costs, particularly for obligations to provide additional funding to APK Pensionskasse. The latter is mainly attributable to the assumption of pension obligations for the former Donaudampfschiffahrtsgesellschaft from the owner, the Austrian Federal Ministry of Finance (BMF).

Net income for the year consequently fell from EUR 492.1 million in 2019 to EUR 483.5 million in 2020 (a drop of EUR 8.6 million or 1.8%).

Total assets rose slightly from EUR 3,513.4 million in 2019 to EUR 3,521.9 million in 2020 (up by EUR 8.6 million or 0.2%), while equity also rose slightly from EUR 3,462.9 million in 2019 to EUR 3,466.4 million in 2020 (EUR +3.5 million or +0.1%).

The value of net financial liabilities was EUR 1.0 million as at 31 December 2020 (previous year: EUR 7.62 million) and the equity ratio amounted to 98.4% (previous year: 98.6%).

As at 31 December 2020, the portfolio value of the ÖBAG equity investments including Verbund amounted to approximately EUR 26.6 billion. This equates to an increase of EUR 3.3 billion compared with the portfolio value of EUR 23.3 billion as at 31 December 2019.

ÖBAG employed an average of 20 salaried employees in 2020 (previous year: 16).

1.4 Report on branch offices

ÖBAG does not have any branch offices.

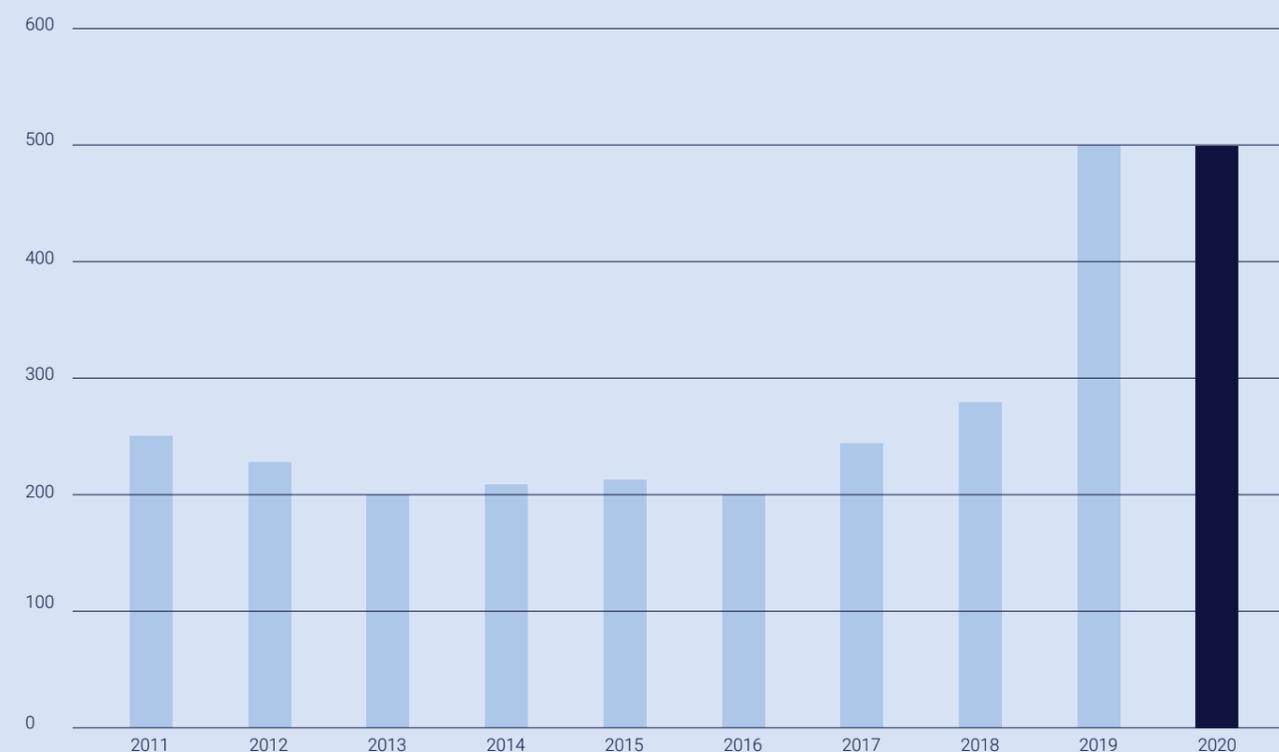
1.5 Research and development

In financial year 2020, no expenses were incurred for research and development.

