ANNUAL REPORT 2019/20

CONSOLIDATED FINANCIAL STATEMENTS

swietelsky.com

CONTENTS

BUILDING ON IDEAS

"After another very successful business year, the general economic conditions are becoming more difficult. I would like to thank all employees who, under personal restrictions, are able to master the special challenges of the corona crisis together."

Dr. Norbert Nagele
Chairman of the Supervisory Board

IMPRINT

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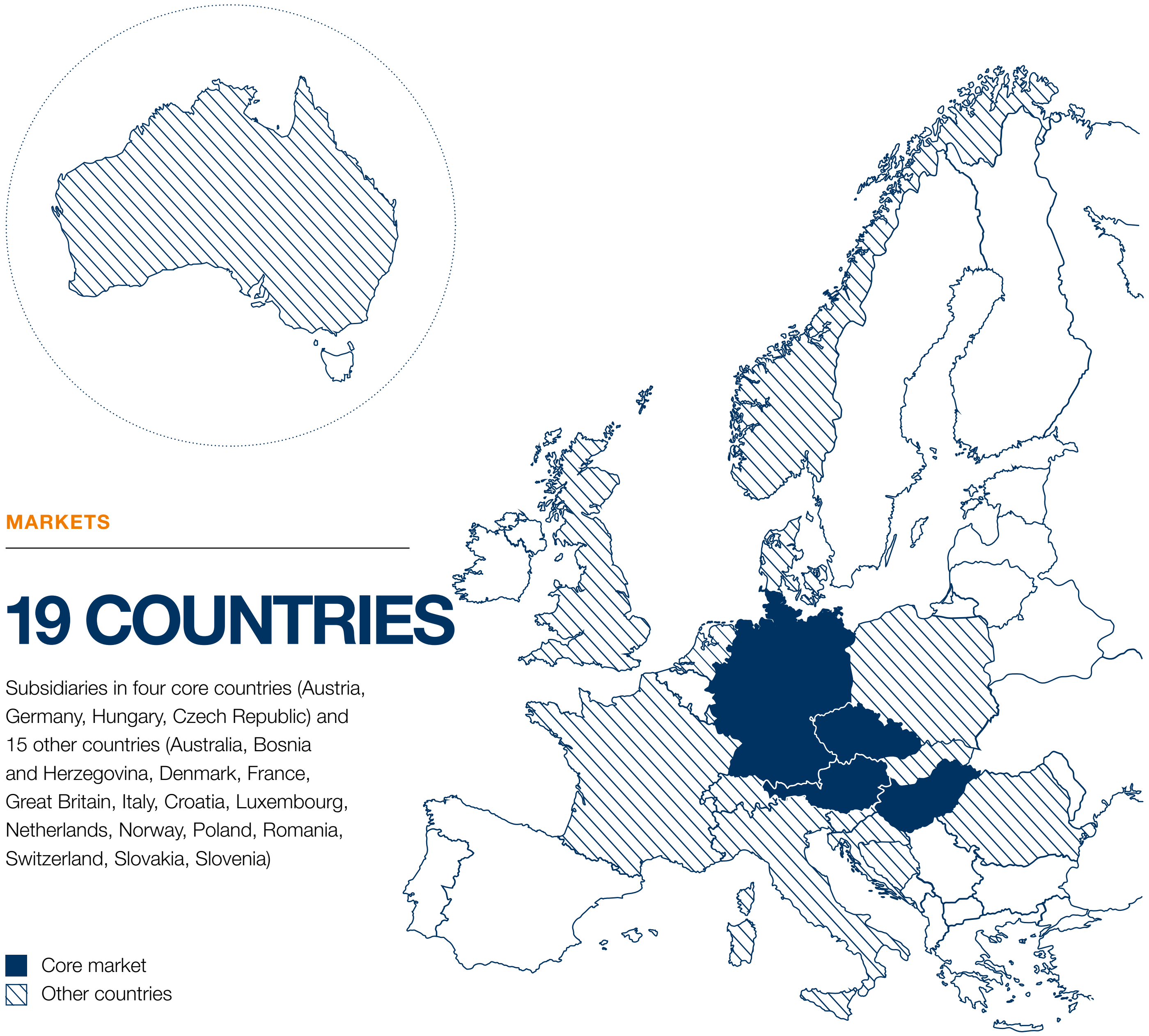
TODAY

The SWIETELSKY Group is a leading construction company in Central and Eastern Europe. With the driving force of around 11,000 employees, more than EUR 3 billion in construction output, and a decentralized organizational structure, we are an international player, a national winner, and a local champion in all sectors of the construction industry.



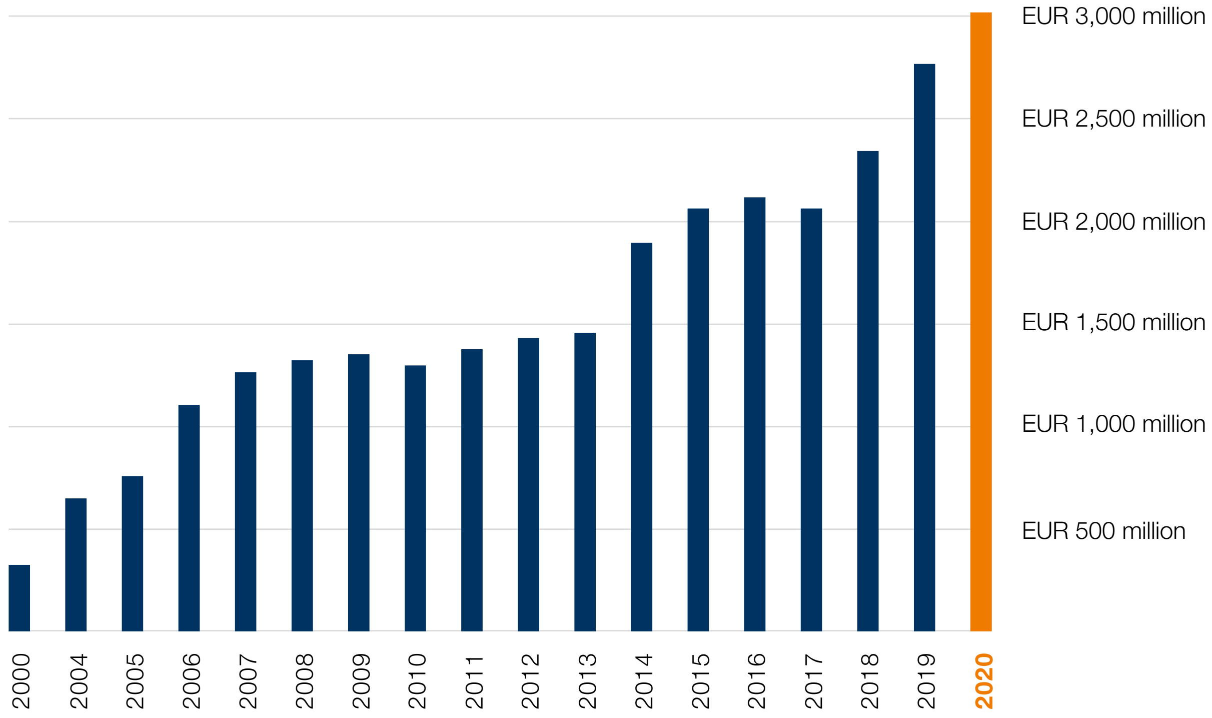
MARKETS

19 COUNTRIES

Subsidiaries in four core countries (Austria, Germany, Hungary, Czech Republic) and 15 other countries (Australia, Bosnia and Herzegovina, Denmark, France, Great Britain, Italy, Croatia, Luxembourg, Netherlands, Norway, Poland, Romania, Switzerland, Slovakia, Slovenia)

