



Österreichische Beteiligungs AG  
Annual and sustainability report

# 2021 – a year of change

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## ANNUAL REPORT

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## EDITORIAL

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SAFEGUARDING

# ÖBAG 2021 – bringing about sustainable change

As the COVID-19 crisis continued into 2021, it once again became apparent that ÖBAG's patient capital investment approach is providing its portfolio companies with the long-term perspective they need in order to be able to react to emergency situations in an effective way. The declared aim, despite the crisis, was to think in broader and more sustainable terms and to use active investment management as a vehicle to generate added value for Austria and to set out a more permanent direction of travel for the location. The COVID-19 pandemic also necessitated a societal and economic shift and instigated or accelerated complex change momentums in the ÖBAG portfolio companies.

Technical phenomena and innovations moved from peripheral areas to the centre of entrepreneurial activity. The Green Deal put forward by the EU Commission, decarbonisation procedures emerging as part of the fight against the climate crisis and far-reaching transformation processes within our own portfolio companies are all serving as sources of inspiration. As far as ÖBAG is concerned, the focus is on supporting its companies through these long-term and sweeping changes by acting as a reliable partner. The shift which took place in 2021 was driven by the following changes.

2021 was a year of reorientation for the ÖBAG companies OMV AG, Casinos Austria AG and APK Pensionskasse AG.

## **Realignment of OMV under Alfred Stern**

The appointment of Alfred Stern as CEO of OMV AG enabled one of Austria's major listed industrial companies to be ideally positioned for the successful integration of Borealis. The Supervisory Board of OMV installed Alfred Stern as new CEO in June 2021 after ÖBAG had arrived at the view that he would be the optimum candidate for the transformation process. Mr. Stern is in no doubt that the energy transition is inevitable and that a realignment of OMV must necessarily follow. Indeed, he stated: "Changes must be rapid and deep-seated, and acceleration will be required in some cases. "I am pretty much of the view that no oil or gas company will look like it does now in ten years' time." <sup>1</sup>

## **An internationally experienced manager joins Casinos Austria AG**

Dutch-born Erwin van Lambaart, a manager who brings considerable international experience to bear, became Managing Director and CEO of Casinos Austria AG on 1 April 2022. Mr. van Lambaart is a well-versed expert with a comprehensive knowledge of the gambling industry. He will be using the experience he has gleaned from his time at the state-run Holland Casinos to pursue the further development of Casinos Austria AG in conjunction with the company's staff. The appointment of Erwin van Lambaart was the culmination of a transparent recruitment procedure which took place in accordance with international standards and with the assistance of the leadership consultancy firm

*1) Alfred Stern was speaking in an interview with the daily newspaper "Kleine Zeitung" on 3 September 2021.*

Spencer Stuart. The search for a new CEO was conducted on the basis of a uniform process which is governed by the syndicate agreement concluded between the Sazka Group and ÖBAG. This provides the foundation for cooperation within a spirit of trust at ownership level. When he embarked upon his new role on 1 April 2022, Erwin van Lambaart commented: “Casinos Austria enjoys an outstanding reputation in the international gambling sector. Over the coming years, we will be working with executive management and the company’s staff to expand this further.”

#### **APK Pensionskasse AG welcomes two new board members**

Beate Wolf and Manfred Brenner, both specialists in their respective fields, have been appointed to the Executive Board of APK Pensionskasse AG with effect from July 2022. Beate Wolf is a proven pension market expert who previously served on the board of a national severance fund. Manfred Brenner specialises in investment and has held several executive management positions at APK Pensionskasse over the course of the last few years.

#### **New CEO for ÖBAG**

ÖBAG itself also ushered in a new leadership era in 2021. In June 2021, Christine Catasta took over as Chair of the Executive Board on a provisional basis until such time as a new CEO could be appointed.<sup>2</sup> The nomination committee of the Supervisory Board of ÖBAG had been tasked with conducting the succession process in April 2021. In August 2021, the Supervisory Board unanimously decided that

Edith Hlawati should be named as ÖBAG’s new CEO. Ms. Hlawati acceded to this function on 1 February 2022.

#### **Supervisory Board appointments place the emphasis on expertise**

In 2021, ÖBAG continued its policy of recruiting persons with the requisite skills to its important supervisory bodies. Caroline Toifl and Nicole Schachenhofer will bring a high degree of technical expertise to the Supervisory Board of ÖBAG. Ever since its formation, ÖBAG has endeavoured to increase the proportion of women and to enhance diversity on the Supervisory Boards of its portfolio companies.

#### **Location agreement and dialogue on the future of the airline industry**

On the basis of a location agreement concluded between Austrian Airlines, Lufthansa and the Austrian Government, ÖBAG issued invitations to several dialogue events within the sector with a view to discussing the long-term development of the aviation industry. In 2020 and following lengthy negotiations with Austrian Airlines and Lufthansa, ÖBAG succeeded in using the location agreement to safeguard Vienna as a hub for international air traffic.

#### **Networking and a portal for experts**

As well as pursuing its core tasks in 2021, ÖBAG developed a digital knowledge platform called “ÖBAG Perspectives”. CEO Thomas Arnoldner, CEO of Telekom Austria, has contributed an article in which he analyses how digitalisation,

*2) Thomas Schmid announced the termination of his contract of employment in April 2021 following detailed discussions with the Supervisory Board of ÖBAG. He left the company on 8 June 2021.*

the Internet of Things and decarbonisation may boost innovation. As a state holding company, it is incumbent on ÖBAG to scrutinise its companies within the context of their respective sectors. The role played by evaluation issues is estigated by Johanna Feurstein, Head of Controlling at ÖBAG. In terms of value, the ÖBAG portfolio companies account for around a quarter of the ATX, the lead index of the Vienna Stock Exchange. The attractiveness of the Vienna Stock Exchange must also be judged against this background. The article entitled “The changing capital market” provides insights into joint development and sets out the prospects in this respect.

#### **CEO talks and ÖBAG forum on the topic of ESG**

Networking between portfolios was further intensified in 2021 by placing a focus on future issues and trends. ÖBAG organised specialised discussion events and CEO talks (information formats which the CEOs of the portfolio companies used for the purpose of knowledge transfer) as well as staging an international digital conference on the topic of “Sustainability as a growth booster”. Within the scope of the established ÖBAG Forum, experts from various branches and representatives of NGOs and civic society addressed all the associated dimensions of ESG. The keynote address was given by Marcus Wallenberg, an entrepreneur who also chairs the Wallenberg Foundation in Sweden. The [sustainability section](#) of the present report contains more information on this issue.

## Foreword by the Minister of Finance

*Magnus Brunner has been the Federal Minister of Finance since 6 December 2021. Prior to this point, he was State Secretary at the Federal Ministry for Climate Action, the Environment, Energy, Mobility, Innovation and Technology, a position to which he was appointed on 7 January 2020*



The year 2021 was massively affected by the negative impacts of the COVID-19 pandemic, which virtually no national economy anywhere in the world was able to avoid. The Austrian Federal Government thus faced the particular challenge of protecting the health of the people in our country whilst also seeking to navigate the best possible route through the crisis for the domestic economy and labour market. A broad mix of measures comprising rescue packages, funding schemes and relief programmes was made available. This formed a major protective screen which remained in place.

We rapidly implemented a powerful raft of support instruments such as short-time working arrangements, tax respites, guarantees, reimbursements for lost sales, special bonus payments and grants to cover fixed costs. This approach allowed us to offer companies the best possible assistance through the crisis and established the prerequisites for a successful bounce back.

Short-time working alone permitted 1.3 million jobs to be saved. The facts on the ground confirm the correctness of the route we have taken. The generous assistance we provided is one of the reasons why only four EU countries currently exhibit better growth predictions for 2022 than Austria.

ÖBAG is particularly keen to embrace its responsibility during periods which are economically challenging. It brings together important leading Austrian companies under a single roof, and this makes it both a major employer and a guarantor for the securing of Austria as a business location.

Despite the fact that 2021 has been beset by crisis, the investments of the Republic of Austria, which are administered by ÖBAG, have progressed in a highly encouraging way. Portfolio value, including shares in the ÖBAG-managed Verbund AG, was around €34.7 billion at the end of the year. This positive development has also been reflected in the dividends paid by ÖBAG and Verbund AG. In 2021, the total sum distributed (for the 2020 financial year) increased to more than €650 million. ÖBAG has opted to pursue an active form of investment management which focuses on sustainable and long-term value creation for taxpayers. This was an important decision and the right direction of travel to embark upon.

The adoption of a positive and professional portfolio management structure has proved its worth, especially in times of crisis. I would like to take this opportunity to thank ÖBAGs employees for the commitment they have shown. I wish them all the best and every success in their future work. Stay safe.

Best regards

**Magnus Brunner**

Federal Minister of Finance

## Statement by the Chairman of the Supervisory Board

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



ÖBAG was instigated in its present form in 2019 with the statutory remit of securing Austria's status as a location for business and research. This also encompasses the objectives of safeguarding jobs and creating new employment opportunities whilst according due consideration to maintaining and increasing the value of the portfolio companies. It is highly unlikely that anyone in 2019 could have envisaged the intensity with which the pandemic would unfurl or would have been able to foresee the economic and political crises which would assail both Austria and the world and place the fulfilment of the remit described above in a completely different light. The war in Ukraine, which broke out at the start of 2022, represents the current culmination of this critical period.

World politics and the global economy have been exposed to tensions and distortions which are not yet quantifiable. Many observers are of the view that we are at the outset of changes which will lead to a new world order. Whatever the nature of this may be, it is evident that state investors will become more significant shapers of world events. Especially for a small country such as Austria, this makes it all the more important that the investments in major national firms pooled within the state holding company ÖBAG are able to act as a stabilising factor. ÖBAG is a core shareholder which adopts a multi-generational perspective. Its long-term "patient capital" approach guarantees that it can operate as a professional owner and safeguard the country's interests in key industries. ÖBAG is thus able to make a contribution to overcoming the present challenges by assuming responsibility for all Austrians, including those of future generations. In 2021, the portfolio companies were able to demonstrate their resilience and their crucial importance to Austria. Outstanding management and committed and motivated employees at our portfolio companies have materially assisted in mastering the economic consequences of the pandemic. Stability of the critical infrastructure and the supply of energy and communication services was secured at the very highest level of quality. At the same time, a record dividend of €766 million helped reduce the burden on state finances.

Another of the key factors behind this success was the continuing superb collaboration with the three syndicate partners Mubadala, América Móvil and the Sazka Group.

ÖBAG itself also underwent change during the year 2021. In the first half of the year, events surrounding the person of Thomas Schmid led to his departure from the company after pressure was exerted by the Supervisory Board. Christine Catasta subsequently headed up the company on an interim basis until the beginning of 2022. The Supervisory Board would like to thank Christine Catasta for assuming executive management responsibility for ÖBAG over this transitional period. Gratitude is also due to the whole of the ÖBAG team for their considerable and indefatigable commitment and for the work they have put in to establish ÖBAG during the first two and a half years of its existence. Edith Hlawati was appointed as the new CEO of ÖBAG at

the end of August 2021 following a unanimous vote. Ms. Hlawati and the expanded Executive Board she has gathered officially commenced their work on 1 February 2022. Edith Hlawati boasts a wealth of knowledge in the field of state-owned holding companies. She is the ideal person to take up the reins, and the Supervisory Board is confident that, under its new leadership, ÖBAG will continue to tackle its major upcoming tasks in an exemplary way whilst acting in the best interests of the company's owners – all Austrians. It is a long time since the significance of a strong state core shareholder in companies operating in key sectors has been as high as it is today.

Best regards

**Helmut Kern**

Chairman of the Supervisory Board of ÖBAG

## The goal of our activities

*Edith Hlawati is the CEO of ÖBAG. She is an experienced commercial lawyer who mainly deals with the areas of stock corporation law, the capital market, M&A and governance. Edith Hlawati's most recent role was as Senior Partner at the legal firm Cerha Hempel.*



The report you are holding in your hands tells the story of an extraordinary year of change in the ÖBAG universe. Sometimes this change has arisen internally, whilst on other occasions the impetus has come from outside the company. In all cases, however, change has caused those with management responsibility to act and to use the existing momentum to bring about improvements.

All of this starts within ÖBAG itself. In the 2021 reporting year, the Supervisory Board of ÖBAG embraced its role as a monitoring body following the resignation of the CEO. It moved quickly to ensure that the company remained fully capable. But change also occurred in the ÖBAG portfolio companies. New board members or CEOs were appointed at three out of the seven. These appointments were in all instances associated with strategic and operational realignments and optimisations.

All portfolio companies achieved progress in the areas of corporate governance and sustainability. I emphasise this circumstance in the knowledge that the international standards relating to these two issues are in a constant state of flux (the usual outcome being that regulations are tightened).

The financial year 2021 ultimately led to business success for all our portfolio companies. As a result of the resolutions adopted at their Annual General Meetings, ÖBAG portfolio companies including Verbund will pay the state total dividends of €766 million. This represents an increase of 17 percent compared to the financial year 2020. The portfolio value of ÖBAG rose by €8.1 billion to reach €34.7 billion.

Will this gratifying development continue in 2022? There are good reasons to doubt that it will. On 24 February 2022, the Russian Federation launched its attack on Ukraine. War is being waged in Europe, and no one can predict what the ramifications will be. Once again, we find ourselves facing huge changes which will affect every part of the economy and of society. The executive management of the portfolio companies and we at ÖBAG are working to arrive at the right responses to these challenges. By “right”, we mean what is right for Austria as a whole.

Best regards  
**Edith Hlawati**  
 CEO of ÖBAG

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ACTING

# Facts and Figures

ÖBAGs sole or joint ownership of its portfolio companies represents the interests of Austria's citizens. In its capacity as a reliable shareholder and stakeholder, ÖBAG is actively committed to the maintenance and expansion of domestic value creation. The ÖBAG portfolio covers large sections of Austria's key industries. It makes a significant contribution to tax receipts, safeguards important jobs and retains know-how in the country. BIG, one of Austria's largest property management companies, was added to the portfolio in 2019. As of 2021, ÖBAG is thus managing eleven portfolio companies. Verbund AG is operated on behalf of the Federal Ministry of Finance on the basis of a management agreement.

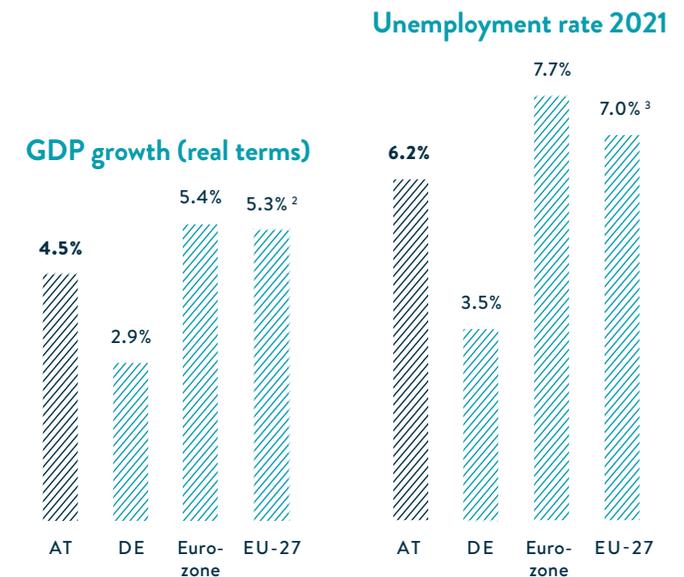
## Economic environment 2021

In contrast to 2020, the 2021 business year was characterised by recovery from the COVID-19 pandemic. Economic growth achieved a strong rebound effect in Austria and in further OECD and EU countries. Differences between individual countries arise as a result of the extent of the economic collapse brought about by the economic collapse of the previous year and due to the varying significance of tourism-dependent services for the overall economy. GDP in Austria rose by 4.5 percent in 2021 (2019: +1.5 percent, 2020: -6.7 percent). Austria displays a below-average performance amongst the group of EU countries, and the recovery effect was comparatively weak.

1) ÖNB Gesamtwirtschaftliche Prognose, <https://www.oenb.at/Geldpolitik/Konjunktur/gesamtwirtschaftliche-prognose.html>, status December 2021.

2) WIFO Wirtschaftsdaten, <https://www.wifo.ac.at/daten/wifo-wirtschaftsdaten>, status 8. 4. 2022.

3) WIFO Wirtschaftsdaten, <https://www.wifo.ac.at/daten/wifo-wirtschaftsdaten>, status 8. 4. 2022.



In the fourth quarter, the pandemic once again gave rise to a lockdown in Austria, and this in turn produced a further reduction in economic activities. International supply and capacity bottlenecks and sharp increases in the prices of primary raw materials also exerted an inhibiting effect on economic development.<sup>1</sup>

As far as the labour market in 2021 is concerned, the trend towards rising employment, which has been ongoing in Austria for many years, did not continue because of the lockdown occasioned by COVID-19. According to the Austrian Institute of Economic Research (WIFO), the unemployment rate rose to 6.2 percent in 2021. Despite take-up of the COVID-19 short-time working arrangements, unemployment thus increased compared to the previous year (6.0 percent in 2020). Recovery in more contact-intensive industries such as

5%

of GGP

18

gross value creation  
(in € billions)

157,500

Jobs

9.4

Taxes and duties  
(in € billions)

tourism has not yet been sufficient for a return to pre-crisis levels. In European comparative terms, however, Austria's unemployment rate was significantly below the levels recorded for the eurozone (7.7 percent) and for the EU-27 (7.0 percent).