Risk report

The general risk situation of ÖBAG stems from its statutory mandate in accordance with the ÖIAG Act 2000, as amended. Within the framework of ÖBAG's internal risk management system, risks are regularly identified, monitored and reported in accordance with uniform principles.

Investment income in EUR million



The risk management system implemented for this purpose is generally aligned with the internationally recognised COSO framework. For its application, this system was adapted to fit the structure and needs of ÖBAG.

ÖBAG's risk management system is thus in compliance with the requirements of the guidelines of the Austrian Federal Ministry of Finance (BMF) for establishment of a standard planning, information and reporting system of the federal government for management accounting in the areas of investment and finance (Federal Law Gazette II (BGBl) 18/2019).

The risk management system is supported by an internal control system (ICS) which is appropriately customised to the Company's field of activity.

According to ÖBAG's business model, the greatest financial risks are located in the area of investment risk. Dividend and impairment risks are the most significant in the event of unfavourable performance of subsidiaries, particularly for those companies comprising the largest share of the portfolio value or dividend income.

To mitigate and monitor these risks on an ongoing basis, ÖBAG engages in active investment management based on close coordination with the investees, and the Executive Board or the authorised signatories of ÖBAG exercise supervisory board functions at the major investees. The risk situation is discussed and evaluated at meetings held at regular intervals as well as at special meetings of the Risk Committee held as needed. Therefore, in addition to the regular quarterly meetings, an additional four meetings were held in 2020 due to the heightened risk situation as a result of the COVID-19 crisis.

The liquidity risk is managed within the scope of the Company-wide risk management system and internal control system and is depicted in the form of periodic reporting and planning tools.

Based on service agreements, the operational activities of the treasury are outsourced to the Austrian Federal Finance Agency (ÖBFA). ÖBFA's service-related internal control system is subject to a special audit conducted annually by an auditor. The existence and effectiveness of these internal controls are the subject of this audit.

In accordance with Section 79(6) of the Austrian Federal Budget Act 2013 (Bundeshaushaltsgesetz, BHG), as amended, ÖBAG shall opt for a risk-averse investment strategy. Investments are therefore made in the form of fixed-term deposits with short maturities and on a daily basis in giro accounts.

2. Forecast

Besides 2020, the COVID-19 crisis will also affect 2021. The economic performance in the months to come will depend heavily on the continued progression of the pandemic and the measures taken in connection with it.

ÖBAG remains engaged in ongoing dialogue with the investees on the current developments and potential consequences for the companies.

ÖBAG will continue to exercise its role as a sustainable and reliable partner for companies and the capital market and will make yet another significant contribution to the national budget in 2021.

Vienna, 4 June 2021

The Executive Board
MMag. Thomas Schmid e.h.

Report on the audit of the financial statements for the year ended 31 December 2020

We have completed the audit of the financial statements of Österreichische Beteiligungs AG, Vienna, (referred to as "the Company") for the year ended 31 December 2020 and report on the result of our audit as follows:

1. Audit contract and performance of the engagement

At the annual general meeting of Österreichische Beteiligungs AG, Vienna, on 4 November 2020, we were elected and appointed as auditor for the financial year 2020. The Company, represented by the Supervisory Board, concluded an audit contract with us to audit the financial statements as at 31 December 2020, including the accounting system and the management report pursuant to Sections 269 ff. of the Austrian Commercial Code (UGB).

As by virtue of a special law Österreichische Beteiligungs AG does not exercise control over the subsidiaries it presents in the balance sheet within the meaning of Section 244, the Company is a small corporation pursuant to Section 221 of the Austrian Commercial Code (UGB).

The audit is a statutory audit.

The audit included assessing whether the statutory requirements were adhered to concerning the preparation of the annual financial statements and the accounting system. The management report is to be assessed as to whether it is consistent with the financial statements and whether it was prepared in accordance with the applicable legal regulations.

In our audit, we also observe the obligations set out in Item 14.3.8 of the Public Corporate Governance Code of the Federation (B-PCGK), as agreed.

We conducted our audit in accordance with the legal requirements and generally accepted standards on auditing as applied in Austria. These standards require that we comply with International Standards on Auditing (ISA). An auditor conducting an audit obtains reasonable assurance about whether the financial statements are free from material misstatement. Absolute assurance is not attainable due to the inherent limitations of any accounting and internal control system, and owing to the sample-based test nature of an audit there is an unavoidable risk that material misstatements in the financial statements may not be detected. Areas which are generally covered in special engagements were not included in our scope of work.

We performed the audit, with interruptions, from March to June 2021. The audit was substantially completed at the date of this report.

The auditor responsible for the proper performance of the engagement is Mag. Christoph Harreither, Austrian Certified Public Accountant.