Core market
Other countries

CONSTRUCTION OUTPUT DEVELOPMENT

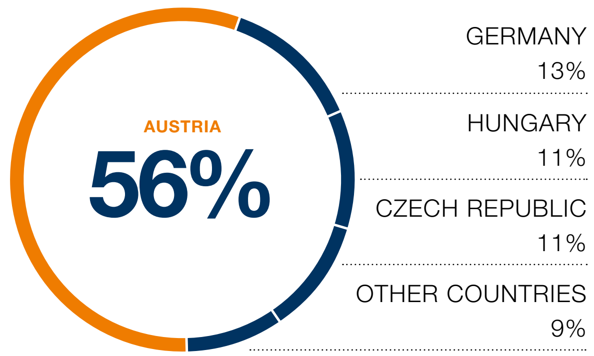


AVERAGE NUMBER OF EMPLOYEES

11,038

7,162 blue-collar workers
3,876 white-collar workers

CONSTRUCTION OUTPUT BY MARKET



Management Board (from left): Peter Gal, Adolf Scheuchenpflug, Dipl.-Ing. Karl Weidlinger, Dipl.-Ing. Walter Pertl

CONSTRUCTION OUTPUT	YEAR-ON-YEAR
EUR 3,029,476,894	**+8.0%**

EBT	YEAR-ON-YEAR
EUR 115,133,628	**+7.2%**

ORDER BACKLOG	YEAR-ON-YEAR
EUR 3,142,596,828	**+0.8%**

2019 2020

FOREWORD BY THE MANAGEMENT BOARD

Dear Sir or Madam!

This financial report is the first one that we issue as a joint stock corporation. The change in our legal form, decided and implemented by the owners in 2019 in light of the steady growth, contributes to optimally set up the organizational and legal structures of SWIETELSKY for future challenges. It has no effect on the ownership structure or the composition of the owners and their ownership ratios.

In the financial year 2019/20, SWIETELSKY continued on the successful trajectory of the previous years. In light of the solid economic environment, which was only marred in the last few weeks of the financial year by the coronavirus crisis, the Group was able to continue its organic growth. In its home market of Austria, SWIETELSKY again greatly increased its construction output, while consolidating the strong growth of the past years in all other important markets. Overall, construction output increased by 8% year-on-year. At EUR 3.14 billion, the list of orders is even above last year's very high level, despite the scheduled completion of large, long-term projects. The equity ratio improved to 30%.

Our main focus has always been on profitability, and in this indicator we also witnessed very satisfying growth. Earnings before taxes (EBT) increased by 7.2%. The EBIT margin of 4.2% is a very good value for the industry. We remain very attentive to the capital structure and place great value on a careful use of our financial resources. Nevertheless, in the past fiscal year we again demonstrated a high willingness to invest in modernising our technical equipment and machines. The first Group-wide sustainability report, issued in autumn 2019 in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI), shines a light on our performance in the context of sustainable business operations. Through continuous sustainability management, we will continue to generate competitive advantages in this field.

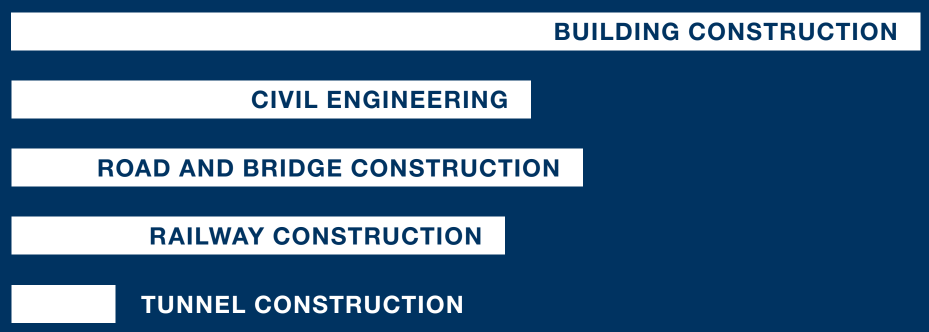
In March 2020, our home market of Austria witnessed a historical situation with the complete stoppage of construction and the interruption of national and international production and supply chains as a consequence of the spread of COVID-19. During this period, our company's focus was on finding ways to quickly resume our construction activity as safely as possible. We were able to achieve this within a few short weeks. Even though the negative effects of the coronavirus crisis were limited in the end of the financial year 2019/20, the current situation marks a turning point. We expect that the economic effects of the deep recession will be reflected in lower construction output. Our main focus will therefore be on possible efficiency increases in our production processes in order to emerge from the crisis structurally sounder.

It is risky to make predictions for the financial year 2020/21 under the current circumstances; nonetheless, with our robust and profitable business model and our level of orders, which remains high across the Group, we are confident that we will successfully overcome the COVID-19 pandemic and its consequences.

One particularly sad event of 2020 was the passing of Ing. Hellmuth Brustmann, who was co-owner and general director of SWIETELSKY for many years. He was one of the pioneers of modern railroad construction, revolutionising efficiency and worker safety by introducing large machines. He was also a driving force behind the internationalisation of SWIETELSKY, helping to make it one of the leading European railroad construction companies. We will fondly remember him as a great visionary with social responsibility.

RANGE OF SERVICES

CONSTRUCTION OUTPUT BY SECTOR



SWIETELSKY's activities span all branches of the building industry: Building construction, civil engineering, road and bridge construction, railway construction, and tunnel construction.

The Group offers projects of any dimension with the highest quality and flexibility, while always adhering to schedules. A decentralized organizational structure and a variety of branches and subsidiaries with different orientations ensure maximum efficiency.

BUILDING CONSTRUCTION

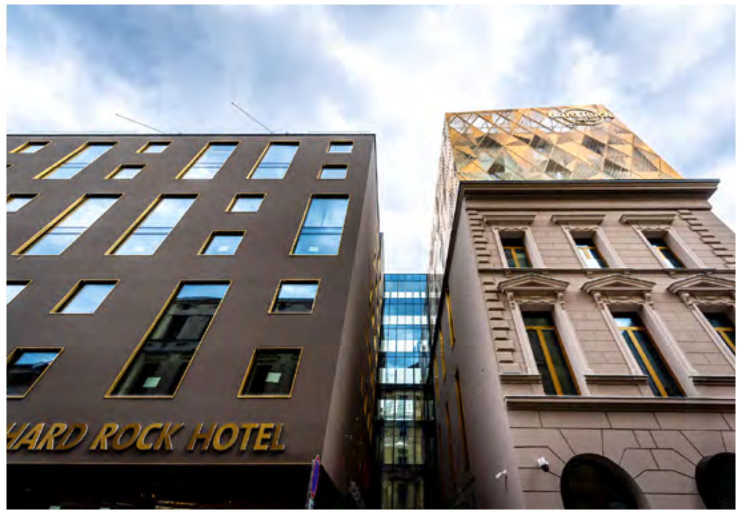
OFFICES/ OFFICE COMPLEXES
SINGLE-FAMILY HOUSING
SHOPPING CENTRES
HEALTH FACILITIES
ALPINE CONSTRUCTION PROJECTS/ MOUNTAIN HUTS
HOTELS
INDUSTRIAL BUILDINGS
PUBLIC BUILDINGS
REVITALISATIONS/ CONVERSIONS
STADIUMS
RESIDENTIAL BUILDINGS/ HOUSING DEVELOPMENTS

SWIETELSKY BUILDS WITH VISION

SWIETELSKY is able to efficiently realise construction projects of any size, making us a trustworthy partner in addressing various target groups such as families building their own homes, public clients, housing cooperatives, private investors, project developers, industrial companies, and many more.