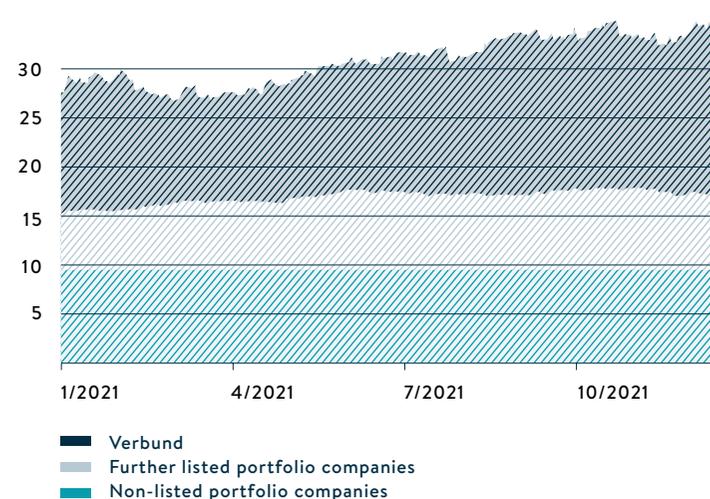
#### Impact of the ÖBAG companies

The ÖBAG portfolio companies made a major contribution to the successful development of Austria as an economic location. This is also reflected in their input towards Austrian GDP, which is estimated at 5 percent. The eleven companies provided a significant contribution to the Austrian national budget by paying over €9 billion in taxes and duties, including corporation tax, OMVs mineral oil tax and the gambling duties of Casinos Austria.<sup>4</sup>

#### The ÖBAG portfolio – further development

The ÖBAG portfolio encompasses eleven companies, including listed companies such as OMV AG, Telekom Austria AG, Verbund AG and Österreichische Post AG.

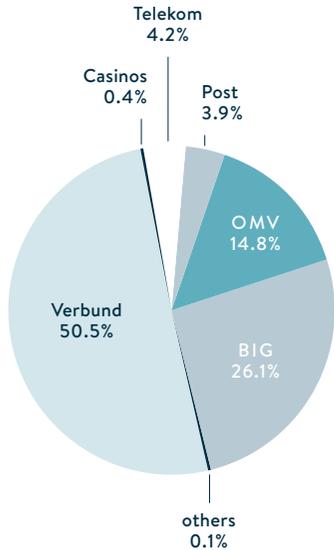
Portfolio value development 2021  
in € billions



Total value of the ÖBAG portfolio companies rose by €8.1 billion in 2021. This increase was largely due to the stock market performance of Verbund and OMV, which surged by around €5.1 billion and around €1.8 billion respectively. Values of ÖBAGs other listed and non-listed portfolio companies also saw an increase. Verbund AG accounted for 50.5 percent of total portfolio value as at the end of 2021, the largest proportion. It was followed by BIG with a share of 26.1 percent and OMV at 14.8 percent.

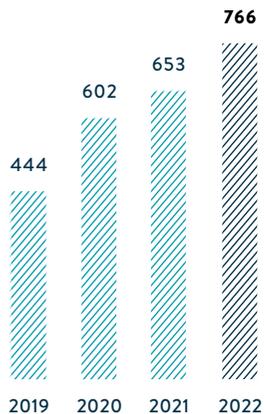
<sup>4</sup>IHS study on the impact of the ÖBAG portfolio companies in 2022. The figures relate to the year 2021 as a whole.

### Share of the portfolio value 2021



### Dividend distribution to the Republic of Austria

in € millions



### ÖBAG on the capital market

A strong recovery on the international markets was discernible in 2021, following a turbulent year for global stocks in 2020 as a result of the uncertainties created by COVID-19. The Austrian capital market and the Vienna Stock Exchange were in particular more than able to compensate for the losses incurred in the previous year. Austria's benchmark index, the ATX, rose by 38.9 percent in 2021. All four listed ÖBAG companies recorded a rise in their share prices in the financial year now ended. The OMV share gained 51.4 percent, and the Verbund share went up by 41.6 percent. Because of their high weighting within the ATX (these two companies make up around a fifth of the index and form part of the ATX FIVE), OMV and Verbund proved to be major drivers of the Austrian stock market. Telekom Austria shares rose by 19.3 percent in 2021, whilst the Österreichische Post share went up by 29 percent.

The overall effect of this development was an increase in value of the shares managed by ÖBAG to €34.7 billion. This represents a rise of €8.1 billion or 30 percent in 2021 as compared to the previous year. In the case of non-listed ÖBAG companies, share values rose to an asset value of €9.2 billion.

### Share price performance 2021

Indexed as of 1 January 2019



### Increase in dividends for the financial year 2021

2021 did not merely deliver overall success with regard to the increase in value of the ÖBAG companies. There was also a positive development with regard to dividends. The ÖBAG companies paid a total of €653 million in dividends to the Austrian government in 2020. Dividend payments from the ÖBAG companies to the Republic of Austria for the financial year 2021 are scheduled to be €766 million. This constitutes a dividend increase of 17 percent compared to the previous year.

# Strategy & Mission – repositioning of ÖBAG

The change of CEO in February 2022 instigated a repositioning of ÖBAG. Over the coming years, Österreichische Beteiligungs AG (ÖBAG) will focus on the core task of professional investment management as stipulated in the ÖIAG Act. The objective is to strengthen the portfolio companies and Austria as an economic location.

On this basis, ÖBAG will ensure that a reliable and significant contribution is made to the federal budget, will work actively to achieve a long-term increase in the value of its portfolio companies and will instigate measures to promote Austria as a business and research hub. ÖBAG will also fulfil its statutory remit to provide protection against any takeovers which may have repercussions for a key industry. The law affords it the opportunity to support companies which are of relevance to Austria’s success as a business location by taking minority shareholdings or by providing financing or guarantees – if the companies so wish.

The most important element in ÖBAGs investment management is the work carried out by the supervisory boards at the portfolio companies. For this reason, great care is taken to ensure that supervisory board members are selected on the basis of the very highest level of expertise and that they are politically independent. A new management structure with an “Executive Board” has been established in order further to enhance specialist expertise and the quality of decisions made within ÖBAG. This expanded board comprises three persons and operates in accordance with the six-eye principle. Cross-cutting decisions relating to the portfolio which require approval from the ÖBAG Supervisory Board must be taken on the basis of a resolution which has been unanimously adopted. This is a voluntary commitment. Edith Hlawati remains sole CEO.

## ÖBAG WANTS

To be a reliable partner which will increase the value of our portfolio companies.

To make sure that the supervisory board members whom it appoints to the portfolio companies are in possession of the very highest level of expertise and display political independence.

To assume societal responsibility.

To create sustainable added value and secure the location.

To act as a professional partner on the capital market and operate in accordance with international governance standards.

ÖBAG will also endeavour to drive forward its international networking and will in future institutionalise a regular exchange of views with other investment holding companies and state funds. The focus here will be on the swapping of expertise, on the matching of standards and on the deep analysis of examples of best practice. A further objective is the extension and consolidation of knowledge exchange between internal and external stakeholders in the area of ESG (Environmental, Social, and Corporate Governance). The vehicles to facilitate this will include various scientific cooperation agreements, regular publications and a targeted stakeholder engagement process.

## **A question of benefit The value promise of ÖBAG**

### **What benefit do ÖBAGs activities deliver for the state in its capacity as owner, and what are the benefits for the companies themselves?**

Most of the portfolio companies are undergoing processes of transformation with regard to their business models as well as in respect of sustainability, digitalisation and innovation. These processes have in some cases been accelerated by the COVID-19 pandemic, and international climate goals have also brought about a sweeping subsequent sharpening of previous objectives addressed in ESG strategies and in decarbonisation

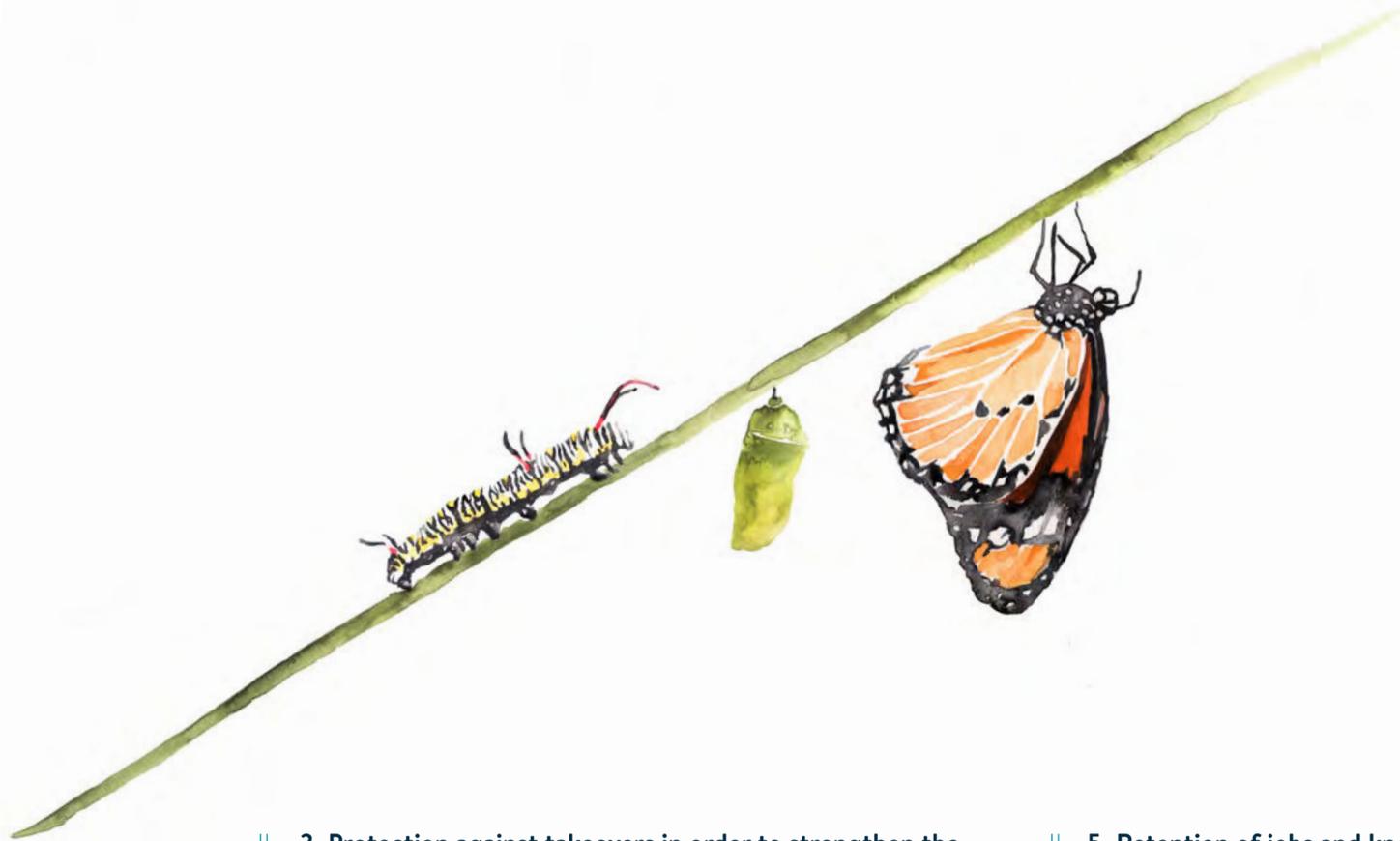
measures. ÖBAG will support the companies in their transformation processes and decisions by providing professional supervisory board work and by acting as a professional portfolio manager and a reliable partner.

### **1. Contribution to the positive performance of the companies**

We hold our investments for the long term without any intentions of disposal and view ourselves as an independent and long-term partner for the management and staff of our companies. All our activities are directed towards the retention of value and towards the achievement of an economically positive performance by the portfolio companies. At the same time, we are seeking modernisation for future generations.

### **2. Security of supply and contribution to the state budget**

The portfolio companies also stand for security of supply in Austria, regardless of whether this refers to educational buildings, energy networks or power stations. The ÖBAG portfolio companies make important investments in Austria. They safeguard jobs and pay billions in taxes and duties. In addition, these leading companies also pass on part of their profits to the state budget via ÖBAG in the form of dividends. All of this adds up. Taking all eleven portfolio companies together, €766 million in dividends will be paid over to the Republic of Austria for the financial year 2021.



**3. Protection against takeovers in order to strengthen the economic location**

ÖBAG also bears a responsibility within the scope afforded to it by the ÖIAG Law to ensure that protection against takeovers is provided in circumstances where an acquisition would have significant repercussions for key industries.

**4. Research and development as future investments**

ÖBAG uses the boards of the portfolio companies to encourage cross-cutting cooperation in research and development activities.

**5. Retention of jobs and know-how**

Within the scope of syndicate agreements concluded with other major shareholders, ÖBAG pursues the goal of retaining and augmenting high-quality jobs and know-how in the location of Austria.

**6. Further development in climate protection and sustainability**

ÖBAG developed an ESG monitoring system for its portfolio companies in 2021. The aim is to measure and reduce the companies' CO<sub>2</sub> emissions.

# Independent in our heads

## Interview with Edith Hlawati, CEO of ÖBAG

*Change is the leitmotif of this report.*

*What do you personally associate with the word change?*

As a lawyer, I have a strong affinity with facts. My personal connection with change is my appointment as CEO of ÖBAG. Prior to this, I had been working as a lawyer for over 30 years and had advised ÖBAG and its predecessor organisations on a wide range of topics. When I applied for the role, it was therefore clear to me that all of ÖBAG's portfolio companies are undergoing a transformation. This shift, which we will now support in our capacity as the body representing owners, inspired me to seek the position. To this extent, I have been heavily involved with the subject of change at a personal level, particularly in the second half of 2021.

*You describe the make-up of the supervisory bodies of the portfolio companies as your most important tool.*

*What are your expectations of the supervisory board members you nominate?*

We expect them to bring their professional expertise and experience to bear in order to provide the respective company with the maximum level of support and thus implement the interests of the state, the owner, in the best possible way.

Selection of supervisory board members for our portfolio companies is based on a requirements profile which sets out the challenges the companies are facing. We use this as a

foundation to look within our existing pool of experts, or else we embark on an external search to identify persons with the appropriate profile and necessary expertise.

*Which companies in the ÖBAG portfolio are currently executing radical change or setting out in crucial new strategic directions, and how does ÖBAG exert an influence on this in its capacity as the core shareholder?*

Companies are undergoing change, but the same is true for the whole of the economy. The major challenge is dealing with this change. Is it perceived as a threat or as an opportunity? I have been in post since February, and all the listed companies in our portfolio have been exposed to an entirely different challenge as a result of the war in Ukraine. In some cases, there are material and strategic implications. Our task is to act from the point of view of a core stakeholder which orients itself to the long term, to advise management on decisions and to guide companies through the crisis by offering a steady hand.

*The ÖBAG portfolio companies currently provide 157,500 jobs. How does ÖBAG live up to the social responsibility which flows from this?*

That's a good question, since it enables me to clarify our remit. The companies themselves bear their own social responsibility, and this is one of their inherent tasks. ÖBAG is able to exercise influence via the supervisory boards, and this

is precisely what we do. For example, we used the supervisory boards of Post and Telekom as a vehicle to introduce the Women's Career Index. After only a few years, success and progress are already discernible. The role of ÖBAG is to deliver professional administration – in the best sense of the word – to companies in which the state holds a stake. It is not our job to stand on the sidelines and keep shouting out to management what it needs to do.

*The largest companies in the ÖBAG portfolio perform essential functions in terms of securing Austria's infrastructure and supply systems. What can ÖBAG do in order to ensure that the very highest priority is accorded to these tasks?*

Infrastructure serves the common good. On the other hand, the quality of our infrastructure benefits from the innovation and productivity of the private sector. I am confident that we have a good model. Infrastructure companies are subjected to the mechanisms of competition, but there is also an independent core stakeholder to make sure that strategic protection is given to fundamental socio-economic interests. But such a model only works if a company in which the state has a holding can be managed in a way which is independent of everyday politics.

*Die ÖBAG describes itself as an "independent holding company". Is that true?*

In the actions we undertake, we bear a responsibility to all of Austria, in other words to the state as a whole. This extends beyond the terms of appointments to corporate bodies and across legislative periods. We are right to designate ourselves as an independent holding company, even though that is an abbreviated term. Of course, there is no independent joint stock company. It would be preposterous to have a corporation which is detached from the will of its owners. Ultimately, we have a sole owner in the form of the Federal Ministry of Finance, which represents the state. But in our heads we are independent. We produce measurable results, free from political exhortations, and the transparency of our actions makes us independent.