Our audit is based on the audit contract concluded with the Company. The "General Conditions of Contract for Audits for the Public Accounting Professions" issued by the Austrian Chamber of Auditors and Tax Advisors (refer to Appendix 2) form an integral part of the audit contract. These conditions of contract do not only apply to the Company and the auditor, but also to third parties. Section 275 of the Austrian Commercial Code (UGB) applies with regard to our responsibility and liability as auditors towards the Company and towards third parties.

2. Breakdown and description of significant items in the financial statements

The breakdown and description of all significant financial statement items are included in the notes to the financial statements and the management report. Therefore, we refer to the respective disclosures made by the Executive Board in the notes to the financial statements and in the management report.

3. Summary of audit findings

3.1. Compliance of the accounting system and the financial statements and of the management report

During our audit, we obtained evidence that the statutory requirements and generally accepted accounting principles in Austria have been complied with.

In line with our risk and controls-based audit approach and to the extent we considered necessary for the purpose of expressing an opinion, we considered internal controls related to sub-processes of the financial reporting process as part of our audit.

With regard to the compliance of the financial statements and the management report with all applicable statutory requirements we refer to the auditor's report.

3.2. Information provided

The Company's directors provided all evidence and explanations requested by us. We obtained a representation letter signed by the directors which we included in our working papers.

3.3. Reporting in connection with the Public Corporate Governance Code of the Federation (B-PCGK)

Österreichische Beteiligungs AG applies the Public Corporate Governance Code of the Federation (B-PCGK) and has enshrined this in its articles of association as well as the rules of procedure.

When conducting our audit, we did not become aware of any facts that were inconsistent with the preliminary Declaration of Conformity issued by the Executive Board and Supervisory Board for the financial year 2020.

3.4. Reporting in accordance with Section 273(2) and (3) of the Austrian Commercial Code (UGB) (exercising the duty to report)

During our audit we did not note any facts which indicate there could be substantial doubt about the Company's ability to continue as a going concern, or which indicate a material deterioration of the Company's performance or a material offence of the Company's directors or its employees against Austrian law or the Company's articles of association. We did not note any material weaknesses in the internal controls over the financial reporting process. The financial statements do not meet the requirements for the assumed need of reorganization in accordance with Section 22(1) Subsection 1 of the Austrian Corporate Restructuring Act (URG).

4. Auditor's report*

Report on the Financial statements

Audit opinion

We have audited the annual financial statements of Österreichische Beteiligungs AG, Vienna, which comprise the balance sheet as at 31 December 2020, the income statement for the financial year then ended and the notes to the financial statements.

Based on our audit, the accompanying annual financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Company as at 31 December 2020 and its financial performance for the year then ended in accordance with Austrian General Accepted Accounting Principles.

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 financial statements" section of our report. We are independent of the Company in accordance with Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

Other information

The Company's directors are responsible for the other information. The other information comprises all information included in the 2020 annual report but does not include the annual financial statements, the management report and the auditor's report thereon. The 2020 annual report is estimated to be provided to us after the date of the auditor's report.

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

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

Responsibilities of the directors and of the Audit Committee for the financial statements

The Company's directors are responsible for the preparation of the annual financial statements in accordance with Austrian General Accepted Accounting Principles as well as for ensuring that the financial statements give a true and fair view of the assets, the financial position and the financial performance of the Company and for such internal controls as the directors determine are necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Austrian Standards on Auditing, which require the application of ISAs, will 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 ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

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

* This report is a translation of the original report in German, which is solely valid. Publication or sharing with third parties of the financial statements together with our auditor's opinion is only allowed if the financial statements and the management report are identical to the German audited version. This audit opinion is only applicable to the German and complete financial statements with the management report. Section 281(2) of the Austrian Commercial Code (UGB) applies to alternate versions.

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 Company

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

The Company's directors are responsible for the preparation of the management report in accordance with Austrian General Accepted Accounting Principles.

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

Opinion

In our opinion, the management report was prepared in accordance with the valid legal requirements and is consistent with the financial statements.

Statement

Based on the findings during the audit of the financial statements and due to the thus obtained understanding concerning the Company and its circumstances no material misstatements in the management report came to our attention.

Vienna, 7 June 2021

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Gerhard Schwartz
Wirtschaftsprüfer
(Certified Public Accountant)

Mag. Christoph Harreither
Wirtschaftsprüfer
(Certified Public Accountant)

Service

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- 10) see 9), p.35 ff.
- 11) see 9), p.3
- 12) see 9), p.48
- 13) see 9), p.52

Editorial details

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