The client can always rely on the fact that SWIETELSKY builds on solid values. Reliability and economic longevity are characteristics that our clients hold in high regard. The immense variety of projects proves just how flexible SWIETELSKY is in its role as either a construction manager or general contractor. Having considerable expertise including in modern timber and hybrid construction, we see ourselves as a material-neutral builder able to meet any requirement.


Offices of the Austrian National Health Insurance in timber/hybrid construction, Salzburg, Austria



Hotel building, Budapest, Hungary


Residential complex, Budapest, Hungary


Residential building, Marina Tower, Vienna, Austria

SWIETELSKY builds on solid values: Reliability and economic longevity.


Hotel building, Thiersee, Austria


Residential complex, Telfs, Austria


Residential complex, St. Pölten, Austria


Office building, Austro Tower, Vienna, Austria


Residential complex, Mödling, Austria

CONSTRUCTION OUTPUT FOR BUILDING CONSTRUCTION SECTOR
Figures in thousand EUR

2017/2018	946,925
2018/2019	1,014,245
2019/2020	1,052,666

Of the large number of different building construction projects in the financial year 2019/20, we would like to showcase one that is particularly special due to the specific structural challenges it posed.

OFFICE PARK 4, Vienna Airport, Austria

SWIETELSKY was contracted by Flughafen Wien AG to construct the OFFICE PARK 4 project. Breath-taking forms, impressive possibilities, excellent equipment and services – the new Vienna Airport Office Park is more than just an architectural landmark. Office and conference space, kindergarten and restaurants as well as a common underground garage with place for 105 cars were built. SWIETELSKY was awarded the contract as general contractor. Between November 2018 and June 2020, some 32,000 m² of usable area were created, 22,000 m² of which are office space.

SWIETELSKY DRAWS ON PROFOUND TECHNICAL KNOW-HOW

In civil engineering, SWIETELSKY ensures that space and the environment are optimally used while protecting natural surroundings. We specialise also in complex construction projects in difficult terrain, such as in the mountains or underground.

Through the use of state-of-the-art technologies and interdisciplinary knowledge, we are able to offer innovative, economical, and ecologically sustainable solutions. This applies to earthworks, hydraulic engineering, and foundation engineering as well as the construction of supply and disposal networks, waterways, dams and sewer systems. SWIETELSKY is particularly knowledgeable in special civil and underground construction.

CIVIL ENGINEERING

DEMOLITION WORKS
ASPHALT OR CONCRETE RECYCLING
OUTDOOR FACILITIES
BIOGAS PLANTS
LANDFILLS AND RECYCLING PLANTS (INCL. SEWAGE TREATMENT PLANTS)
EARTH EXCAVATION
MILLING OF THE ASPHALT CONSTRUCTION
SEWER STRUCTURES AND HYDRAULIC STRUCTURES
POWER PLANTS
NOISE PROTECTION
PIPELINES
SPECIAL COATINGS
BLASTING OPERATIONS
CABLE CARS, LIFTS, AVALANCHE BARRIERS AND GALLERIES
TEST DRILLING AND BORING
DEEP FOUNDATIONS, EXCAVATION PIT AND SLOPE STABILISATION
PROVISION OF CONCRETE, GRAVEL, CRUSHED ROCK OR BALLAST MATERIAL


Sports grounds of the school, Švermova, Czech Republic


Flood protection, Döbeln, Germany


Flood protection, Budapest, Hungary

Technology and know-how, including for complex construction projects in difficult terrain.