The prerequisites for this are excellent. We have a good law to serve as a basis. We have a compact and committed team. And we have successful companies in the portfolio. ÖBAG is well constructed and well aligned. It produces valuable work for Austria.

# Corporate bodies, team and legal foundation

## CEO of ÖBAG

Edith Hlawati

## Directors of ÖBAG

- Aakriti Chandihok, *Director, Head of Legal and Compliance*
- Martin Holzinger, *Director, Head of Finance and Operations*
- Robert Stajic, *Executive Director*
- Carola Wahl, *Executive Director*

## Changes in ÖBAGs management team

The former director Christine Catasta acted as interim CEO of ÖBAG in 2021. This became necessary after Thomas Schmid terminated his employment with the state holding company in April 2021. Christine Catasta formed the management team of ÖBAG together with the directors Aakriti Chandihok and Martin Holzinger. Maximilian Schnödl also acted as a director of ÖBAG in 2021. In June 2021, the Supervisory Board of ÖBAG embarked on a structured succession process for the position of CEO. Edith Hlawati has been CEO of ÖBAG since February 2022. When she took on the role, she introduced an expanded Executive Board. The aims were to equip ÖBAG with additional specialist expertise and to strengthen the monitoring function of the supervisory boards at the portfolio companies.

## Composition of ÖBAGs Supervisory Board

Two new members were elected to the Supervisory Board of ÖBAG at the Annual General Meeting in June 2021. The lawyer and tax consultant Caroline Toifl joined as a shareholder representative. Nicole Schachenhofer, a works council member at OMV, was a further new appointment. She will act as an employee representative.

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

## Members

- Susanne Höllinger
- Iris Ortner
- Caroline Toifl

## Employee representatives

- Helmut Köstinger
- Werner Luksch
- Nicole Schachenhofer

**ÖBAG is a stock corporation with a clear statutory remit**

The first key step towards professional investment management was taken following 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.



# ÖBAG portfolio companies have withstood the coronavirus crisis very well

**An IHS study shows that, by 2021, gross value creation, contribution to GDP and employment – the most important key performance indicators for companies in the investment portfolio – had already returned to levels significantly above those recorded prior to the coronavirus crisis.**

The seven operational companies from the ÖBAG investment portfolio displayed an enormous degree of stability throughout the coronavirus pandemic. Evidence of this comes in the form of a study conducted by the Institute for Advanced Studies (IHS), which subjected the key economic indicators from the years 2019 -2021 to closer scrutiny. Although 2020 resulted in noticeable declines for the ÖBAG portfolio companies because of the COVID-19 pandemic, by 2021 the most important factors were already displaying figures that were well above the pre-crisis level by 2021.

**More employees, more value creation, higher contribution to GDP**

The IHS shed light on both the direct and indirect effects experienced by the eleven portfolio companies, for example in the case of the intermediate goods and services sourced by the ÖBAG companies. The analysis also included induced effects created by the spending of salaries by direct and indirect employees (consumption induced) and by the investments made by the company along the value chain (investment induced).

Total gross value creation for 2019 was €14.7 billion. After a decrease in 2020 to €12.9 billion in the wake of the pandemic, the figure for 2021 rose to €18 billion. This represents an increase of 22 percent compared to the year before the crisis took hold. Contribution to gross domestic product (GDP) also developed along the same lines. The figure for 2019 was €16.5 billion. After a correction down to €14.4 billion in 2020, 2021 saw the contribution rise to €20.1 billion (also an increase of 22 percent). The eleven ÖBAG companies outperformed overall economic development. Contribution to GDP went up from 4.1 percent in 2019 to 5 percent in 2021.

ÖBAG is also an important factor for the labour market. In 2019, the ÖBAG companies employed 38,800 staff. Even in the core coronavirus year of 2020, this figure rose to 39,700 and reached a new record level of 41,100 employees last year. However, employment effects extend far beyond the ÖBAG portfolio to yield direct and indirect impacts on the labour market. Taking all these factors into account, the state holding company was responsible for 144,700 contracts of employment in 2019. In this case too, a decline to 130,700 jobs occurred in 2021. A sharp rise to a total of 157,500 employees in 2021 then took place.

ÖBAG is also a significant and long-term payer of dividends. In 2020, the ÖBAG companies including Verbund distributed over €653 million to its owner, the Republic of Austria. This was the highest amount since records began. We are also pleased

to report that cumulated tax payments have returned to pre-crisis levels following a slight fall in 2020. Taxes and duties in the amount of some €8.8 billion were paid in 2019. This sum decreased to €7.7 billion in 2020 before bouncing back to €9.4 billion in 2021.

Rising revenues are also reflected in the valuation of the ÖBAG portfolio. As of 31 December 2019, prior to the beginning of the coronavirus crisis, the total value of all eleven portfolio companies was €26.6 billion. At the cut-off date of 30 December 2021, it was €34.7 billion. This represents a value growth of €8.1 billion or 30 percent.

#### **Economic contribution of ÖBAG 2019-2021**

The updated results of the study “Economic contribution of ÖBAG 2019-2021”, which now completely encompass the years from 2019 to 2021, are presented here.

### Economic effects of the ÖBAG companies – overall terms

Key indicator	of which			Total
	direct	indirect	induced	
<b>2019</b>				
Gross value creation (in € millions)	5,636.2	5,654.1	3,450.4	14,740.7
GDP contribution (in € millions)	6,307.3	6,327.3	3,861.2	16,495.8
Contracts of employment (in thousands)	38.8	60.8	45.2	144.7
Employment in full-time equivalents (in thousands)	36.1	51.9	37.0	125.0
<b>2020</b>				
Gross value creation (in € millions)	5,115.1	4,858.5	2,891.1	12,864.7
GDP contribution (in € millions)	5,723.3	5,436.1	3,234.8	14,394.2
Contracts of employment (in thousands)	39.7	52.8	38.2	130.7
Employment in full-time equivalents (in thousands)	36.9	45.2	31.0	113.1
<b>2021</b>				
Gross value creation (in € millions)	7,906.4	6,258.0	3,821.7	17,986.0
GDP contribution (in € millions)	8,838.2	6,995.6	4,272.1	20,105.9
Contracts of employment (in thousands)	41.4	66.9	49.2	157.5
Employment in full-time equivalents (in thousands)	38.5	57.2	40.3	136.1

Note: Rounding differences may occur when the results are totalled. Source: IHS 2022.

### Volume of taxes and duties generated by the ÖBAG companies in Austria in overall terms, in € millions

Key indicator	2019	2020	2021
Social insurance	2,001.7	1,813.3	2,224.7
Social Fund	322.4	292.9	381.4
EU	10.8	9.3	11.7
Federal Government	4,343.0	3,758.8	4,543.7
Federal states	1,378.8	1,196.1	1,450.8
Local government authorities	856.4	748.2	906.0
Subsidies*	-107.9	-93.1	-123.8
Total taxes and duties	8,805.3	7,725.5	9,394.5

Note: Rounding differences may occur when the results are totalled.

\* General goods and production subsidies, does not include any state grants that may have been issued to ÖBAG and its portfolio companies. Source: IHS 2022.

### Economic sectors deriving the greatest benefit by gross value creation – ÖBAG companies in overall terms, 2019-2021

Sector	2019		2020		2021	
	Ranking	GVC in € millions	Ranking	GVC in € millions	Ranking	GVC in € millions
Building installation and other finishing activities	1.	457.2	1.	421.1	2.	504.2
Wholesale (not including motor vehicles)	2.	433.9	2.	369.9	1.	528.7
Accommodation and catering	3.	373.6	8.	217.5	11.	275.4
Construction	4.	348.9	3.	328.2	4.	368.8
Provision of information technology services, information services	5.	337.4	5.	286.9	5.	342.0
Provision of financial services	6.	317.6	4.	288.3	3.	388.9
Retail (not including motor vehicles)	7.	312.9	6.	277.6	6.	341.0
Provision of business services not otherwise stated	8.	295.3	7.	249.0	7.	324.2
Personnel leasing	9.	261.8	11.	183.3	10.	278.8
Repair and installation of machines	10.	238.6	10.	191.7	8.	299.6

Note: The sectors in which the ÖBAG companies mainly operated are excluded for data protection reasons. Source: IHS 2022.

**Economic sectors deriving the greatest benefit by employment in full-time equivalents (FTE) – ÖBAG companies in overall terms, 2019-2021**

Sector	2019		2020		2021	
	Ranking	Thousand FTEs	Ranking	Thousand FTEs	Ranking	Thousand FTEs
Building installation and other finishing activities	1.	7.3	1.	6.8	1.	8.0
Retail (not including motor vehicles)	2.	5.8	2.	5.2	2.	6.3
Accommodation and catering	3.	5.1	6.	3.0	6.	3.7
Personnel leasing	4.	4.9	5.	3.4	4.	5.2
Provision of business services not otherwise stated	5.	4.9	3.	4.2	3.	5.2
Wholesale (not including motor vehicles)	6.	4.3	4.	3.7	5.	5.1
Provision of information technology services, information services	7.	3.4	7.	2.9	7.	3.5
Construction	8.	2.7	8.	2.6	10.	2.9
Repair and installation of machines	9.	2.7	12.	2.1	8.	3.3
Architectural and engineering firms	10.	2.6	10.	2.3	12.	2.7

Note: The sectors in which the ÖBAG companies mainly operated are excluded for data protection reasons. Source IHS 2022.

## PORTFOLIO

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# ÖBAG's investment portfolio

## The main ÖBAG portfolio companies

Key indicator	Verbund	OMV	Telekom Austria	Post	BIG	CASAG	APK
Sales revenues in € millions	4,776.6	35,555.0	4,748.3	2,519.6	1,239.7	n/a	22.7
EBIT in € millions	1,266.8	5,065.0	753.4	204.7	1,258.3	n/a	17.2
Employees	3,184	22,434	17,856	27,275	1,003	n/a	103
Value of ÖBAGs stake in € millions	17,523.3	5,149.4	1,439.2	1,349.5	9,054.0	135.0	20.0
ÖBAGs share in % terms	51.00%	31.50%	28.42%	52.85%	100.00%	33.24%	32.97%

In its capacity as a state investor, Österreichische Beteiligungs AG manages eleven state holdings with a total value of around €34.7 billion (as of 31. 12. 2021). ÖBAG's work focuses on professional investment management with the aims of increasing the value of its portfolio over the long term and of achieving sustainable dividend development.

ÖBAG is also aware of the societal responsibility it bears. It has laid out relevant cross-cutting climate objectives and is a professional partner on the capital market. ÖBAG has set itself the goal of strengthening Austria as a business location in order 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. The portfolio companies

make a significant contribution to Austria's tax receipts, secure 157,500 jobs and retain know-how within the country. In its capacity as a reliable and long-term investor, ÖBAG is actively committed to the maintenance and expansion of domestic value creation.

### Additional portfolio companies

ÖBAG manages four further holdings in the form of FIMBAG, GKB Bergbau, IMIB and Schoeller-Bleckmann. The activities of these companies are primarily directed towards the orderly winding up of outstanding business transactions and/or restricted to instigating closure and protective measures enshrined in law.

# Österreichische Post AG

**2,519.6**

Group sales revenues  
(in € millions)

**204.7**

EBIT (in € millions)

**1.90**

Dividend per share  
(in €)

Österreichische Post is a supplier of postal, logistics and other services which operates at an international level and is of crucial significance to Austria. In addition to delivering letters, direct mail, print media, small parcels, packages and express deliveries, Österreichische Post offers a range of logistics solutions and innovative online services. It also offers high-quality products and services in the fields of banking and telecommunications. The postal service's international operations also maintain a selective presence in seven Central and Eastern European countries as well as in Turkey.

Österreichische Post AG enjoyed a very successful year in 2021. 79.4 percent of revenue was generated within the Austrian market. The national and international letters and parcels environment improved markedly following the difficulties occasioned by the pandemic in 2020. This area of the business now produces larger revenues than the letter service. Post AG accounts for 53 percent of

## CHANGES IN 2021

453 million parcels were dispatched across the group in 2021, a record amount. At the end of 2021, Post AG's subsidiary company bank99 took on the retail customer business of ING in Austria. This means that bank99 has around 250,000 customers.



	2020	2021
<b>Group sales revenues (in € millions)</b>	2,192.0	2,519.6
EBIT (in € millions)	160.6	204.7
Net income (loss) (in € millions)	115.3	158.4
Investments/asset additions (in € millions)	143.3	161.2
Free operating cash flow (in € millions)	125.7	217.9
Dividend per share (in €)	1.60	1.90
Number of employees	22,966	27,275
Letters/items of direct mail delivered (in millions)	4,560	4,504
Parcels sent within Austria (in millions)	166	184

the domestic parcels market. The corresponding figure for private customers is 62 percent. Group sales revenues rose by 14.9 percent in 2021. 5.7 percent of this increase was due to organic growth, and 9.2 percent arose as a result of the full consolidation of Aras Kargo, a Turkish subsidiary. A consolidation in the parcels business was recorded in the fourth quarter following pandemic-related effects in the first three quarters of the year. In the parcels and packages market, which is subject to fierce competition, Österreichische Post succeeded in increasing volumes further amid growing competitive and price pressure. In 2021, Post distributed 615 million letters, 399 million addressed direct mailings, 2.8 billion unaddressed mail shots, 307 million items of print media, 338 million regional media items and 184 million parcels.

The delivery of parcels, packages and express deliveries has formed the core business of the Parcels & Logistics Division for many years. Österreichische Post AG transported 452 million parcels, packages and express deliveries and documents across the group in 2021. The company handled 184 million mail order items, private customer parcels and B2B deliveries, making it the country's leading service provider in these fields. Österreichische Post AG delivered 217 million parcels and documents in Turkey and distributed 52 million parcels in seven further countries in South-eastern and Eastern Europe.

# Verbund AG



**4,776.6**

Group sales revenues  
(in € millions)

**1,266.8**

EBIT (in € millions)

**1.05**

Dividend per share (in €)

Verbund AG is a publicly traded company which is Austria's leading energy utility and one of the largest producers of hydroelectricity in Europe. Verbund operates over 100 hydro power 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. As the electricity market becomes ever more volatile, Verbund is seeking to deliver greater flexibility by generating power from renewable energy sources. Construction of a pumped-storage power plant on the Reißeck Lakes Plateau in Carinthia began in mid-June 2021. The Limberg III pumped-storage power plant,

where building works commenced in September 2021, will make a major contribution to the achievement of Austria's ambitious climate goals. Verbund ensures the safe operation and sustainable expansion of the Austrian high-voltage grid,

### **CHANGES IN 2021**

Income trend was significantly positive in light of the huge spike in European wholesale electricity prices. Performance of the Verbund share was 39.3 percent. The Super Green Bond was a world first in the area of "Green Finance". The company's decarbonisation strategy was revised.

which extends over approximately 3,500 kilometres, via its subsidiary Austrian Power Grid. Gas Connect Austria GmbH (GCA) provides a vehicle which will enable Verbund to bring the gas network up to speed with regard to the future transport of green hydrogen, an essential element for full decarbonisation of the energy system going forwards. The acquisition of a 51 percent stake in GCA has allowed Verbund to improve its risk portfolio by strengthening regulated business and by adopting an optimum positioning with regard to sector linkage and the development of a green hydrogen system. Energy generation from onshore wind farms and photovoltaic systems in Europe represents a further growth area. Verbund is also looking beyond Austria's borders in order to drive forward the energy transition. For this reason, it will also act in future to acquire and develop renewable projects in further European markets. Verbund has been a pioneer in the field of Green Finance for many years. Further evidence of this trailblazing role came in 2021 with the launch of a world first. The company's Green & Sustainability Bond, which the international media have dubbed the "Super Green Bond", brings together four sustainable elements. It has enjoyed enormous international demand in a capital market which is increasingly being driven by criteria relating to sustainability. Funds raised by the bond are exclusively allocated

to sustainable projects. The company has further committed itself to the achievement of long-term sustainability objectives. The bond issue was in compliance with the EU Taxonomy Regulation and was placed with sustainable investors only. Verbund AGs market capitalisation as of 31. 12. 2021 was over €34 billion. This makes it Austria's largest listed company by some distance. In 2021, Verbund employed around 3,200 staff and generated a net income of around €874 million. EBITDA was approximately €1.579 billion, and annual revenues were of the order of €4.8 billion. Verbund has been listed on the Vienna Stock Exchange since 1988. The Republic of Austria owns 51 percent of the share capital, and this is managed by ÖBAG.

	2020	2021
<b>Group sales revenues (in € millions)</b>	3,449.8	4,776.6
EBIT (in € millions)	921.9	1,266.8
Group result (in € millions)	631.3	873.6
Investments/asset additions (in € millions)	628.5	842.8
Free cash flow (in € millions)	582.1	-1,010.1
Dividend per share (in €)	0.75	1.05
Number of employees	2,870	3,184
Energy generation in GWh	33,482	31,306

# OMV AG



## CHANGES 2021

Reorganisation of the OMV group in Refining and Materials.  
Appointment of Alfred Stern as CEO.

**35,555**

Group sales revenues  
(in € millions)

**5,065**

EBIT (in € millions)

**2.30**

Dividend per share  
(in €)

OMV boasted group sales of €35,555 million in 2021 and had a workforce of 22,434. It is one of Austria's largest listed industrial companies. In the area of Chemicals & Materials, OMV is, in conjunction with its subsidiary Borealis, one of the world's leading providers of polyolefin solutions and a European market leader in base chemicals, fertilisers and the mechanical recycling of plastics. Borealis joins forces with two important joint ventures – Borouge (with ADNOC, in the UAE and Singapore) and Baystar™ (with TotalEnergies, in the USA) to deliver products and services for customers all over the world. The OMV business division Refining & Marketing produces and markets fuels and raw materials for the chemical industry. It also operates three refineries in Europe and maintains a

	2020	2021
<b>Group sales revenues (in € millions)</b>	16,550	35,555
EBIT (in € millions)	1,050	5,065
Net income (loss) (in € millions)	1.478	2.804
Investments (in € millions)	6,048	2,691
Free cash flow (in € millions)	-2,811	5,196
Dividend per share (in €)	1.85	2.30
Number of employees	25,291	22,434
Production (in kboe/day)	463	486

stake of 15 percent in a refinery joint venture in the UAE. OMV operates around 2,100 petrol stations in ten European countries. Activities also include Gas & Power Eastern Europe, where it also operates a gas-fired power plant in Romania. In Exploration & Production, OMV explores, extracts and produces oil and gas in the four core regions of Central and Eastern Europe, the Middle East and Africa, the North Sea, and the Asia-Pacific. Average daily production in 2021 included production from a joint venture in Russia and amounted to 486,000 boe/d with a focus on natural gas (~60%). Russian entities are no longer consolidated as of 1 March 2022. Activities further extend to encompass Gas Marketing Western Europe, where the company operates gas storage facilities in Austria and Germany.

OMV published its Strategy 2030 in the first quarter of 2022. The company intends to transition from an integrated oil, gas, and chemicals company to become a leading provider of innovative and sustainable fuels, chemicals and materials, while taking a leading global role in the circular economy. By switching over to a low CO2 business, OMV is striving to achieve net zero in all three scopes by 2050 at the latest. As it progresses towards this objective, OMV expects to achieve an operational cash flow not including net working capital positions of around €6 billion by 2025 and of at least €7 billion by 2030. The company further expects ROACE to be a minimum of 12 percent and will be seeking a continuation of its progressive dividends policy.

# Telekom Austria AG

## CHANGES IN 2021

Acquisition of frequencies in Bulgaria, Croatia and Slovenia. The 5G roll-out will continue in Austria and in these three countries in 2022. Introduction of Environmental, Social & Corporate Governance (ESG) as part of group strategy in order to deliver a green and digital transformation.

**4,748.3**

Group sales revenues  
(in € millions)

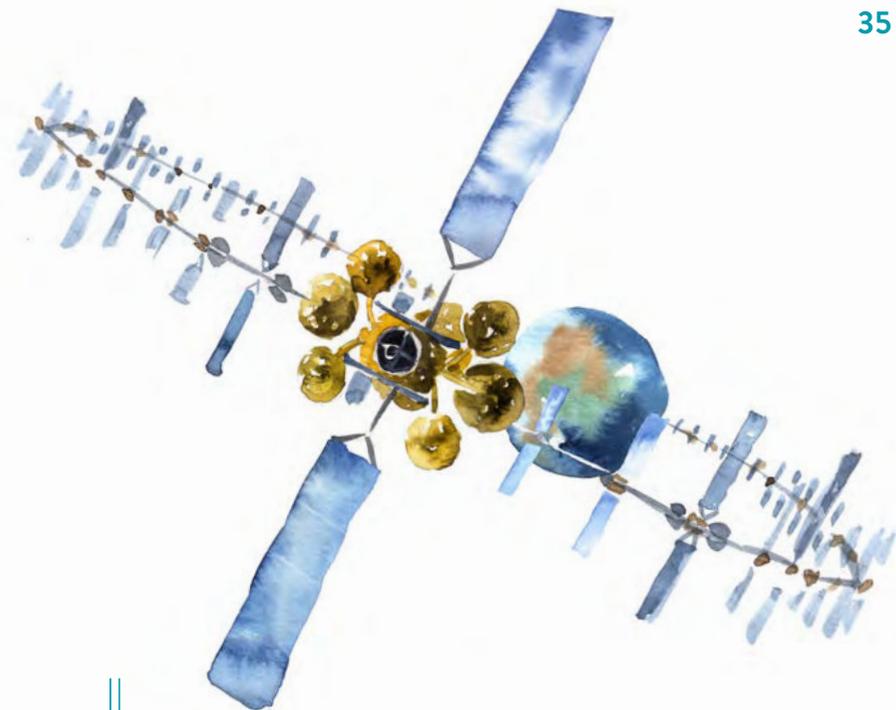
**753.4**

EBIT (in € millions)

**0.28**

Dividend per share  
(in €)

In overall terms, Telekom Austria AG has developed into one of the fastest growing companies in the European telecommunications sector over recent years. The impressive results recorded in 2021 underline the successful implementation of strategy and the resilience of the business model. The positive effect of substantive optimisations are also helping to deliver resilience, particularly during challenging times. High-performance and future-proof landline and mobile networks and data centres and the product and service portfolio provided on this basis all provide a firm foundation whilst also accelerating digital transformation. Even though usage has grown significantly, the company's networks are able to guarantee digital communications, continuity and interaction for companies and their employees, for the public sector and for private customers. During the crisis, they became an indispensable part of economic and social life. "Environmental, Social & Corporate Governance" (ESG) forms an integral component of corporate strategy. Solid economic performance thus goes hand in hand with the active embracing of ecological and social responsibility.



	2020	2021
<b>Group sales revenues (in € millions)</b>	4,549.4	4,748.3
EBIT (in € millions)	638.9	753.4
Net income (loss) (in € millions)	388.8	455.0
Investments/asset additions (in € millions)	651.4	891.5
Free cash flow (in € millions)	503.7	487.3
Dividend per share (in €)	0.25	0.28
Number of employees	17,949	17,856
Mobile phone customers (in thousands)	21,864.2	22,765.5
Landline RGUs (in thousands)	6,050.3	6,081.8

Annual investments of around €450 million in Austria, the direct and indirect safeguarding of some 18,000 jobs and a contribution of approximately €1 million in tax and duties all serve to emphasise the importance of Telekom Austria for Austria as a business location.

# BIG Group



**1,239.7**

Konzernumsatz  
(in EUR Mio.)

**1,258.3**

EBIT (in EUR Mio.)

**7.5**

Vermietbare Fläche  
(in Mio. m<sup>2</sup>)

BIG projects involving schools, universities, specialist properties and office and residential construction were major drivers of the Austrian domestic economy in 2021. BIG (Bundesimmobiliengesellschaft) is one of Austria's largest real estate owners. It currently has around 2,000 properties and a fair value of € 15.5 billion. BIG's services span the entire life cycle of a building. They include everything from development and delivery to lettings and also extend to encompass maintenance and operation. Its subsidiary ARE Austrian Real Estate GmbH focuses in turn on office and residential properties and on 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 2021. The aim is that the expansion of existing divisions, the development

of new business areas and the investigation of international markets whilst focusing on Germany in particular will all lead to an increase in the value of the portfolio. Sustainability, the circular economy and innovation all aspects which the company has fully embraced. 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 2022.

	2020	2021
<b>Group sales revenues (in € millions)</b>	1,186.2	1,239.7
EBIT (in € millions)	1,070.2	1,258.3
Net income (loss) (in € millions)	759.1	911.3
Investments (in € millions)	1,079.7	976.2
Funds from operations before taxes (in € millions)	638.1	641.6
Number of employees	967	1,003
Lettable space (in m <sup>2</sup> millions)	7.3	7.5
Fair value (in € millions)	14,422.1	15,512.2

## CHANGES IN 2021

BIG has defined group-wide criteria for sustainable construction and business in order to bring about a significant reduction in the impacts of the company's activities on the climate and the environment. Investment in the digitalisation start-up AMPEERS ENERGY in order to identify potential areas of optimisation in the energy supply. The VILLAGE IM DRITTEN residential development, which is being undertaken by ARE Austrian Real Estate, is an initial example of this project in action. State-of-the-art technologies and data science are thus being deployed as vehicles to contribute in a significant way to greater energy efficiency in the construction and residential sector.

# Casinos Austria AG



**1,170**

Gross gaming revenue  
(in € millions)

**615**

Tax payments in Austria  
(in € millions)

Casinos Austria AG (CASAG) manages twelve casinos in Austria and has investments in international lottery operations in countries such as Germany, Switzerland, Belgium and Australia. Key subsidiaries include Österreichische Lotterien GmbH, the online gaming platform win2day, the VLT provider WINWIN and the sports book tipp3. The COVID-19 influenced the business activities of the Casinos Austria Group in the financial year now ended. In 2021, all 12 domestic casinos and 22 WINWIN locations (VLT) were forced to remain closed for a total of around 160 days because of coronavirus. The 25 international operations also had to shut their doors on numerous days. As a result, consolidated gross gaming revenue for 2021 was €1.170 billion (up from €1.120 billion in 2020). The growth

compared to the previous year was due to the positive business development achieved by Österreichische Lotterien and the gaming platform win2day. The group remains one of Austria's largest taxpayers after paying €594 in taxes and contributions.

#### **CHANGES IN 2021**

Appointment of Erwin van Lambaart as new Managing Director of CASAG as of March 2022.

*No financial statements for the year 2021 were available at the time when the report went to press.*

# APK Pensionskasse AG



## CHANGES IN 2021

A new leadership pair for APK Pensionskasse AG – Beate Wolf and Manfred Brenner have been appointed with effect from 1 July 2022. Inclusion of ESG criteria in the investment process in order to improve the risk and earnings profile whilst assuming social responsibility at the same time.

**7,291.1**

Invested assets  
(in € millions)

**692,500**

Number of beneficiaries

APK Pensionskasse AG is considered to be a pioneer in the development of Austria's retirement system. It currently represents around 692,500 beneficiaries and manages assets of approximately €5.5 billion spread across 19 investment and risk associations (VRG). Four of these VTGs are open and thus accessible to all companies. 15 are managed for a sponsoring company or a group. APK Pensionskasse AGs customer base mainly comprises large Austrian companies (or groups of companies) and subsidiaries of international groups that operate in Austria. A 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 to be a top performer amongst inter-company pension funds, both in the short and in the long term. A performance of 8.6% in 2021 put it 0.8 percentage points ahead of its immediate competitors (following a 4.2 percent performance and a 2.5 percentage

	2020	2021
<b>Invested assets (in € millions)</b>	6,717.3	7,291.1
Group sales revenues (in € millions)	19.3	22.7
EBIT (in € millions)	8.7	17.2
Net income (loss)	6.5	12.9
Investments (in € millions)	0.4	0.6
Free cash flow (in € millions)	4.2	8.4
Dividend per share (in €)	7.0	Pending
Number of employees	100	103
Number of beneficiaries	662,000	692,500

point lead in 2020). Together with its subsidiaries (first and foremost APK Vorsorgekasse AG), APK Pensionskasse AG looks after 692,500 beneficiaries and assets of €6.7 billion. The APK Group deals exclusively with financial provision in second pillar (company) and third pillar (individual) pension schemes.

## 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 with the aim of minimising the effects of the 2008 global financial crisis as far as possible. On 31.11.2015, its liquidation was agreed after its remit had been largely fulfilled.

### **GKB-Bergbau**

GKB-Bergbau GmbH is a wholly owned subsidiary of ÖBAG which is engaged in conducting an orderly withdrawal from mining operations. It also pools the remaining rights and obligations of the former Österreichische Bergbauholding. GKB is thus 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 spun off in 1987. IMIB Immobilien und Industriebeteiligungen GmbH also holds a 13% stake 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 the manufacture of high-alloy stainless steel. These companies were sold off in as part of the Republic of Austria's privatisation programme. Now that these privatisations have been completed, the company concentrates on safeguarding the former works site as required by law.

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STRENGTHENING

## Balance sheet as at 31 December 2021

Assets in €			As at 31.12.2021	As at 31.12.2020
<b>A. Fixed assets</b>				
I. Intangible fixed assets				
1. Concessions, rights	26,159.13			9,431.00
2. Payments on account	7,200.00			0.00
		33,359.13		9,431.00
II. Tangible fixed assets				
1. Buildings <i>of which investments in buildings on third party land €107,426.84 (2020: €121,750)</i>	107,426.84			121,750.42
2. Operating and office equipment	98,999.68			154,173.51
		206,426.52		275,923.93
III. Long-term financial assets				
1. Shares in affiliated companies	1,698,124,169.55			1,698,124,169.55
2. Other long-term equity investments	1,807,508,611.72			1,807,508,611.72
		3,505,632,781.27		3,505,632,781.27
			3,505,872,566.92	3,505,918,136.20

Assets in €			As at 31.12.2021	As at 31.12.2020
<b>B. Current assets</b>				
I. Receivables and other assets				
1. Trade receivables <i>of which with a remaining maturity of more than one year €0.00 (2020: €0.00)</i>	0.00			73,701.10
2. Receivables from investees and investors <i>of which with a remaining maturity of more than one year €0.00 (2020: €0.00)</i> <i>of which trade receivables €68,511.43 (2020: €0.00)</i>	68,511.43			66,593.00
3. Other receivables and assets <i>of which with a remaining maturity of more than one year €0.00 (2020: €0.00)</i>	43,493.00			33,308.70
		112,004.43		173,602.80
II. Cash in hand, cash at banks		11,480,119.40		15,745,182.90
			11,592,123.83	15,918,785.70
<b>C. Prepaid expenses</b>			122,616.65	98,694.80
			3,517,587,307.40	3,521,935,616.70

Equity and liabilities in €			As at 31.12.2021	As at 31.12.2020
<b>A. Equity</b>				
I. Share capital called in		363,365,000.00		363,365,000.00
1. Acquired share capital €363,365,000.00 (2020: €363,365,000.00)				
2. Paid up share capital € 363,365,000.00 (2020: € 363,365,000.00)				
II. Capital reserves				
1. Appropriated	328,238,362.16			328,238,362.16
2. Unappropriated	1,680,912,449.84			1,802,912,449.84
		2,009,150,812.00		2,131,150,812.00
III. Revenue reserves				
1. Legal reserves	36,336,417.08			36,336,417.08
2. Free reserves	122,000,000.00			0.00
		158,336,417.08		36,336,417.08
IV. Net retained income <i>of which profit carried forward €415,531,494.11 (2020: €452,065,834.18)</i>		911,625,582.57		935,531,494.11
			3,442,477,811.65	3,466,383,723.19
<b>B. Provisions</b>				
1. Provisions for severance payments		91,178.00		78,325.00
2. Provisions for pensions		555,076.00		578,177.00
3. Other provisions		37,690,356.64		36,974,968.57
			38,336,610.64	37,631,470.57

Equity and liabilities in €	As at 31.12.2021	As at 31.12.2020
<b>C. Liabilities</b>		
1. Trade payables <i>of which with a remaining term of up to one year €472,268.30 (2020: €568,800)</i> <i>of which with a remaining maturity of more than one year €0.00 (2020: €0.00)</i>	472,268.30	568,798.90
2. Liabilities to affiliated companies <i>of which trade receivables €48,985.82 (2020: €15,640)</i> <i>of which other €36,118,354.80 (2020: €16,717,480)</i> <i>of which with a remaining maturity of up to one year €19,623,921.22 (2020: €16,717,480)</i> <i>of which with a remaining maturity of more than one year €16,543,419.40 (2020: €0.00)</i>	36,167,340.62	16,733,114.27
3. Liabilities to investees and investors <i>of which with a remaining term of up to one year €2,250.44 (2020: €3,400)</i> <i>of which with a remaining maturity of more than one year €0.00 (2020: €0.00)</i>	2,250.44	3,398.92
4. Other liabilities <i>of which taxes €61,477.04 (2020: €184,940)</i> <i>of which related to social security €44,331.27 (2020: €50,640)</i> <i>of which with a remaining maturity of up to one year €131,025.75 (2020: €615,11)</i> <i>of which with a remaining maturity of more than one year €0.00 (2020: €0.00)</i>	131,025.75	615,110.85
Total liabilities <i>of which with a remaining term of up to one year €20,229,465.71 (2020: €17,920,420)</i> <i>of which with a remaining maturity of more than one year €16,543,419.40 (2020: €0.00)</i>	36,772,885.11	17,920,422.94
	3,517,587,307.40	3,521,935,616.70

# Income statement

## 1 January 2021 until 31 December 2021

		2021		2020
1. Revenue		495,594.99		677,152.84
2. Other operating income		507,058.78		1,332,705.84
3. Cost of purchased services		-32,170.83		-46,872.71
4. Personnel expenses				
a) Salaries	2,930,060.01		2,836,292.63	
b) Social security expenses	885,588.22		622,876.69	
<i>of which expenses for pensions and similar obligations</i>	77,489.35	-3,815,648.23	75,418.58	-3,459,169.32
5. Amortisation of intangible fixed assets and depreciation of tangible fixed assets		-95,283.32		-108,898.81
6. Other operating expenses		-29,430,250.54		-13,035,029.89
<b>7. Subtotal of lines 1 to 6 (operating result)</b>		<b>-32,370,699.15</b>		<b>-14,640,112.05</b>
8. Income from long-term equity investments		528,467,833.60		498,106,689.96
<i>of which from affiliated companies:</i>		290,177,448.80		274,256,000.00
9. Other interest and similar income		594.30		3,808.38
10. Interest and similar expenses		-140.29		-1,226.36
<i>of which from affiliated companies:</i>		-133.27		-1,226.36
<b>11. Subtotal of lines 8 to 10 (financial result)</b>		<b>528,468,287.61</b>		<b>498,109,271.98</b>
<b>12. Earnings before taxes</b>		<b>496,097,588.46</b>		<b>483,469,159.93</b>
13. Income taxes		-3,500.00		-3,500.00
<b>14. Earnings after taxes = net income for the financial year</b>		<b>496,094,088.46</b>		<b>483,465,659.93</b>
15. Dissolution of capital reserves		122,000,000.00		0.00
16. Allocation to retained income		-122,000,000.00		0.00
17. Profits carried forward from the previous year		415,531,494.11		452,065,834.18
<b>18. Net retained income</b>		<b>911,625,582.57</b>		<b>935,531,494.11</b>

# Notes to the financial statements for the financial year 2021

## A. BASIC INFORMATION

The company is wholly owned by the Republic of Austria.