Water tank, Ochsenburg, Austria

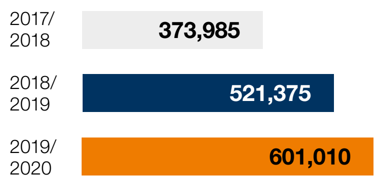

Drain construction, Innsbruck, Austria


Rock fall protection, Radmer, Austria

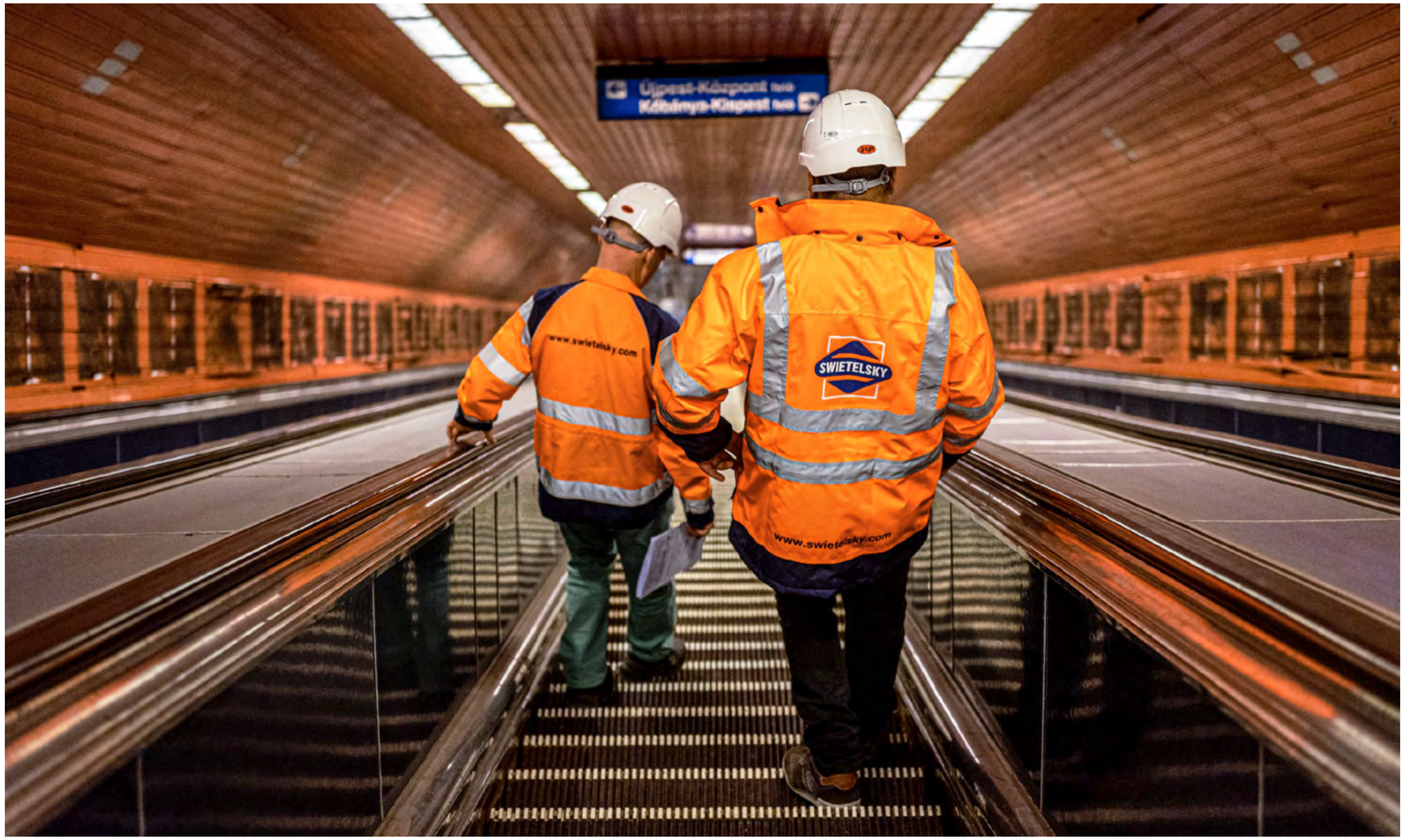

Hydroelectric plant, Vöcklabruck, Austria

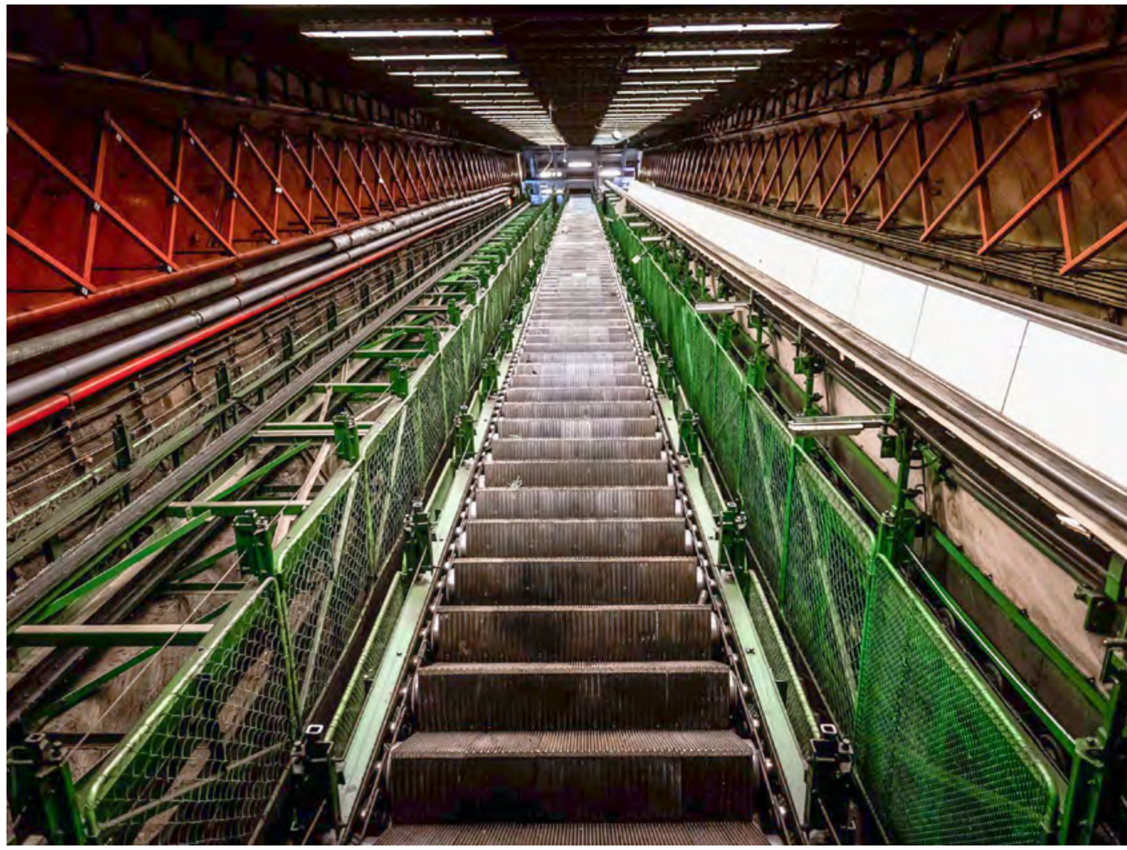

Underpass, Lanzendorf, Austria

CONSTRUCTION OUTPUT FOR CIVIL ENGINEERING SECTOR
Figures in thousand EUR



Of the large number of different civil engineering projects in the financial year 2019/20, we would like to showcase one that is special due to the specific structural challenges it posed.





Renovation of M3 metro line, Budapest, Hungary

SWIETELSKY Építő Kft. was contracted by BKV Zrt. (Budapest public transport corporation) to renovate the central section of the M3 metro line (9 metro stations). The metro line, built between 1976 and 1990, is currently one of the most important Hungarian infrastructure projects. The works include in particular the integration of special constructions and systems, such as inclined lifts, escalators and ventilation systems. A particular challenge lies in the organisation of the construction works and the supply of materials to the underground stations in the city centre, in particularly cramped conditions. Works are planned to last from November 2019 to December 2022.

ROAD AND BRIDGE CONSTRUCTION

ASPHALT PRODUCTION
VIEWING PLATFORMS
MOTORWAYS AND ROADS
BRIDGES
ADVENTURE TRAILS
AIRPORTS
FOREST ROADS AND AGRICULTURAL ROADS
SUSPENSION BRIDGES
ELEVATED HIGHWAYS
TOWN SQUARES
CAR PARKS

SWIETELSKY BUILDS ON COHESIVE KNOWLEDGE

When SWIETELSKY first started, individual mobility was nothing more than a bold vision for millions of Europeans. Road construction pioneer Hellmuth Swietelsky made this dream his own personal mission. More than 80 years later, we have often pushed our own limits and successfully mastered every project dimension in road and bridge construction.

As an experienced, flexible and absolute quality-driven partner of the public sector, we have helped build and continuously develop infrastructure. With requirements changing over time, SWIETELSKY has always been at the forefront of development. We are therefore more in demand now than ever before when it comes to implementing modern solutions for growing urban spaces.

Bicycle road, Hodonín – Ratiškovice, Czech Republic

Bridge construction, A94, Germany

Highway, D3 Bošilec – Ševětín, Czech Republic

Bridge construction, Frauenberg, Austria

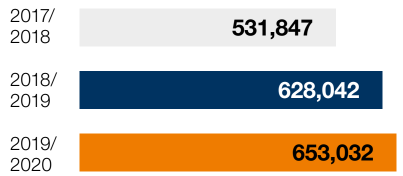
Bridge construction, Tenneck, Austria

Airfield, Heliport Hochgurgl, Austria

SWIETELSKY is a pioneer and visionary in the construction and development of road infrastructure.

Road construction, Fertőendréd, Hungary

CONSTRUCTION OUTPUT FOR ROAD AND BRIDGE CONSTRUCTION SECTOR
Figures in thousand EUR



Of the large number of different civil engineering projects in the financial year 2019/20, we would like to showcase one that is particularly special due to the specific structural challenges it posed.

Safety expansion, Voest Bridge Linz, Austria

The urban highway bridge is getting two new bridges (bypasses). The aim of the bypass bridges is to reduce traffic at the Danube crossing by separating the traffic flows: drivers coming to or going from Linz are separated from those who are just passing through. Once both bridges are completed, only the transit traffic will still cross the main bridge. Furthermore, each bypass bridge will get a pedestrian pavement and a bicycle road. The bypasses are expected to open to traffic in 2020.

The principle of sustainability has shaped SWIETELSKY's thinking and activities throughout its history like no other. The founders already knew 80 years ago that without the railway as a means of transport, too much economic and ecological strain was going to be put on road traffic. Thus, the road construction pioneer became a railway construction pioneer.

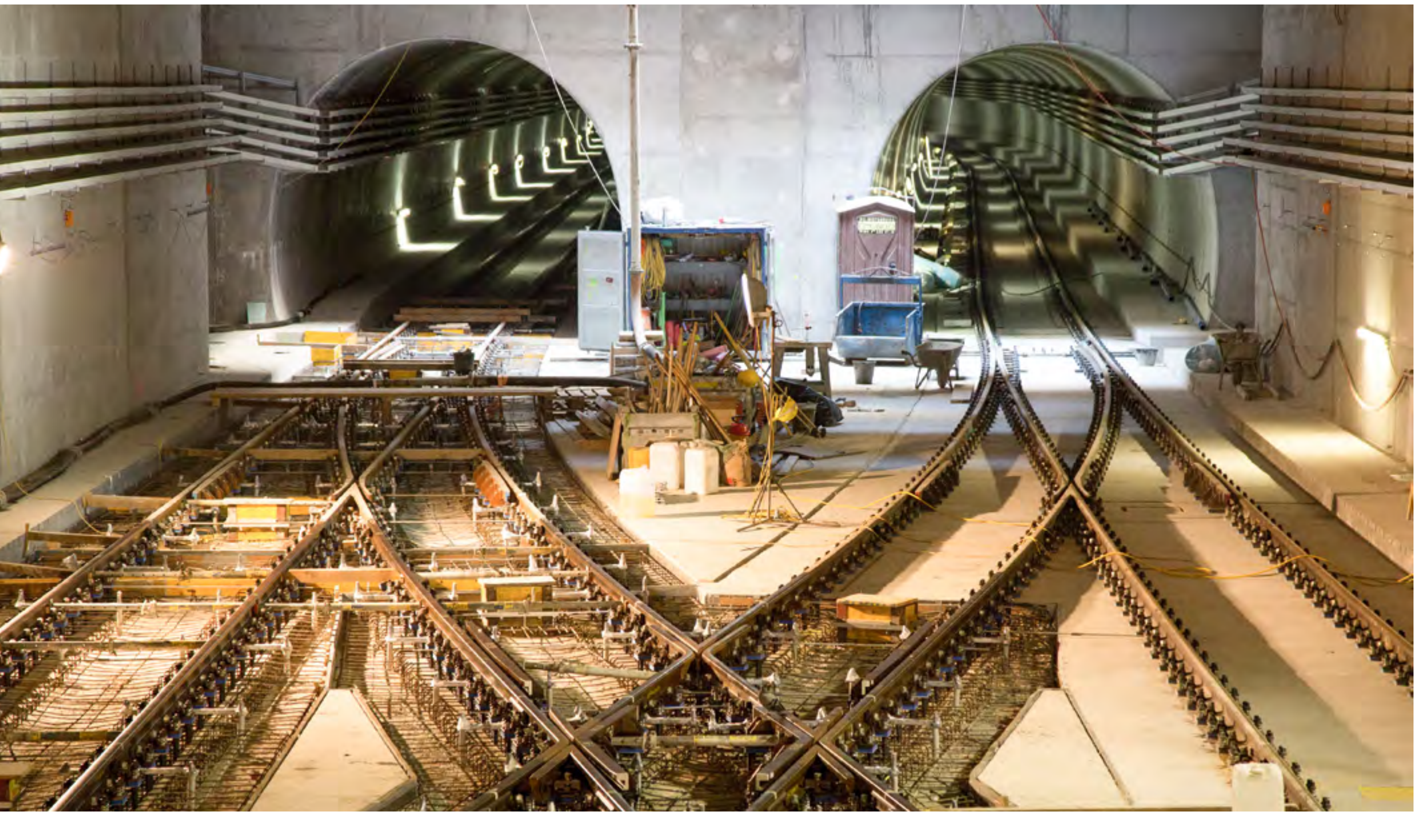
SWIETELSKY has created certain prerequisites in track construction to afford people and goods a quick, cheap, safe and comfortable transport. The company owes its state-of-the-art machinery and its own railway transport company to farsighted capital expenditures.
By developing and using large machinery, SWIETELSKY has revolutionised railway construction in terms of efficiency and safety. Today, we are leading in Europe and also operating in Australia in this field.

SWIETELSKY PUTS INFRASTRUCTURE ON RAILS

RAILWAY CONSTRUCTION

CONVENTIONAL TRACK FORMATION REHABILITATION
MECHANIZED TRACK FORMATION REHABILITATION
BALLASTED TRACK
BALLASTED TURNOUTS
SLAB-TRACK & TURNOUTS
OVERHEADWIRES (OLE) OR OVERHEAD CATENARY SYSTEM (OCS)
TRACTION CURRENT
LOW VOLTAGE & TELECOMMUNICATION
SIGNALING
ACCREDITED ROLLING STOCK OPERATOR
WORKSITE PROTECTION
WORKSITE LOGISTIC
CERTIFIED WORKSHOP RAIL FACILITY
SURVEY
PLANNING & PROJECT DELIVERY
PLANT HIRE SERVICE

Experience, know-how and technology for maximum flexibility in railway construction.



Railroad construction, Vienna, Austria

Railroad works, New South Wales, Australia

Railroad renovation, Obertraubling – Mangolding, Germany

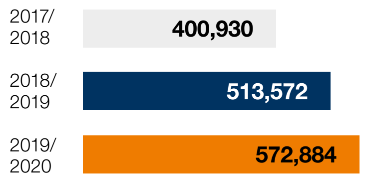
Railroad construction, Olomouc, Czech Republic