With effect from 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 Paragraph 2 of the ÖIAG Act 2000, as amended, the Company's main functions are to hold, administer and exercise share 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 Paragraphs 3, 4 and 5; to undertake measures to promote Austria as a business location in accordance with Section 7 Paragraph 5; to conduct 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 Paragraph 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 2021. The Company is categorised as a small stock corporation in accordance with Section 221 of the Austrian Commercial Code (UGB). The provisions of Section 221 Paragraph 4a of UGB do not apply by dint 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 Paragraph 2 UGB).

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 Paragraph 2 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 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 euro unless otherwise indicated.

### **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 acquisition or manufacturing 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 €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	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 in the amount of €520,000,000.00 were made to the owners in the financial year 2020 (previous year: €480,000,000.00).

### 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 1.32% and an average pay increase of 2.50% (2020: actuarial interest rate of 1.73% assuming an average pay increase of 2.50%). In accordance with Austrian Commercial Code (UGB), the average interest rate (ten years) is applied as the actuarial interest rate for calculating the provision. Assumed duration is 8 years. 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 was assumed. Calculations are based on the AVÖ 2018-P tables (2020: AVÖ 2018-P).

In accordance with actuarial principles, the amount of **provisions for pensions** is determined by applying an actuarial interest rate of 1.32% and an average benefit increase of 2.00% (2020: actuarial interest rate of 1.73% assuming an average pension increase of 2.00%) and the entry age normal method. In accordance with Austrian Commercial Code (UGB), the average interest rate (ten years) is applied as the actuarial interest rate for calculating the provision. Assumed duration is 8 years. Calculations are based on the AVÖ 2018-P tables (2020: 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 1.32% assuming a duration of eight years and an average benefit increase of 2.00% (2020: actuarial interest rate of 1.73% assuming an average pension increase of 2.00%) and the entry age normal method. In accordance with UGB, the average interest rate (ten years) is applied as the actuarial interest rate for calculating the provision. Calculations are based on the AVÖ 2018-P tables (2020: AVÖ 2018-P).

In accordance with actuarial principles, the provision for health insurance premiums is determined by applying an actuarial interest rate of 1.32% and an average pay increase of 4.00% (2020: actuarial interest rate of 1.73% assuming an average pay increase of 4.00%) and the entry age normal method. In accordance with Austrian Commercial Code (UGB), the

average interest rate (ten years) is applied as the actuarial interest rate for calculating the provision. Calculations are based on the AVÖ 2018-P tables (2020: 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

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 of other long-term equity investments can be found in the list of shareholdings.

### c. Receivables and other assets

Item	Carrying amount (in € millions)
Trade receivables (previous year)	0.00 (0.07)
Receivables from affiliated companies (previous year)	0.7 (0.07)
Other receivables and assets (previous year)	0.4 (0.03)
<b>Total (previous year total)</b>	<b>0.11 (0.17)</b>

“Receivables from affiliated companies” includes trade receivables in the amount of €0.07 million (previous year: €0.06 million) and other receivables in the amount of €0.00 million (previous year: €0.01 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 2021 to the extent that they represent expenses for a certain time after this date.

#### **f. Equity**

Share capital amounts to €363,365,000.00 (prior year: €363,365,000.00) and is divided into 5,000 no-par value shares. All shares are owned by the Republic of Austria. A liability in connection with the 2014 and 2017 University Special Building Programme is included for the first time in 2021 (cf. the section on “Liabilities” in the chapter “Notes to the Balance sheet”). This concerns a current account amendment to alteration in response to opinion 39, marginal note 26 of the Austrian Financial Reporting and Auditing Committee (AFRAC). Within this context, the capital reserves of €122 million acquired when the shares held by Bundesimmobiliengesellschaft m.b.H. were taken over will also be dissolved in order to reflect existing liabilities from the 2014 and 2017 University Special Building Programme at the time when the acquisition took place. An allocation of the same amount, €122 million, will also be made to revenue reserves.

Based on a resolution of the ÖBAG Annual General Meeting of 1 July 2021, a dividend of €520.00 million was distributed from the profit of 2020 to the Republic of Austria and €415.53 million was carried forward to new account.

#### **g. Provisions**

Other provisions primarily include provisions for obligations to provide additional funding for pensions and provisions for leave not taken, anniversary bonuses and other personnel expenses of €30.28 million (previous year: €29.51 million) and other provisions (particularly for long-term equity investments) of €7.41 million (previous year: €7.46 million).

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 2021. APK Pensionskasse Aktiengesellschaft provided the final accounting of ÖBAG plan assets in the 2021 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 2021 126 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: 88 persons).

## h. Liabilities

Item	Remaining maturity of less than one year (in € millions)	Remaining maturity of more than one year (in € millions)	thereof remaining maturity of between one and five years (in € millions)	Carrying amount (in € millions)
Trade payables (previous year)	0.47 (0.57)	0.00 (0.00)	0.00 (0.00)	0.47 (0.57)
Liabilities to affiliated companies (previous year)	19.62 (16.73)	16.54 (0.00)	11.99 (0.00)	36.17 (16.73)
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)	0.13 (0.62)	0.00 (0.00)	0.00 (0.00)	0.13 (0.62)
<b>Total (previous year total)</b>	<b>20.23 (17.92)</b>	<b>16.54 (0.00)</b>	<b>11.99 (0.00)</b>	<b>36.77 (17.92)</b>

A liability in connection with the 2014 and 2017 University Special Building Programme is included in the item “Liabilities to affiliated companies” for the first time in 2021. The universities involved have a liability for rents and construction cost grants to Bundesimmobiliengesellschaft m.b.H. for use of the projects implemented by Bundesimmobiliengesellschaft m.b.H. (BIG) within the scope of the special construction programme. These expenditures are being assumed by the Republic of Austria, and payment will take place via retention of dividends due to BIG.

The liability transferred from the Republic of Austria to ÖBAG is declared in the ÖBAG balance sheet as at 31. 12.21 at a value of €19.60 million, whereby €16.54 million has a maturity of longer than one year. The last payment is expected to take place in 2029.

The item “Liabilities to affiliated companies” further comprises trade payables (€0.05 million, previous year: €0.02 million), liabilities from investments of IMIB Immobilien- und Industriebeteiligungen GmbH of €14.9 million, previous year: €15.10 million) and liabilities from shareholder contributions at IMIB Immobilien- und Industriebeteiligungen GmbH €1.62 million, previous year: €1.62 million).

## i. Contingent liabilities

GKB-Bergbau GmbH has assumed various rights and obligations as a result of mergers and successions in recent years. One liability issue with a maximum liability of €3.90 million exists vis-à-vis Österreichische Bundesforste from a land transfer. At the time, ÖIAG (now ÖBAG) acceded to the transfer agreement and assumed a deficiency guarantee for the event that GKB-Bergbau GmbH, as a 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 €3.90 million is presented as a contingent liability.

## C. NOTES TO THE INCOME STATEMENT

### a. Revenue

Revenue mainly comprises income from remunerations received for supervisory board activities undertaken by ÖBAG staff and recharges.

### b. Other operating income

Other operating income for 2021 principally consists of income from the dissolution of other provisions in the amount of €0.44 million (previous year: €0.15 million). The previous year also included revenue from the contribution of ÖBAG land to the subsidiaries of Bundesimmobiliengesellschaft mbH in the amount of €3.42 million, which was offset by a reduction of €2.30 million in the carrying amount of the land sold.

### c. Cost of purchased services

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

### d. Personnel expenses

Personnel expenses in the amount of €3.82 million (previous year: €3.6 million) principally comprises wages and salaries.

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

	2021 (in € millions)	2020 (in € millions)
Taxes other than those classified as income taxes	0.00	0.01
Expenses for pension obligations outsourced to APK	2.57	5.51
Other extraordinary expenses	22.66	0.00
Other	4.20	7.51
<b>Total</b>	<b>29.43</b>	<b>13.03</b>

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 Section D).

These expenses amounted to €2.57 million in the financial year 2020 as opposed to €5.51 million in the financial year 2020.

Other extraordinary expenses relate to the formation of a liability within the scope of the 2014 and 2017 University Special Building Programme (cf. Section on “Equity” and “Liabilities” in the chapter on “Notes to the balance sheet”). These expenses need to be allocated to earlier periods since they arose at the time when the stake in Bundesimmobiliengesellschaft m.b.H. was acquired. In 2021, these expenses of €22.66 million are set off in the financial result against dividend revenue to Bundesimmobiliengesellschaft m.b.H. in the amount of €3.06 million. Income from investments in the amount of the remaining liability of €19.60 million is also expected over the coming years. The last payment is scheduled for 2029.

The remaining other operating expenses include rent, fees, consultancy expenses, IT expenses, insurance expenses and similar items.

**f. Income from long-term equity investments**

In the financial year 2021, the company received income of from long-term equity investments of €528.47 million (previous year: €498.11 million). Of this sum, dividends in the amount of €3.06 were retained from Bundesimmobilien-gesellschaft m.b.H. in order to repay the debt assumed by ÖBAG within the scope of the 2014 and 2017 University Special Building Programme

(cf. Section on “Equity” and “Liabilities” in the chapter on “Notes to the balance sheet”).

**g. Expenses relating to long-term financial assets**

There were no expenses relating to long-term financial assets in the financial year 2021 (previous year: €0.00).

**h. Interest income**

	2021 (in € millions)	2020 (in € millions)
Other interest and similar income	0.00	0.00
Interest and similar expenses	-0.00	-0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

**i. Net retained income**

Net retained income amounts to €911.63 million after consideration of dissolution of and addition to reserves (cf. Section “Equity” in the chapter “Notes to the balance sheet”) (previous year: €935.53 million). This sum includes an amount of €123.05 million originating from reversal of a write-down on the interest in Österreichische Post AG taken in the financial year 2006 which is not eligible for distribution.

## **D. CORPORATE BODIES AND EMPLOYEES**

**a. ÖBAG employed an average of 22 employees/salaried employees in 2021 (previous year: 16).**

### **b. Executive Board**

Until 8 June 2021: MMag. Thomas Schmid

From 9 June 2021 to 31 January 2022: Dr. Christine Catasta

Since 1 February 2022: Dr. Edith Hlawati

### **c. Supervisory Board**

Prof. Mag Helmut Kern MA, Chairman

Karl Ochsner, 1st Deputy Chairman

Dr. Günther Helm, 2nd Deputy Chairman

Mag. Ph Dr. Susanne Höllinger

Dipl.-Ing. Iris Ortner MBA

Dr. Christian Ebner (until 1 July 2021)

Dr. Caroline Toifl (from 1 July 2021)

Helmut Köstinger

Werner Luksch

Herbert Lindner (until 1 July 2021)

Dipl.-Ing. Nicole Schachenhofer (from 1 July 2021)

The Supervisory Board was constituted on 15 February 2019.

### **d. 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 €234,601.97 in the financial year 2021.

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 2021 were paid in respect to the financial year 2020.

The variable remuneration component for the financial year 2020 which was granted in 2021 amounts to €192,146.36.

A severance payment of €200,000.00 was also granted.

No variable remuneration component was paid in this regard.

The fixed component of the Executive Board remuneration of the Chair MMag. Dr. Christine Catasta (including in-kind and social security expenses) amounted to €123,193.96 in the financial year 2021 (9 June to 31 December 2021). She will not receive any performance-related pay component for her work on the Executive Board.

For the duration of his or her appointment, the CEO is required to take on and exercise functions on corporate bodies and act as an authorised signatory for affiliated and portfolio companies. The CEO has ceded any claims from such functions and memberships to ÖBAG.

In accordance with Section 98 Paragraph 1 of the Austrian Stock Corporation Act (Aktiengesetz, AktG), supervisory board members of a stock corporation can be granted remuneration for work which is appropriate to their tasks and in line with the 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: €25,000.00
- Each deputy chairman of the Supervisory Board: €20,000.00
- Each chairman of a Supervisory Board committee: €20,000.00
- Each ordinary member of the Supervisory Board (shareholder and employee representatives): €15,000.00

The amounts listed are not cumulative, even in the event that several functions are carried out. This 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. Remuneration is prorated on a daily basis if a Supervisory Board term begins or ends during the financial year. Higher remuneration is also prorated in the same way in the event of changes of Chairman of the Supervisory Board, the Deputy Chairman or the Chair of a committee.

Remuneration granted to the Supervisory Board during the reporting period (excluding individual reimbursement of expenses) amounted to a total of €160,082.19. Beyond the board function, no performance relationships exist between the members of the Supervisory Board and the company.

**e. Loans granted to corporate bodies and employees**

The company did not grant any loans to corporate bodies and employees in 2021.

**f. 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.

## 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.

<b>Company</b>	<b>Head-quarters</b>	<b>Equity and result</b>	<b>Equity</b> (in € millions)	<b>Shareholding</b> (in %)	<b>Net income /loss</b> (in € millions)
APK Pensionskasse AG	Vienna	2021	71.22	32.97	7.65
Bundesimmobiliengesellschaft m.b.H.	Vienna	2021	1,098.59	100.00	252.56
Casinos Austria AG	Vienna	2020	624.49	33.24	42.45
FIMBAG Finanzmarkt-beteiligung Aktiengesellschaft des Bundes i. L.	Vienna	2021	0.07	100.00	0.00
IMIB Immobilien- und Industrie-beteiligungen GmbH	Vienna	2021	8.36	100.00	-0.78
GKB-Bergbau GmbH	Bärnbach	2021	27.12	100.00	0.13
Österreichische Post Aktiengesellschaft	Vienna	2021	741.40	52.85	141.54
OMV Aktiengesellschaft	Vienna	2021	5,809.24	31.50	972.13
Schoeller-Bleckmann Gesellschaft m.b.H.	Ternitz	2021	3.19	100.00	-0.09
Telekom Austria Aktiengesellschaft	Vienna	2021	6,808.26	28.42	1,183.15

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

The Ecological Tax Reform was adopted by the Austrian National Council on 20 November 2022 following a third reading of the relevant bill. Its provisions include a gradual reduction in the rate of corporation tax from 25% to 23% (2023: 24%, 2024: 23%). In the case of ÖBAG, this will have no impacts on the balance sheet or the income statement because of the negative tax results that ensue due to its status as a holding company.

On 24 February 2022, Russia launched a war in Ukraine from its own state territory and from Belarus. Military attacks were carried out in numerous regions. As a result, various countries including the EU, the USA and the United Kingdom imposed far-reaching sanctions relating to measures such as supply restrictions or the exclusion of Russian banks from the SWIFT system.

Although the business activities of ÖBAG are not being directly affected by the continuing conflict between Russia and Ukraine, possible impacts on the portfolio companies are being analysed on an ongoing basis. There are no effects on the financial statements as at 31 December 2021.

Vienna, 15 June 2022



The Executive Board  
**Dr. Edith Hlawati**

## Statement of changes in fixed assets pursuant to Section 226 (1) of the Austrian Commercial Code (UGB) as per 31 December 2021

	Acquisition of production cost in €				Accumulated depreciation, amortisation and write-downs in €				Carrying amount in €	
	As at 01/01/2021	Additions	Disposals	As at 31/12/2021	As at 01/01/2021	Depreciation, amortisation and write-downs	Disposals	As at 31/12/2021	31/12/2021	31/12/2020
<b>Fixed assets</b>										
I. Intangible fixed assets										
1. Concessions, rights	149,569.01	30,922.47	0.00	180,491.48	140,138.01	14,194.34	0.00	154,332.35	26,159.13	9,431.00
2. Payments on account	0.00	7,200.00	0.00	7,200.00	0.00	0.00	0.00	0.00	7,200.00	0.00
	<b>149,569.01</b>	<b>38,122.47</b>	<b>0.00</b>	<b>187,691.48</b>	<b>140,138.01</b>	<b>14,194.34</b>	<b>0.00</b>	<b>154,332.35</b>	<b>33,359.13</b>	<b>9,431.00</b>
II. Tangible fixed assets										
1. Buildings	143,235.79	0.00	0.00	143,235.79	21,485.37	14,323.58	0.00	35,808.95	107,426.84	121,750.42
<i>of which investments in buildings on third party land</i>	143,235.79	0.00	0.00	143,235.79	21,485.37	14,323.58	0.00	35,808.95	107,426.84	121,750.42
2. Operating and office equipment*	576,558.79	48,578.14	158,448.67	466,688.26	422,385.28	66,765.40	121,462.10	367,688.58	98,999.68	154,173.51
	<b>719,794.58</b>	<b>48,578.14</b>	<b>158,448.67</b>	<b>609,924.05</b>	<b>443,870.65</b>	<b>81,088.98</b>	<b>121,462.10</b>	<b>403,497.53</b>	<b>206,426.52</b>	<b>275,923.93</b>
III. Long-term financial assets										
1. Shares in affiliated enterprises	2,140,441,411.51	0.00	0.00	2,140,441,411.51	442,317,241.96	0.00	0.00	442,317,241.96	1,698,124,169.55	1,698,124,169.55
2. Other long-term equity investments	1,807,508,611.72	0.00	0.00	1,807,508,611.72	0.00	0.00	0.00	0.00	1,807,508,611.72	1,807,508,611.72
	3,947,950,023.23	0.00	0.00	3,947,950,023.23	442,317,241.96	0.00	0.00	442,317,241.96	3,505,632,781.27	3,505,632,781.27
	<b>3,948,819,386.82</b>	<b>86,700.61</b>	<b>158,448.67</b>	<b>3,948,747,638.76</b>	<b>442,901,250.62</b>	<b>95,283.32</b>	<b>121,462.10</b>	<b>442,875,071.84</b>	<b>3,505,872,566.92</b>	<b>3,505,918,136.20</b>
*of which low-value assets in accordance with Section 13 of the Austrian Income Tax Act (Einkommensteuergesetz, EStG)	0.00	6,530.93	6,530.93	0.00	0.00	6,530.93	6,530.93	0.00	0.00	0.00

# Management report for the financial year 2021

## 1. REPORT ON ECONOMIC POSITION

### 1.1 The general 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 ff. of the Austrian Stock Corporation Act (Aktengesetz, AktG), Österreichische Bundesund 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.

- (a) 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
- (b) Acquisition of shares in accordance with Section 7 Paragraphs 3, 4 and 5
- (c) Measures to promote Austria as a business location in accordance with Section 7 Paragraph 5
- (d) External investment management of companies not owned by ÖBAG in accordance with Section 7a
- (e) The issuing of shares (privatisation management) in line

with a federal government mandate in accordance with Section 8 Paragraph 1

### 1.2 Economic environment

According to experts from the International Monetary Fund (IMF), a significant increase in global GDP in the amount of +6.1% was achieved in 2021. This followed a decline in GDP of -3.1% in 2020 in the wake of the global COVID-19 crisis. A similar development was also observed in the European Union, where GDP growth rose from -5.9% in 2020 to +5.4% in 2021.

At the same time, inflation within the European Union increased from 0.7% in 2020 to an annual average of 2.9% in 2021. There was a particularly significant rise towards the end of the year. The main causes of this were difficulties in global supply chains and the increase in energy costs.

According to the Austrian Institute of Economic Research (Österreichisches Institut für Wirtschaftsforschung, WIFO), GDP in Austria rose from -6.7% in 2020 to +4.5% in 2021. Inflation increased from 1.4% in 2020 to 2.8% in 2021, a similar development to that seen in the European Union.

The IMF expect that economic recovery in the years 2022 and 2023 will be weaker than originally planned. In Europe, the Russia-Ukraine war will be a particular factor in this regard (see also Forecast). As a result of this assessment, the IMF expects

global GDP to grow by 3.6% in each of the years 2022 and 2023. Real growth rates in the European Union are expected to be significantly lower at 2.9% and 2.5% for 2022 and 2023 respectively (IMF, April 2022).

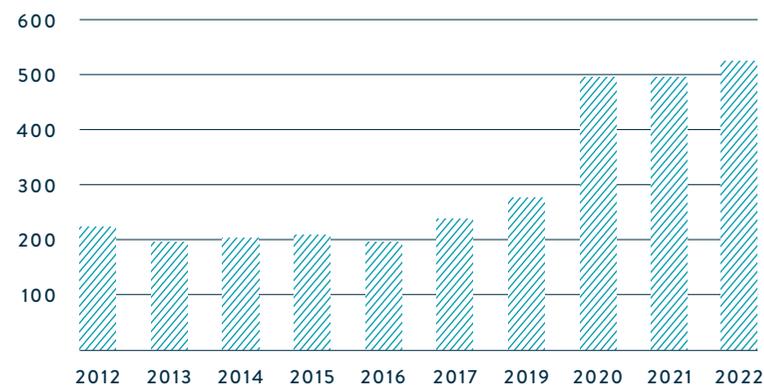
With regard to inflation, the expectation is that the rate in the European Union will rise further to 5.8% in 2022 before falling back to 2.9% in 2023.

As far as Austria is concerned, the WIFO experts' forecast of 25 March 2022 states that GDP will rise by +3.9% in 2022 and by +2.0% in 2023. The expectation is that inflation will increase from +5.8% in 2022 and by 3.2% in 2023, although these estimations are beset with uncertainties because of the Russia-Ukraine war.

### 1.3 1.3 Business performance

Business performance in 2021 was mainly characterised by a strong economic environment and by the positive business developments of key equity investments. ÖBAGs dividend income for 2021 was €528.5 million, a rise of €30.4 million or 6.1% compared to the previous year (2020: €498.1 million). ÖBAG distributed increased dividends of €520.0 million to the Austrian Federal Ministry of Finance (BMF) in 2021 and thus once again made a major contribution to the national budget.

**Investment income**  
(in € millions)



The income trend in 2020 was characterised on the one hand by increased investment income and on the other by an extraordinary expense incurred in connection with the 2014 University Special Building Programme (cf. the Section on “Equity” and “Liabilities” in the annex and the chapter on “Notes to the balance sheet”).

Other costs decreased at the same time, particularly those relating to obligations to provide additional funding to APK Pensionskasse. One-off costs were incurred in this respect in 2020 due to assumption of pension obligations for the former Donaudampfschiffahrtsgesellschaft from the owner, the Austrian Federal Ministry of Finance (BMF). These costs did not need to be taken into account in 2021.

Net income for the year consequently rose from €483.5 million in 2020 to €496.1 million in 2021 (+ €12.6 million or +2.6%).

Total assets reduced slightly from €3,521.9 million in 2020 to 3,517.6 million in 2021 (- €4.3 million or -0.1%). Equity fell slightly from €3,466.4 million in 2020 to €3,442.5 million in 2021 following dividend payments which exceeded the annual result (-€23.9 million or -0.7%).

The value of net financial liabilities was €5.0 million as at 31 December 2020 (previous year: (€1.0 million), and the equity ratio amounted to 97.9% (previous year: 98.4%).

As at 31 December 2021, the portfolio value of the ÖBAG equity investments including Verbund amounted to approximately €34.7 billion. This equates to an increase of €8.1 billion compared with the portfolio value of €26.6 billion as at 31 December 2020.

ÖBAG employed an average of 22 salaried employees in 2021 (previous year: 20).

The CEO MMag. Thomas Schmid announced his resignation effective from 8 June 2021. The Supervisory Board appointed Dr. Christine Catasta as interim CEO. On 27 August 2021, the Supervisory Board appointed Dr. Edith Hlawati as CEO of ÖBAG. Her appointment took effect on 1 February 2022.

#### **1.4 Report on branch offices**

ÖBAG does not have any branch offices.

#### **1.5 Research and development**

No expenses were incurred for research and development in the financial year 2020.

### **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.

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 for the establishment of a standard planning, information and reporting system of the federal government for management accounting in the areas of investment and financial controlling (Federal Law Gazette II (BGBl) No. 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 therefore located in the area of investment risk. Dividend and impairment are the most significant risks 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. Five meetings of the Risk Committee were held in 2021.

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.

The operational activities of the treasury are outsourced to the Austrian Federal Finance Agency (ÖBFA) on the basis of service agreements. ÖBFAs service-related internal control system is subject to a special audit conducted annually by an auditor.

The subjects of this audit are the existence and effectiveness of these internal controls.

In accordance with Section 79 (6) of the Austrian Federal Budget Act 2013 (Bundeshaushaltsgesetz, BHG), as amended, ÖBAG is required to 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 current accounts.

## 2. FORECAST

On 24 February 2022, Russia launched a war in Ukraine from its own state territory and from Belarus. Military attacks were carried out in numerous regions. As a result, various countries including the EU, the USA and the United Kingdom imposed far-reaching sanctions relating to measures such as supply restrictions or the exclusion of Russian banks from the SWIFT system.

Although the business activities of ÖBAG are not being directly affected by the continuing conflict between Russia and Ukraine, possible impacts on the portfolio companies are being analysed on an ongoing basis.

ÖBAG is consulting closely with its portfolio companies on current developments and risks, including with regard to the ability of the individual portfolio companies to distribute

dividends. Developments have exerted varying impacts on ÖBAGs portfolio companies in the first few months of 2022.

With the exception of Verbund AG, which announced in May 2022 that it would significantly increase dividends paid in 2023 for the financial year 2022, the current assumption is that investment income across the remaining overall ÖBAG portfolio will remain stable in the coming year.

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 2022.

Vienna, 15 June 2022



The Executive Board  
**Dr. Edith Hlawati**

# Report on the audit of the financial statements for the year ended 31 December 2021

We have issued the following auditors' certificate with reference to our written report on the audit of the financial statements and management report of Österreichische Beteiligungs AG, Vienna, for the year ended 31 December 2020.

## Auditors' certificate

### Report on the audit of 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 and pursuant to the special statutory provisions set out in the ÖIAG Act 2000, as amended.

### Basis for the opinion

We conducted our audit in accordance with Austrian Standards on Auditing. These 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 professional 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 matters

Financial statements of the company as at 31 December 2021 were audited by second auditor, which issued an unqualified auditor opinion on 7 June 2021.

### **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 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 in accordance with Austrian General Accepted Accounting Principles and pursuant to the special statutory provisions set out in the ÖIAG Act 2000, as amended. The directors are further responsible for such internal controls as they 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 do the following.

- We 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.
- We 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 system.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- We draw conclusions 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.
- 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**

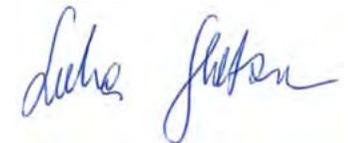
Based on the findings during the audit of the financial statements and due to the understanding thus obtained concerning the company and its circumstances no material misstatements in the management report came to our attention.

Vienna, 15 June 2022

**Grant Thornton Austria GmbH**  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft



**MMag Christoph Zimmel Eh**  
Auditor



**Iv Mag Lukas Glattauer Eh**  
Auditor

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 Paragraph 2 of Austrian Commercial Code (UGB) applies to alternate versions

# Sustainability report



# ÖBAG AGENDA FOR SUSTAIN- ABILITY

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Agenda for Sustainability
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the portfolio companies



ENDEAVOURING

# Implementation of the ÖBAG Agenda for Sustainability

Several lives were lost when a tornado struck the border region between Austria and the Czech Republic in June 2021. Whilst forest fires were causing devastation in Greece and Italy, the inhabitants of western Germany were dealing with severe flooding. The consequences of the climate crisis can be seen right on our doorstep. “We all know that economic growth in the industrial society is based on the unlimited use of fossil fuels. Any political endeavour to reduce the output of greenhouse gases affects many interests, but also challenges the whole of our prosperity model,” stated Anita Engels, a professor of the University of Hamburg, in a contribution to a study looking at necessary economic and social changes.<sup>1</sup>

A well-founded plan setting out how sustainable business practices can be harmonised with the environment, with socio-economic challenges and with state-of-the-art governance appears to be absolutely essential. As an independent state holding company, ÖBAG instigated the required change processes in 2020. An ESG Strategy was drawn up and presented to the Supervisory Board. The focus of the “Agenda for Sustainability” is on according due consideration to ESG aspects

when strategic decisions are made. Against the background of promoting Austria as a business location, the aim is that particular significance should be placed on growing value in the long term and on so-called “clean innovation”. In the wake of the COVID-19 pandemic, ÖBAG still perceives that it has a clear remit to integrate sustainability even more closely into value creation chains so as to offer an active counter strategy to the economic and climate crisis. Details on the Agenda for Sustainability can be found in ÖBAGs [2020 Sustainability Report](#), which is available in the download section of the website.

Russia’s invasion of Ukraine in February 2022 has triggered a humanitarian tragedy. The West has reacted by cutting off a large part of its financial and business relationships with Russia. Europe is attempting to reduce its reliance on Russian oil, gas and coal supplies as rapidly and as comprehensively as possible. Turning away from Russian energy imports means a further shock for economic development. This shock is impeding the restart of many business activities following the removal of COVID-13 measures. Increased energy prices and problems in global supply chains have already led to unexpectedly high inflation rates in the euro zone.

<sup>1</sup> In June 2021, Anita Engels, a member of the Excellence Cluster Climate, Climatic Change and Society (CLICCS), published the study “Hamburg Climate Futures Outlook”, cited from brand eins (<https://www.brandeins.de/magazine/brand-eins-wirtschaftsmagazin/2019/gefuehle/klimawandel-panik-hilft-nicht>).

2) As the survey illustrates, larger companies with annual turnovers exceeding €30 million are significantly more likely than smaller firms to have sustainability strategies in place. This comes as very little surprise given the reporting obligations introduced in connection with the Austrian Sustainability and Diversity Improvement Act (NaDiVeG). Sustainability and climate strategies are most widespread amongst companies involved with energy and water supply (86 percent). They are followed by the retail and consumer goods sector and by industry (46 percent and 45 percent respectively). Companies in the property and construction sector are currently bringing up the rear (15 percent). These are the results of a representative survey carried out by the auditing and consultancy firm EY, which covered 800 non-capital market aligned SMEs in Austria with between 30 and 2,000 employees ([https://www.ey.com/de\\_at/news/2021/04/ey-mittelstandsbarometer-2021-nachhaltigkeit](https://www.ey.com/de_at/news/2021/04/ey-mittelstandsbarometer-2021-nachhaltigkeit)).

3) OMV and Verbund have defined new strategies. OMV's plan, which was presented in March 2022, sends out a clear signal with regard to establishing a circular economy by introducing a strict road map that will achieve a zero emissions target by 2050. A gradual exit from oil and also subsequently from gas production is a clear strategic cornerstone and is in line with the socio-political requirements imposed on a modern energy group. For its part, Verbund is placing the emphasis on three strategic major directions of travel. The objectives here are to strengthen the integrated domestic market, to expand the use of renewables in Europe and to achieve a position as a major European player in the field of hydrogen.

4) The master plan put forward by Österreichische Post, the development of which involved the whole of the Executive Board and all divisional heads, sets out three major sustainability action areas. These are the economy and customers, environment and climate and human and social. Strategic sustainability goals have been established for each key topic. Specific objectives are being drawn up to enable these goals to be achieved.

Against this background, additional urgency is being attached to the measures initiated by the ÖBAG portfolio companies in respect of decarbonisation, greater energy efficiency and the expansion of renewable sources of energy. The companies concerned have been committed to sustainability and climate protection for many years. In the light of the current crisis, this is proving to be a far-sighted investment, not least given the results of a survey published in 2022, which reveals that 62 percent of Austrian companies do not have a sustainability strategy in place.<sup>2</sup> ÖBAG supports its portfolio companies by offering professional investment management to promote ecological, social and entrepreneurial sustainability in order to establish best-in-class ESG standards. All listed portfolio companies have ambitious ESG strategies with clear goals. OMV, Verbund and Österreichische Post all realigned their corporate and sustainability strategies last year and have signed up to even more stringent climate-related targets.<sup>3</sup>

Österreichische Post has defined a Master Plan 2030 in addition to its sustainability strategy.<sup>4</sup> The company is living up to its aim to deliver leading practice by incorporating sustainability as a core management component. An international sectoral comparison also makes it clear that the portfolio companies are very much to the fore in the areas of renewable energy, use of e-mobility and diversity. The focus will be on expanding this further in the financial year 2022. For this reason, ÖBAG will implement a cross-portfolio CO2 monitoring system to reduce CO2 emissions. Management tools such as the Female Career Index can make a contribution to encouraging diversity and gender balance in the companies for the long term. Over the coming months, ÖBAG will conduct detailed discussions with relevant stakeholders at the portfolio companies in order to operationalise this objective.