Rail change, Nijmegen – 's-Hertogenbosch, The Netherlands

Railroad works, Vienna, Austria

Railroad works, Highland, Scotland

CONSTRUCTION OUTPUT FOR RAILWAY CONSTRUCTION SECTOR
Figures in thousand EUR



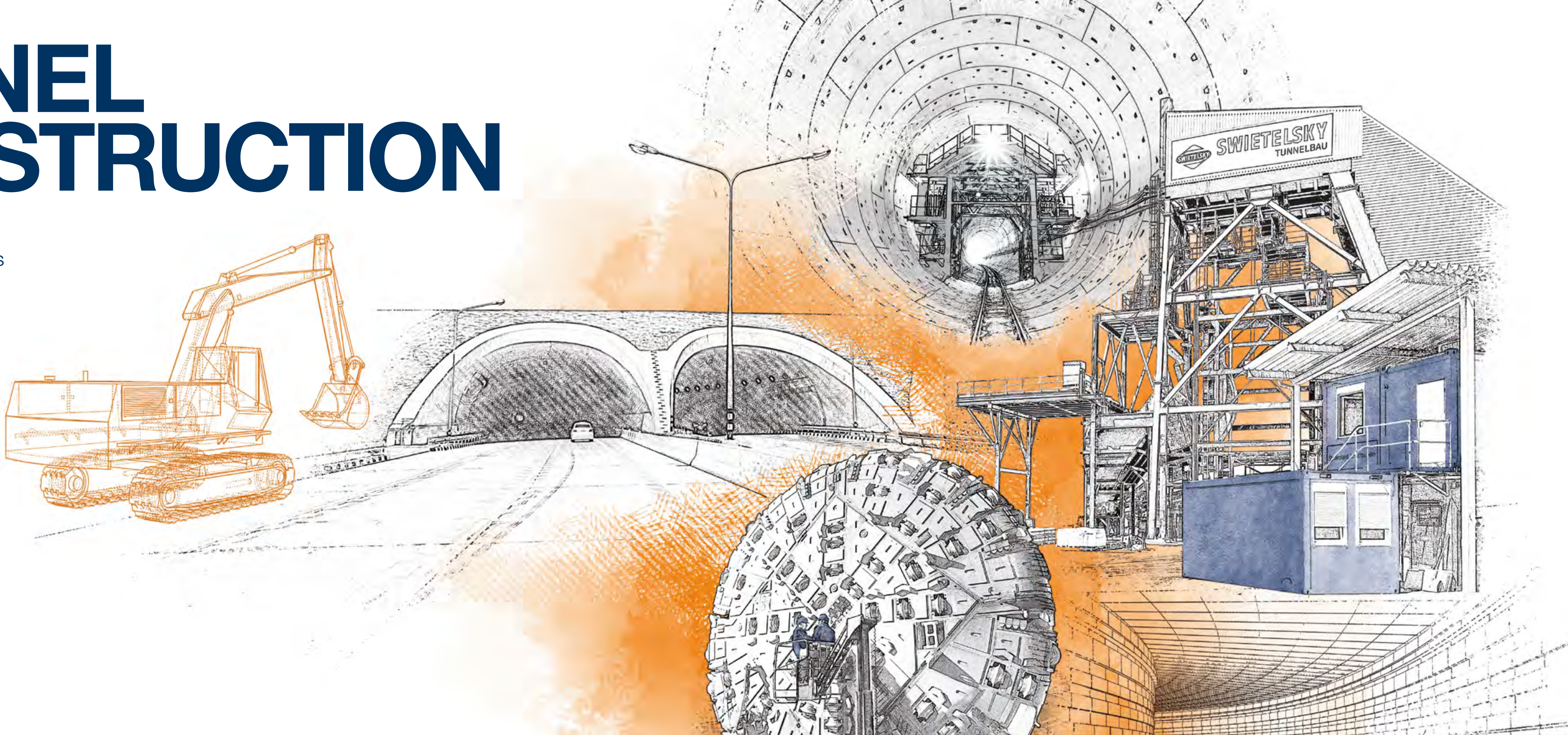
Not long ago it was one of a kind: the RU 800 S. SWIETELSKY revolutionised track construction withthis large machine in 2006, combining the two complex processes of track renewal and ballast bed cleaning involving only one track closure.With the RUS 1000 S, a further development of the successful concept (Plasser & Theurer/SWIETELSKY system) has now been launched.

RUS 1000 S
The new generation

The heavy machinery, which has been modernised from the ground up, offers even more performance without using the adjacent track. It leaves behind a new track that allows for speeds of up to 60 km/h, made possible by the compression of the ballast bed in layers. Tamping operations commence immediately after the new tracks are laid and the ballast is placed. In addition, the RUS 1000 S stands out with countless details that were developed based on 10 years of operational experience. It is currently demonstrating its abilities to first customers. With each new contract, the SWIETELSKY specialists will make even better use of the machine's full potential.

TUNNEL CONSTRUCTION

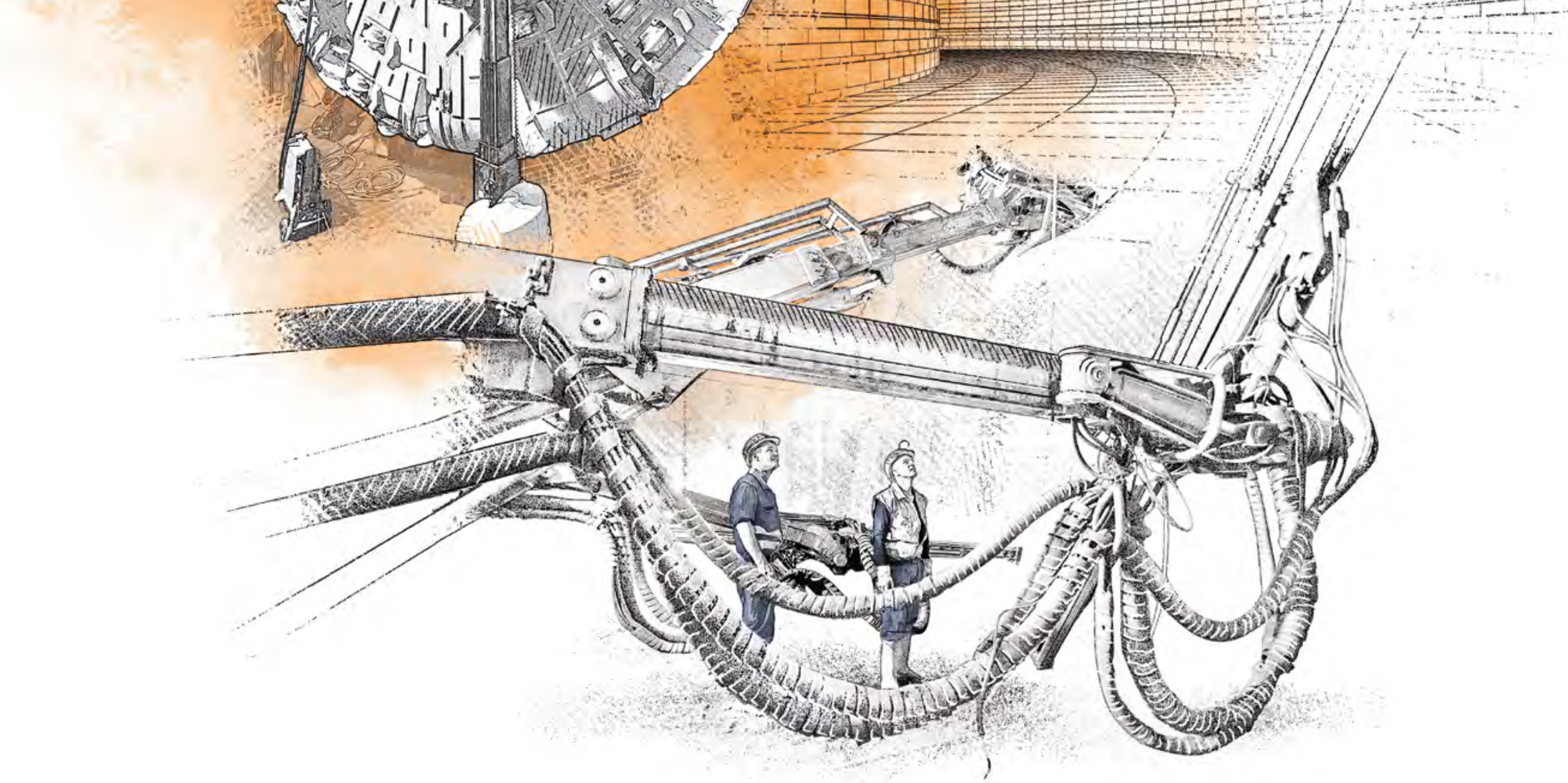
RAILWAY TUNNEL
GALLERIES, CAVERNS, SHAFTS
ROAD TUNNELS
SUBWAY TUNNEL



SWIETELSKY UNDERSTANDS BUILDING PROJECTS

Railway and road tunnels do not only shorten distances but also make alpine zones more attractive as a habitat for humans and animals. Shifting traffic underground conserves natural resources and prevents noise development. When it comes to growing urban spaces, too, do subway tunnels guarantee environmentally friendly and efficient mobility.