5) 89 percent of top managers agree that there is a global climate crisis. 63 percent are extremely concerned about this. Nevertheless, executive boards are finding it difficult to instigate targeted measures and to fully enshrine the topic of sustainability in their core business – i.e. in strategies, processes and corporate culture. Source: Deloitte Sustainability Report 2022. The Sustainability Report is based on a survey of 2,083 senior managers at C level. The survey was conducted in September and October 2021 and included executives from 21 countries. 44 percent of respondents were from Europe/South Africa, 31 percent from North and South America and 24 percent from the Asian-Pacific region. The random sample contained all important economic sectors. The authors also carried out selected individual interviews with leading world companies from a range of sectors.

6) ÖIAG Act 2000, Notes

### Initial successes of ÖBAG ESG initiatives

A current survey shows that 97 percent of executive managers believe that climate-related risks have negative impacts on the business activities of companies. The survey concludes that companies which fail to engage with the sustainability debate will run the risk of disappearing from the market sooner or later.<sup>5</sup> The statutory remit governing ÖBAGs activities as a state holding company require it to act in the best interests of all Austrian taxpayers by pursuing sustainable and long-term value creation in investment management.<sup>6</sup> This task is clearly defined in the ÖBAG Agenda for Sustainability.

### The three principles of sustainability

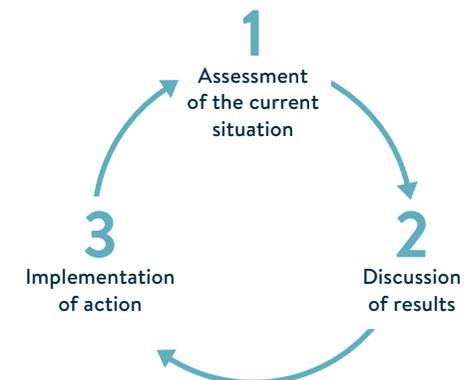


A comprehensive analysis of the ÖBAG portfolio companies with regard to fulfilment of ESG criteria began in 2020 as part of the ÖBAG Sustainability Strategy. The first successes of ÖBAGs ESG initiatives are already discernible.

### ESG monitoring established

A dedicated ESG key indicators system was developed in 2020/21 in order to gain a holistic picture of the sustainability performance of the portfolio companies and to reduce dependency on individual ratings agencies. ESG monitoring will make sustainability in the portfolio companies measurable and controllable in future.

### Three-stage model for the implementation of ESG monitoring



The ESG monitoring system proposed in the ÖBAG Agenda for Sustainability was developed in 2021.

**Increase in the proportion of women on the relevant boards**

ÖBAG is endeavouring to bring about a significant rise in the proportion of women on supervisory boards and to increase diversity in a bid to achieve greater internationality. In 2021, the group succeeded in increasing the proportion of women amongst the ÖBAG-nominated experts on the supervisory boards of the portfolio companies (shareholder representatives) to 55 percent.

**Innovation realised via cooperation**

The first Sustainability Data Science Challenge was instigated in 2021 to foster networking and collaboration between the portfolio companies with regard to information of relevance to the climate in buildings and in the area of real estate. The group joined forces with the technology companies Microsoft and Capgemini to launch a competition, in which 33 internal data science teams took part and developed solutions for the portfolio companies BIG, Österreichische Post, Telekom Austria and Verbund.

**Stakeholder engagement boosted**

Specific ESG target values were discussed with the management of the main ÖBAG portfolio companies in 2021 with the aims of instigating sustainability projects and evaluating strengths and opportunities for improvement. Dialogue with experts from science and civic society/NGOs also proved beneficial. New trends and challenges in areas such as the circular economy and dealing with resources (e.g. biodiversity) were jointly identified.

**Internal ÖBAG measures**

ÖBAG itself also initiated numerous measures aimed at achieving greater energy efficiency. A photovoltaic was installed on the group's own building, measures were instigated in the area of mobility and internal ÖBAG continuing training took place. ÖBAG also participated in the first Climate Impact Day (CID).

## Sustainability highlights of the portfolio companies

**20 ha**

BIG launches an Austrian PV initiative. PV systems will be installed across an area of around 20 hectares on the roofs of BIG and ARE buildings

**188,680 m<sup>2</sup>**

of green roofs in the BIG asset portfolio

**Since 2014**

Telekom Austria has been the first communications provider in the country to operate a network which is 100% CO<sub>2</sub> neutral

**30,000 GWh**

of green electricity were produced by Verbund for Austrian households

**2,400+**

Post has the largest e-fleet in Austria, consisting of over 2,400 vehicles

**€500 million**

Verbund places the first EU Taxonomy-compliant “Sustainability-linked Bond”

**55%+**

More than half of ÖBAG-nominated supervisory board members are female, a rising trend

**2 million+**

households in Austria are being supplied by Verbund with electricity generated from wind power

**EU Green Digital Coalition**

A climate initiative founded by A1 Telekom together with European telecommunications companies

**Climate neutral 2050**

OMV will be a climate-neutral company by 2050

## ENVIRON- MENT, SOCIAL, GOVERNANCE

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GUIDING

# ESG monitoring for better verifiability and controllability of sustainability

## Environment

- Scope 1 + 2 – intensity CO<sub>2</sub>e/mEUR
- Scope 3 – intensity CO<sub>2</sub>e/mEUR
- Water consumption – intensity cubic metres/mEUR
- Hazardous waste – intensity t/mEUR
- Recycling ratio %
- Reduction of impact on biodiversity qualitative Analyse
- Energy – intensity GJ/mEUR

## Social

- Lost time injury rate per million hours worked
- Turnover rate %
- Women employees %
- Women on Executive Board %
- Women executives and senior managers %
- Cultural board diversity %
- Training hours h/employee

## Governance

- Science-based climate targets (SBTi) Implemented, committed, no targets
- Incentivisation for ESG targets qualitative Analyse
- Implementation of industry-specific ESG standards, qualitative analysis

ÖBAG set up an ESG monitoring system in 2020 with the objective of identifying levers for sustainable value creation. The four-stage model developed specific ESG goals which were subsequently discussed with the management of the main portfolio companies. In 2021, the collection of key indicators was instigated across all of ÖBAGs dimensions as part of the multi-level process for the establishment of the ESG monitoring system. Compared with their international counterparts, numerous opportunities and challenges are revealed for the ÖBAG portfolio companies. These exhibit both overlaps and significant differences. As a consequence, ESG portfolio monitoring considers both cross-cutting and branch-specific indicators, one example being “flaring gases intensity” in the case of OMV.

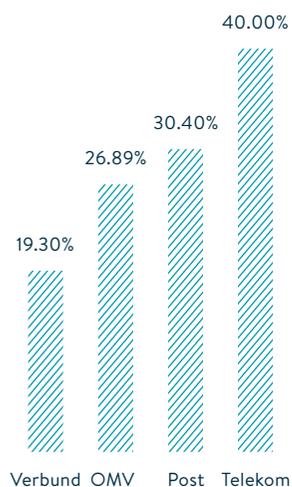
### Emissions and other criteria

ÖBAG’s portfolio companies are actively supporting the shift to a decarbonised economy. The listed companies are pursuing strategies to limit their CO<sub>2</sub> emissions, and some of them have already had a positive assessment of their targets confirmed by the Science Based Targets initiative.<sup>7</sup> Verbund, Österreichische Post and Telekom Austria are implementing SBTi objectives. The portfolio companies also already enjoy good listings with the Carbon Disclosure Project, and ongoing improvements are taking place. The most recent successes in this international ranking system have been achieved by Österreichische Post, OMV and Verbund, all of which have received an A rating.<sup>8</sup>

7) SBTi is an internationally recognised standard for company targets with regard to the reduction of emissions.

8) CDP (Carbon Disclosure Project) is the world’s largest database for climate information on companies. It is an international ranking list which is in demand by investors.

### Proportion of women at the listed companies



Source: Refinitiv, 2021.

### Social, health and safety at work and health

As at 31 December 2021, ÖBAG’s portfolio companies had around 157,500 employees, most of whom work in Austria. The Company is aware of its critical importance as an employer and takes responsibility for this via numerous initiatives and measures. Verbund, for example, has launched a large-scale gender balance project, during which around 70 female members of staff have tackled topics such as equality, diversity and communication in different working groups. Österreichische Post has set itself the goal of increasing the proportion of women in senior management positions to 40 percent by 2030.

### ESG objectives as criteria for executive board compensation

In 2021, the listed portfolio companies put ESG goals on an even firmer footing as criteria for executive board compensation arrangements. ESG indicators are now essential benchmarks in the variable remuneration of executive board members at all listed portfolio companies.

9) Listed companies in Germany – an analysis shows that ESG criteria are unlikely to inform executive board compensation. “Non-financial reporting in the DAX 160” – an investigation published by Kirchhoff Consult AG and BDO AG Wirtschaftsprüfungsgesellschaft (<https://www.deutsche-boerse-cash-market.com/resource/blob/2275510/38751e8a91589175e30672fb11ed12a4/data/Kirchhoff-BDO-Studie-Die-nichtfinanzielle-Berichterstattung-2020.pdf>).

### Sustainable goals for management

	Environmental	Social	Governance
OMV	Reduction in CO <sub>2</sub>	Diversity and gender balance	
Verbund	Expansion of new renewables	Certification “Best Employer”	Culture audit
A1	Reduction in CO <sub>2</sub> Increase, circular economy	Employee satisfaction	Increase female leadership proportion
Post	Reduction in CO <sub>2</sub>	Diversity and gender balance, employee satisfaction, initial and continuing training	Zustellqualität, Prüfung „Reasonable Assurance“ von Umweltkennzahlen

Verifiable and measurable targets are of particular significance in this regard in order to make the companies’ performance in the area of sustainability quantifiable. Achievements and challenges are also increasingly being discussed in committees specially set up as part of the work of the Supervisory Board. Looking at Germany, we can see that ÖBAG and its companies are already very well positioned compared to DAX companies with regard to executive board remuneration.<sup>9</sup> The focus in 2022 will be on discussing further ESG standards which can then be used within the scope of the work of the Supervisory Board to inform strategic stipulations for the individual portfolio companies.

## CO<sub>2</sub> tracking to safeguard sustainable value

For the portfolio companies, CO<sub>2</sub> tracking represents an important step towards transformation to a decarbonised economy. The listed companies in particular have won awards from international ratings agency for their CO<sub>2</sub> emission reduction strategies. Some portfolio companies are also already assuming a trailblazing role in the definition of SBTi-compliant objectives in order to bring climate warming down to under 1.5°C on a permanent basis.

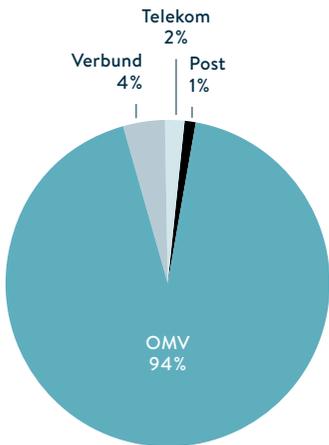
The transformation of the portfolio companies and the associated reduction in CO<sub>2</sub> emissions are key success factors in terms of achieving the national climate neutrality goal by 2040. ÖBAG sees the cross-generational securing and creation of value as one of its core tasks. Cross-portfolio and industry-specific CO<sub>2</sub> tracking enable progress to be measured and action areas to be identified.

### **The state holding company considers the emission cycle in macrosocial terms**

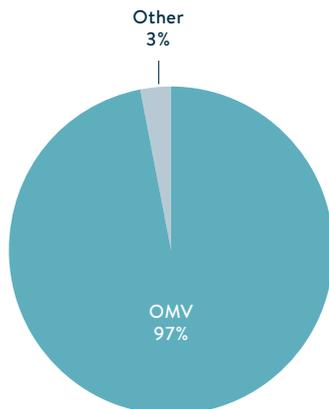
Holistic consideration of CO<sub>2</sub> emissions is a particular focal point for ÖBAG. The ÖBAG Sustainability Team is looking at direct and indirect CO<sub>2</sub> output by considering Scope 1, 2 and 3 emissions. Scope 3 emissions encompass the whole of the value-added chain. This overall approach to CO<sub>2</sub> monitoring allows the holding company to measure the societal impacts of emissions in the most effective way possible in order to safeguard its remit to deliver a cross-generational increase in value.

The analysis of Scope 1 and 2 emissions relates to the direct output of CO<sub>2</sub> emissions the company (e.g. Production or the vehicle fleet) and to the carbon footprint from energy consumption. Scope 3 emissions extend to include upstream and downstream processes in the value-added chain and thus encompass large parts of the supply chain and of emissions caused by consumption.

**ÖBAG Scope 1+2 emissions per portfolio company**



**ÖBAG portfolio Scope 1+2+3 Emissions per company**

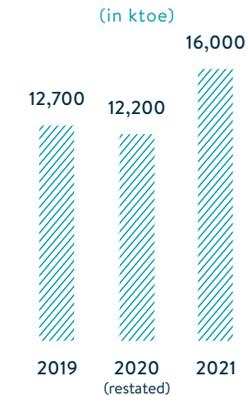


In the case of Scope 2 emissions, the ÖBAG portfolio companies opt to use the particularly transparent market-based approach. In the ÖBAG portfolio, over 90 percent of emissions are caused by the international energy and chemicals group OMV, which operates at a global level. OMV generates the largest carbon footprint in the portfolio, particularly with regard to Scope 3 emissions which are, for example, created by burning oil and gas. Alongside CO<sub>2</sub> emissions, industry-specific exhaust gases such as methane or nitric oxides (NO<sub>x</sub>) also form a focus of the ÖBAG environmental performance analysis of the companies in comparison with international peer groups.

**Growth in emissions and efficiency**

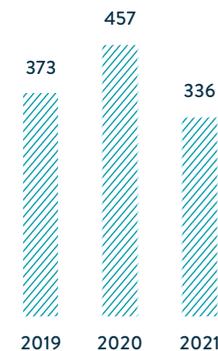
As a result of growth by most portfolio companies, CO<sub>2</sub> emissions of ÖBAG have also increased in absolute terms. Full consolidation of Borealis into OMV was a key strategic move which is also reflected in an increase in emissions in the ÖBAG portfolio in absolute terms within the monitoring system. A similar effect was caused by the consolidation of Aras Kargo into Österreichische Post. The strategic growth policy is reflected in absolute CO<sub>2</sub> values, which were around 16,000 ktOE in 2021 (2020: 12,200 ktOE). However, 2021 also saw a crucial improvement. CO<sub>2</sub> intensity (Scope 1+2 emissions as a ratio of revenues) measures how efficiently ÖBAG companies operate with regard to the output of CO<sub>2</sub> within the scope of their business activities.

**ÖBAG portfolio Scope 1+2 emissions from 2019 to 2021**



**ÖBAG portfolio CO<sub>2</sub> intensity**

(Scope 1+2 emissions through total revenues)



**International pioneers in many areas**

Every year, ÖBAGs ESG monitoring system measures the sustainability endeavours of the portfolio companies and compares progress with international leading practice. The opportunities for improvement identified within the scope of international benchmarking and on the basis of an analysis of sustainability reports and studies are discussed in various spring meetings with a range of stakeholders (supervisory board members, NGOs, academic institutions).

Verbund, a pioneer of sustainable energy generation, and Österreichische Post, a trailblazer in e-mobility have been sectoral role models with regard to climate-friendly business activity for many years. Exciting future investments by OMV in low CO<sub>2</sub> projects in the amount of €13 billion by 2030 and investments made by Telekom Austria in energy-efficient glass fibre installations mean that the ÖBAG portfolio companies are superbly positioned for future sustainable value generation in international sectoral comparative terms. OMV has set itself the goal of being a climate-neutral company by 2050. Bundesimmobiliengesellschaft achieved a further milestone in 2021 by producing a transparent presentation of historical CO<sub>2</sub> emissions.

# Sustainability Data Science Challenge 2021

The development of innovative solutions for real challenges was at the heart of the “Sustainability Data Science Challenge 2021”, which was initiated by ÖBAG. The competition was realised in conjunction with the technology companies Capgemini and Microsoft and involved four portfolio companies – A1 Telekom, BIG, Österreichische Post and Verbund. The aim was to use “advanced analytics” to reduce the carbon footprint of buildings. The importance of this is underlined by the fact that the construction sector produces a considerable leverage effect in this regard and is in fact responsible for more than 30 percent of greenhouse gases worldwide. At the same time, there are many areas of potential in the field of renewable energies which remain untapped.

## **Sustainability Data Science Challenge 2021**

The competition was aimed at Bachelor and Masters students and at start-up’s from the area of data science. The winning team was awarded prize money of €5,000, but all participants were able to benefit from the challenge. They received training on Microsoft Azure, the scalable cloud platform used to implement the challenge. They were given a chance to present evidence of their data science skills in front of leading industrial companies. And, above all, their models were being used to tackle a real challenge which is currently confronting a whole sector.