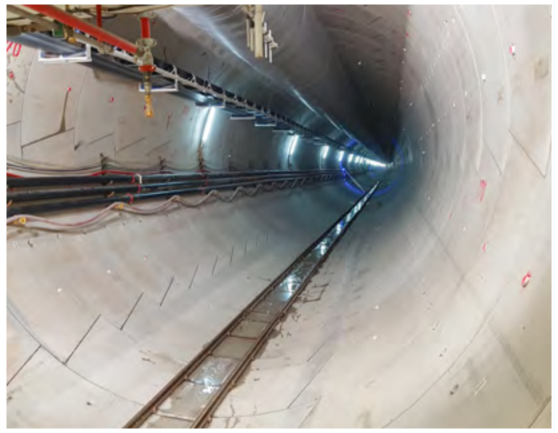
As a pioneer in both road construction and railway construction, SWIETELSKY recognised the potential of tunnel construction early on. By participating in important infrastructure projects, the company was able to make its mark, becoming a leading specialist in this field as well. What distinguishes SWIETELSKY from its competitors is its decades of experience in dealing with geological characteristic, its skill in applying high-tech machines and processes, and its designers' engineering know-how.



Filder Tunnel, Stuttgart 21 project, Germany

Ulmerstraße, Stuttgart 21 project, Germany

Main Station, Stuttgart 21 project, Germany



Semmering Base Tunnel (Fröschnitzgraben), Austria

Liner segment plant, Neunkirchen, Austria

SWIETELSKY guarantees rapid driving and innovative building in tunnel construction.

Bossler Tunnel, new route Wendlingen-Ulm, Germany

CONSTRUCTION OUTPUT FOR TUNNEL CONSTRUCTION SECTOR
Figures in thousand EUR

2017/ 2018	**122,779**
2018/ 2019	**128,084**
2019/ 2020	**149,885**

Of the large number of different tunnel construction projects in the financial year 2019/20, we would like to showcase one that is particularly special due to the specific structural challenges it posed.

S7, Rudersdorf Tunnel, Austria

The Rudersdorf Tunnel is the heart of the new Fürstenfelder expressway from Riegersdorf to Heiligenkreuz at the Hungarian border. The working group "Swietelsky Tunnelbau – Granit – Swietelsky" was awarded the contract for Construction Lot 08 by ASFINAG at the end of 2018. This section, around 3 km long, consists of a cut-and-cover construction around 1 km long, a bored section of around 1.8 km built using mining techniques and a concrete groundwater insulation structure of around 0.3 km. The two tunnel tubes of the cut-and-cover section are 40% completed. The end of construction is planned for 2022.

SPECIALTY COMPETENCY

SWIETELSKY has specialty competency in some market segments due to its developed structure or strategic intentions.

ALPINE CON STRUC TION

Tourism is an essential engine for the economy. In the alpine region, where SWIETELSKY has always felt at home, mountain and hiking tourism plays an important role alongside skiing. We are continuously faced with new constructional challenges when bringing tourists closer to the alpine region's impressive landscapes, fascinating nature and distinctive features. SWIETELSKY has the know-how to be up to the task and is able to master all mountainous logistical and technical challenges.

TIMBER AND HYBRID CON STRUC TION

While timber construction is becoming the standard of contemporary architecture, planers and architects still have many unanswered questions. No one is better at addressing them than someone who has already completed countless timber construction projects ranging from new construction to conversion and hybrid construction. Under the SWIEtimber brand, SWIETELSKY has bundled the knowledge of more than one hundred experts with experience in timber construction. We are thus able to meet any challenge in this market segment and see ourselves as a building material-neutral partner for our customers in planning and implementation.

FACADE CON STRUCTION

SWIETELSKY is your specialist for the coating, renovation and cleaning of facades, for exterior insulation finishing systems and for scaffolding. A particular strength of ours is our personalised consulting regarding the design, the selection of the materials and the practical implementation.

PROJECT DEVELOPMENT

For 35 years, the SWIETELSKY development team has stood for high-quality residential property planning, construction and marketing. Every customer can rely on the construction quality for which the name SWIETELSKY is a guarantee. Competent and reliable contact persons with decades of experience make dreams of a home come true. With great attention to detail and comprehensive knowledge of the market, we do not only implement projects but create sustainable value as well.

CON STRUC TION OF SPORTS AND LEISURE FACILITIES

Being physically active in our free time is becoming increasingly important in our society. With its many years of experience, SWIETELSKY provides for optimal planning and construction of sports facilities as well as for indoor and outdoor renovations. The three main services offered in sports venue construction are gyms, sports facilities, and swimming pools.

METAL CON STRUC TION

SWIETELSKY offers its customers extensive experience and specialty competency in metal construction, such as in large-scale facade manufacturing. We excel at demanding projects that pose a technological challenge and require traditional and pre-cise production combined with a high degree of planning and professional project management. We also execute smaller orders with a keen eye for detail, such as customised windows, doors, gates, grilles, conservatories, and the like.

FULL-SERVICE AND GENERAL CONTRACTOR FOR CON STRUCTION

Our 80 years of experience as the SWIETELSKY Group and the combined strength of a financially strong international construction group have given rise to the services that we can offer in general and full-service contracting. To ensure that big visions do not fail because of small details, we offer complete solutions from planning to project management and construction. Thus, the customer is assisted by a single contact person until the turnkey project is handed over – and beyond.

ENVIRON MENTAL ENGINEERING

Keeping air, water and soil clean are the tasks of today. SWIETELSKY has comprehensive knowledge in contaminated site remediation and in land recycling, provides complete services in landfill and plant construction, and is a specialist for special environmental processes. The increasing demand for renewable energy has led to innovative technical developments that SWIETELSKY has mastered. The company is, of course, also certified in accordance with the current standards for quality, work, environmental, and energy management.

WASTE DISPOSAL AND RECYCLING

In addition to its own construction sites, SWIETELSKY also offers other market participants and end customers attractive waste disposal and consulting services. We possess both the necessary competence and the right facilities for the proper disposal of both hazardous and non-hazardous waste as well as for the recycling of mineral building remains and the treatment of contaminated soils. Our range of services also includes the handling, collection, sorting and proper disposal of waste.

MECHANICAL ENGINEERING

Repairs, special customisations and machine testing are carried out at our machine garage. The garage is divided into the sections Garage (construction machines and motor vehicles), Crane, Electro and Metalworking. We also have specialists in facility management, fleet management and purchase and sale of equipment.

BUILDING SERVICES ENGINEERING

From design to installation to final assembly, we also advise you on all matters related to electrical and sanitation systems. Our technicians design, calculate and plan heating, sanitation, ventilation and air conditioning systems.

LABOR ATORY AND TESTING FACILITY

SWIETELSKY has a state-authorised testing facility for the quality control of construction materials and construction sites. We also provide comprehensive consulting services regarding waste and environmental issues, the transport of hazardous materials, radiation protection, as well as type testing and self-monitoring as part of factory production controlling for aggregates, recycling materials and asphalt. Our extensive laboratory experience and our detailed knowledge of the legal environment are the foundation of our competent consulting.