“Stricter regulations for real estate management are expected at EU level in future, and this will create major challenges for the sector,” stressed the organisational team. “The objectives of this challenge are to support the portfolio companies and to afford the younger generations an opportunity to work on real solutions to real problems whilst deriving a long-term benefit from the process.”

As part of the competition, all participating teams were provided with aerial photographs, weather data, data on biodiversity and CO2 footprint indicators alongside other materials and information. The task comprised using this basis to develop artificial intelligence models which evaluated the ecological footprint of buildings and entire property portfolios and which determined measures for reducing emissions. The essential aspect was that these models should be considered holistically and that account should be taken of aspects of energy management and of design of open land. This means that the models can also be deployed for future areas of application. Microsoft and Capgemini supported the teams with the development of the AI models, whilst Telekom Austria stood ready to respond to technical questions in its capacity as a service provider. A total of 33 international teams comprising professionals and young data scientists engaged in a competitive procedure to develop AI models which were able to analyse the ecological footprint of buildings of the portfolio

companies and identify potential for reduction. The teams were also called upon to explore areas of potential improvement offered by individual buildings with regard to the promotion of biodiversity and the use of new energy concepts.

**The innovative challenge format, which ran over a period of six months and concluded in December 2021, exerted an effect at several levels.**

- Identification of areas of potential for the reduction of CO<sub>2</sub> emissions at Austria's leading companies.
- Knowledge generation via an open and very diverse stakeholder dialogue on the development of scalable solutions which deliver high effectiveness.
- Networking of leading companies and universities and therefore of highly qualified potential employees and therefore interdisciplinary knowledge transfer

*“Every sustainability measure is an active investment in our future – but much more is needed. We are confident that technology can be the key to lasting change. The next generation of pioneers in every area is already in the starting blocks, and their innovative ideas will lead us to a greener future,” stressed Hermann Erlach, General Manager Microsoft Austria, which instigated the Sustainability Data Science Challenge in conjunction with Capgemini Consulting Austria and ÖBAG.*

*Michael Danninger (Capgemini Austria) emphasised: “The Challenge is a good example of how we can deploy our expertise into artificial intelligence in a targeted way and make a major contribution to a sustainable Austrian economy by engaging in cross-company collaboration.”*

**The Sustainability Data Science Challenge was able to create added value in many areas.**

## Sustainable value

### Impact

Analysis of degree of biodiversity via digital solutions

### Value generation

Reduction of CO<sub>2</sub> emissions of companies

## Open innovation

### Diversity

Knowledge generation in a multi stakeholder initiative

### Scalability

Development of a scalable and highly effective solution

## Skills and expertise

### Network

Leading companies, universities and technology companies

### Knowledge transfer

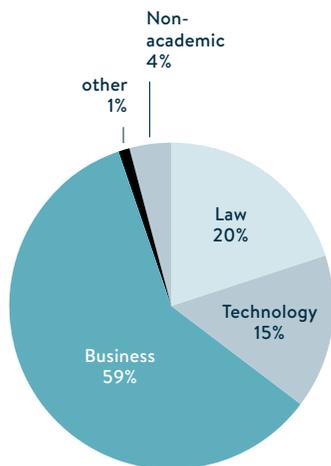
Expert training and networking with participants

### KEYFACTS

- Use AI to reduce the carbon footprint of buildings
- 33 international teams developing solutions to real challenges over a period of 6 weeks
- Technology as a key to achieving the EU climate goals
- Networking between leading companies, universities, start-up's and international high potentials

# Better governance

## Training in the Supervisory Board



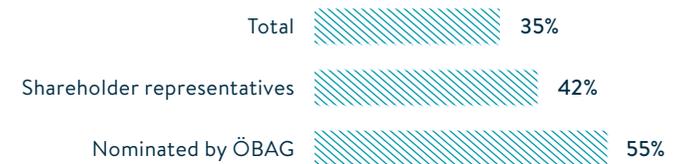
ÖBAG sees the further development of the domestic capital market as an element in strengthening Austria as a business location. One contribution in this regard is provided by the exercising of effective control in the supervisory boards of the portfolio companies and by the establishment of good governance by ÖBAG. For this reason, ÖBAG is instigating numerous measures and initiatives to strengthen corporate governance so as to be able to pursue the group’s goals in a sustainable way.

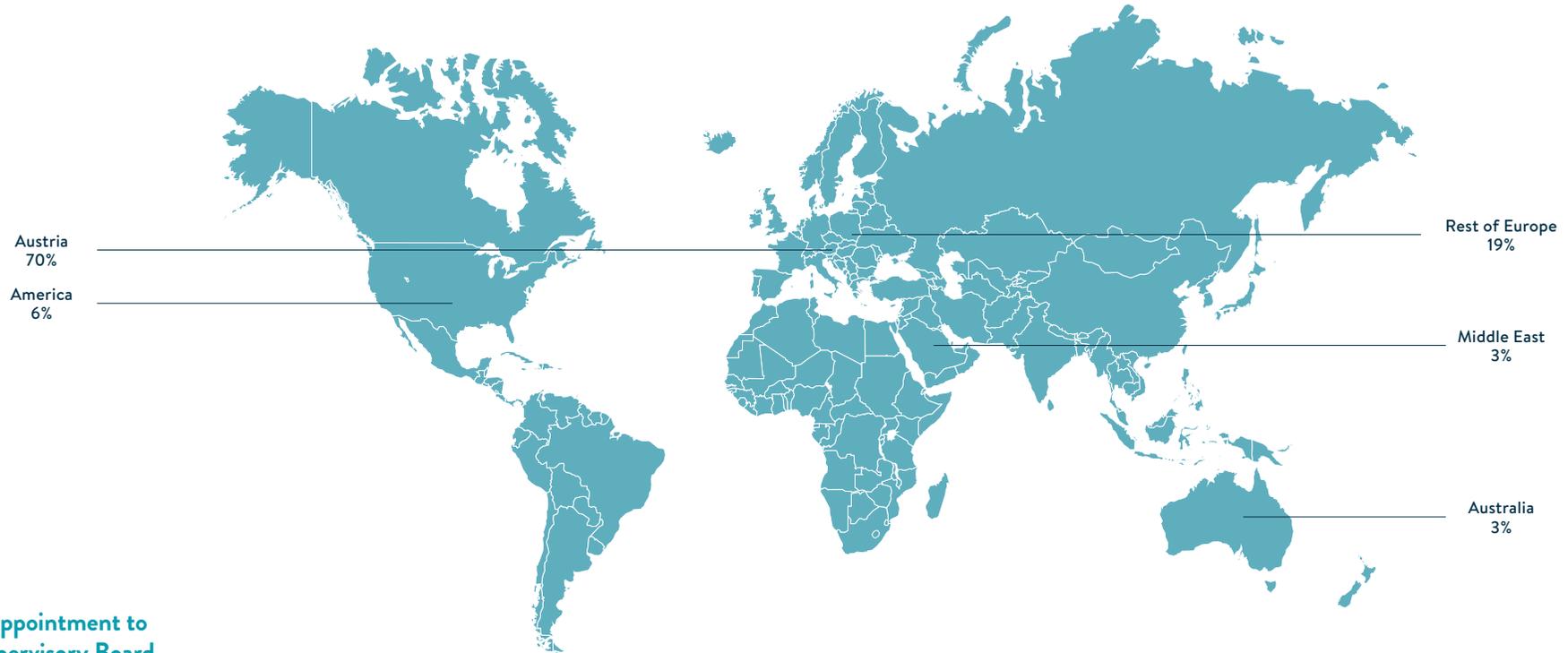
### Supervisory Board – ÖBAG appoints more women than men for the first time

The nomination of experts for the supervisory boards of the portfolio companies has a particularly important part to play in the work of ÖBAG, and for this reason professional appointment processes have been put in place. Within the scope of assessing competences against the background of the experience and skills needed for the respective portfolio companies, previous training and career pathways of potential supervisory board candidates are therefore subjected to precise scrutiny. Significance was attached to achieving a diverse composition in order to ensure that all relevant knowledge was in place.

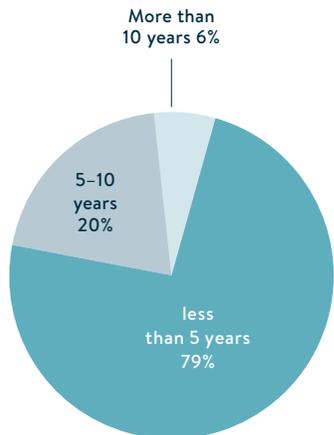
ÖBAG is keen to increase the proportion of women and to raise diversity, in the supervisory boards, e.g. in order to foster internationality, and it identifies possible candidates on the basis of comprehensive competence profiles. In 2020, ÖBAG achieved particular success in the area of gender balance. In 2021, the proportion of women amongst shareholder representatives on the supervisory boards of the ÖBAG companies was 42 percent. This figure even rose to 55 percent in the case of supervisory board members nominated by ÖBAG. ÖBAG thus nominated more women than men as supervisory board members for the first time.

## Proportion of women on the supervisory boards of ÖBAG portfolio companies





**First appointment to the Supervisory Board (shareholder representatives)**



However, the ÖBAG portfolio companies are also able to demonstrate extensive expertise in the area of internationality. Supervisory board members from Austria are joined at the key ÖBAG portfolio companies by representatives from other European countries and from America, Australia and Asia.

In order to maintain continuity on the supervisory boards whilst also ensuring the flexibility needed to reflect new trends and developments and the competence requirements these produce, ÖBAG favours the “staggered board principle”, which means that the supervisory board members selected by the Annual General Meeting serve different terms. This shown by

the high proportion of supervisory board members who have been in post for less than five years.

As supervisory board mandates come to an end, ÖBAG avails itself of the services of experienced HR consultants and draws up a list of suitable candidates. Proposals for supervisory board appointments are then drawn up in the Nomination Committee at the respective portfolio company.

## STAKEHOLDER INITIATIVES

A piece of white paper with the word "COMMITTING" written in a blue, cursive, handwritten style. The paper is slightly tilted and has a soft shadow, giving it a three-dimensional appearance as if it's floating or resting on a surface. The background is a light, textured blue.

COMMITTING

## Dialogue with ÖBAG's stakeholders

Stakeholders are groups which are directly or indirectly affected by the activities of ÖBAG. They firstly comprise internal stakeholders with an immediate connection to ÖBAG and its portfolio companies. Secondly, there are external stakeholders which are of high relevance to our company and our business processes. Institutionalisation of stakeholder commitment initiatives was driven forward once more in 2021. In 2021, ÖBAG's primary focus was on fostering networking between stakeholders in areas relating to ESG. CEO talks, workshops and dialogues with experts from our portfolio companies, with economic experts and with other experts from industry, science and the capital market were all staged in 2021, mainly in digital form. CEO talks were, for example, expanded alongside the tried and tested ÖBAF forum format. However, there was also expert dialogue between ÖBAG and national and international NGOs on topics including the environment, climate protection and diversity. Cooperation arrangements with universities and extra-university research institutes were consolidated further in 2021. This collaboration has produced new findings and foundations for evidence-based action options.

### **Using gender networking to encourage the appointment of women to senior roles**

In December 2021, ÖBAG staged a gender equality discussion, to which all female supervisory board members at the ÖBAG portfolio companies were invited. This event debated gender equality at all decision-making levels as well as considering future initiatives which will deliver greater diversity. ÖBAG also took part in an online event to mark International Women's Day entitled "Ring the Bell for Gender Equality". OECD studies show that having more women in leadership positions leads both to more successful companies and to a long-term boost in GDP.

### **Science and research – assuming social responsibility**

The programme commenced in 2020 and was concluded in 2021. Six students examined the ESG potential of six portfolio companies within the scope of a "Sustainability Challenge" instigated by the Vienna University of Economics and Business in conjunction with ÖBAG. The overarching question was: are the companies fulfilling their social responsibility? The young researchers went on to analyse social and environmental factors and the issue of the supply chain. They also scrutinised environmental standards and looked into the future areas of potential at the companies to achieve greater sustainability.

ÖBAG joined forces with the Institute for Advanced Studies to look at the impact produced by the portfolio companies in purely economic terms. The six largest ÖBAG companies – Österreichische Post, Casinos Austria, OMV, Telekom Austria, BIG and Verbund – were included in this study, which examined economic effects for Austria in the shape of value creation, employment and tax receipts. ÖBAG is using projects such as the “[Sustainability Challenge](#)” and specific research cooperation agreements to support the exchange of knowledge between young potentials, companies, academic research and NGOs.

#### **Workshops and knowledge transfer**

##### **Switching together to the circular economy**

Dialogue centring on the topic of the “circular economy” was a key environmental focus in 2021. Questions regarding consumption of resources, soil and the creation of a common understanding of biodiversity were addressed in workshops, during one-to-one meetings at executive level and together with environment NGOs, scientists and experts from the portfolio companies. Thanks to collaboration with the University of Natural Resources and Life Sciences, expert knowledge at ÖBAG on the topic of the circular economy has been extended still further. Areas of potential for research cooperation between the portfolio companies are also being explored. A workshop involving the portfolio companies made it clear that the group boasts a great deal of expertise on the issue of the circular economy and that this has been identified as a key to achieving climate objectives.

CEO talks with Thomas Gangl (Borealis) and Christoph Scharff (ARA, Altstoff Recycling Austria AG) provided a high-quality culmination to our [focus on the topic of the circular economy](#) in 2021.

#### **Verbund X Accelerator for new energy solutions**

True innovations arise if people are prepared to think beyond the boundaries of their own sector. ÖBAG as acting as a partner to support the Verbund X Accelerator, a platform instigated by Verbund AG to develop innovative potential solutions for companies from a range of industries and for start-up’s. A total of 400 start-up’s from 43 countries applied to take part. The best 13 candidates worked alongside the companies to develop highly promising prototypes in the areas of energy and infrastructure. Interdisciplinary and cross-sectional projects such as this are an essential building block for the achievement of climate goals and form the foundations for an agile and innovative business hub.

#### **Conference and events**

We need to act today to ensure that tomorrow is worth living. Sustainable change can only gain momentum if all management levels are convinced of its merits. On 29 June 2021, ÖBAG staged a hybrid conference with the aim of enhancing networking between international and domestic decision makers. The [discussions](#), in which 19 international and national experts participated, centred on the endeavours being undertaken by national and international players to stimulate the economy whilst aligning companies to sustainability at the same time.

#### **Creating awareness for climate protection at companies**

In 2021, ÖBAG participated actively in Climate Impact Day (CID), which was organised for the first time by the start-up Glacier. The objective of the day was to support the topic of sustainability and to raise awareness for climate protection both within society and on the part of companies. ÖBAG also held its own climate protection day for the ÖBAG team. Staff were able to find out about solutions relating to climate protection in areas such as e-mobility, photovoltaics and climate risks and exchange knowledge within the framework of a joint team meeting.

#### **Discussions at the highest level**

##### **From inflation to digitalisation**

ÖBAG organised numerous CEO talks in 2021. Minister for Labour Martin Kocher kicked off the year in January by shedding light on the consequences of the coronavirus crisis for the domestic labour market. In February, Robert Holzmann, Governor of the National Bank of Austria, provided an insight into economic developments and explained how national banks the world over are seeking to get to grips with rising inflation. A call to Josef Penninger, a researcher of global renown, also made it clear that the COVID-19 crisis is a shift in the times rather than a singular event. Avoidance is no longer the issue. The focus now must be on how we will deal with the new situation in the long term.

“When all our aeroplanes were grounded in March 2020, it was clear to us that this was not ‘goodbye’. It was a question of ‘see you later.’” A digital talk by AUAs CEO Alexis van Hoensbroech in the spring gave rise to optimism. This was an important signal for our economy and for ÖBAG, which brings its expertise to bear at Austrian Airlines via a seat on the Supervisory Board. In May, Borealis CEO Thomas Gangl tackled the subject of plastic and climate protection. He explained that this was not necessarily a contradiction in terms and presented numerous possible uses for plastic. Although considered to be a problem material in many places, plastic is viewed by Borealis as a central element in a functioning circular economy. Technologies such as OMVs Re:Oil, for example, allow plastic to be deployed in a sustainable and environmentally friendly way in conjunction with incentives and practical collection systems. The year of CEO talks ended with Thomas Arnoldner, who gave a keynote address concentrating on the significance of digitalisation in climate protection. The challenge for companies such as Telekom Austria is a hunger for more data volume whilst needing to reduce electricity consumption at the same time.

#### **Carbon Disclosure Project (CDP)**

ÖBAG is part of international cooperation agreements in the area of ESG. In 2021, ÖBAG once again participated in the Carbon Disclosure Project (CDP) in order to provide encouragement to our portfolio in matters relating to sustainability and transparency. CDP boasts more than 590 investors and funding of in excess of \$110 billion. It uses its entire power to demonstrate that global business and climate protection go hand in hand.

**respACT – Austrian Business Council for Sustainable Development**

ÖBAG is seeking to strengthen international cooperation via its membership of the Austrian Business Council for Sustainable Development, or respACT. More than 300 companies have come together under this umbrella in order to continue to drive forward the implementation and execution of CSR goals and to have a platform that allows networking on sustainable business practices.

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