LANDSCAPING AND GARDEN DESIGN

In landscaping and garden design, we create and maintain public and private green spaces, such as gardens, ponds and pools, and the green areas of residential buildings and complexes and of public and commercial buildings. We are also experts in greening park areas, cemeteries and roof, facade and infrastructure surfaces.

PREFABRI CATED HOUSES

At SWIETELSKY, we combine fast and precise industrial prefabrication with the many advantages of massive construction. That's why our prefabricated houses have lasting value. The harmony between nature and technology, which is immediately visible, creates an extraordinary atmosphere. No two houses are the same, because while designing the houses, our architects draw inspiration directly from our customers.

INDUSTRIAL FLOORING

SWIETELSKY has specialist competences in high-quality, durable industrial flooring and carefully selected additives and binding agents for every area of application. The choice of flooring surface adapted to the planned duration of use and the integration of appropriate materials or coloured chips results in floors that are perfectly suited to your needs.

SEWER MAINTENANCE

SWIETELSKY provides excellent underground sewer maintenance. We use the latest technological processes and outstanding products for the highest quality requirements. This is another area where our specialised engineers and workforce contribute to protecting the environment.

SUSTAINABLE MANAGEMENT

Sustainability has always been a part of SWIETELSKY's DNA. We think of it holistically and see it as the prerequisite for organic growth and long-term prosperity.

SUSTAINABILITY REPORT

In 2019 the SWIETELSKY Group published a Group-wide sustainability report that goes beyond its statutory reporting obligations. It will record and comprehensively present information and data on the company's activities and services in the context of sustainable management.

PERSONNEL DEVELOPMENT

We place particular importance to personnel development and the formation of a corporate culture that is shared throughout the Group. Our philosophy, which we as an employer have been working towards for the past 80 years, is a motivator for our employees, who have remained loyal to the company longer than the average. In addition to development prospects and earning opportunities, key success factors include shared values that shape our cooperation and increase job satisfaction.

YOUTH TRAINING

SWIETELSKY is also committed to training young talent. More than 200 apprentices are trained in 21 various occupations throughout the Group. On the one hand, we see this as an investment in our company's future and on the other hand, we also regard youth training to be our social duty.

COMPLIANCE MANAGEMENT

When it comes to compliance management, SWIETELSKY adheres to the strictest international standards. We go to great lengths to ensure compliance with all legal obligations, and our employees are continuously made aware of its importance and are trained accordingly.

INNOVATION

SWIETELSKY's department "IMS – Integrated Management Systems" ensures that the relevant group unit is informed about the latest developments, especially in the field of building materials and construction methods. In addition to collaborative research projects, we are able to accomplish our own development projects through the use of highly qualified employees. In civil engineering and tunnel construction, for example, innovative construction methods were submitted as research and development projects.

CONSOLIDATED FINANCIAL STATEMENTS FOR 2019/20

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR 2019/20

FIGURES IN THOUSAND EUR	Notes	2019/20	2018/19
Revenue	(1)	2,830,952	2,672,762
Changes in inventories		5,684	-35,913
Own work capitalised		20,473	13,485
Other operating income	(2)	23,182	16,495
Expenses for material and other purchased construction services	(3)	-1,889,094	-1,726,681
Employee benefits expenses	(4)	-667,891	-612,876
Other operating expenses	(6)	-148,037	-187,540
Share of results of associates	(7)	22,253	17,203
Net income from investments	(8)	5,158	4,444
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**202,680**	**161,379**
Depreciation and amortisation	(5)	-84,853	-51,591
Earnings before interest and taxes (EBIT)		**117,827**	**109,788**
Interest and similar income		2,220	1,635
Interest and similar expenses		-4,705	-3,973
Interest income		**-2,485**	**-2,338**
Other financial result		-208	-19
Earnings before tax (EBT)		**115,134**	**107,431**
Income tax	(9)	-24,567	-25,466
Earnings after tax		**90,567**	**81,965**
Attributable to: hybrid captial owners		1,313	1,321
Attributable to: non-controlling interests		0	-186
Attributable to: shareholders of the parent company		89,254	80,830

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR 2019/20

FIGURES IN THOUSAND EUR	2019/20	2018/19
Earnings after tax	**90,567**	**81,965**
Items that cannot be reclassified in the income statement:		
Changes in Revaluation reserves	146	267
Changes in actuarial gains and losses	-280	-1,896
Deferred taxes on neutral changes in equity	57	449
	-77	**-1,180**
Items that can be reclassified in the income statement:		
Differences arising from currency translation	-8,077	-1,425
Changes in Financial Instruments	707	-1,004
Deferred taxes on neutral changes in equity	-120	171
	-7,490	-2,258
Other income	**-7,567**	**-3,438**
Total comprehensive income	**83,000**	**78,527**
Attributable to: hybrid captial owners	1,313	1,321
Attributable to: non-controlling interests	0	-186
Attributable to: shareholders of the parent company	**81,687**	**77,392**

CONSOLIDATED BALANCE SHEET

AS OF 31 MARCH 2020

ASSETS

FIGURES IN THOUSAND EUR	Notes	31/3/2020	31/3/2019
Non-current assets			
Intangible assets	(10)	16,997	12,085
Property, plant and equipment	(10)	503,761	341,973
Investments in associates	(11)	11,679	11,977
Other financial assets	(11)	22,435	21,742
Trade receivables	(13)	5,397	5,473
Other receivables and assets	(13)	4,595	5,099
Deferred taxes	(15)	10,676	8,297
		575,540	**406,646**
Current assets			
Inventories	(12)	120,698	112,686
Trade receivables	(13)	385,396	374,797
Other receivables and assets	(13)	58,966	77,451
Cash and cash equivalents	(14)	481,946	525,003
		1,047,006	**1,089,937**
		1,622,546	**1,496,583**

EQUITY AND LIABILITIES

FIGURES IN THOUSAND EUR	Notes	31/3/2020	31/3/2019
EQUITY			
Share capital		7,705	7,705
Capital reserves		58,269	58,269
Hybrid capital		30,462	30,462
Revaluation reserves		10,240	10,591
Revenue reserves		379,693	327,777
Non-controlling interests		0	-122
	(16)	**486,369**	**434,682**
Non-current liabilities			
Provisions	(17)	28,658	28,511
Financial liabilities	(18)	73,646	3,001
Trade payables	(18)	35,443	29,979
Other liabilities	(18)	12,049	11,469
Deferred taxes	(15)	23,494	21,010
		173,290	**93,970**
Current liabilities			
Provisions	(17)	115,926	122,498
Financial liabilities	(18)	26,004	76,956
Trade payables	(18)	678,159	655,625
Other liabilities	(18)	142,798	112,852
		962,887	**967,931**
		1,622,546	**1,496,583**

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR 2019/20

FIGURES IN THOUSAND EUR	2019/20	2018/19
Earnings after tax	90,567	81,965
Deferred taxes	-731	52
Non-cash effective results from associates	298	-594
Depreciation/reversals of write-downs	84,853	51,511
Changes in non-current provisions	-230	534
Gains/losses on disposal of non-current assets	-4,855	-2,467
Consolidated cash flow from results	**169,901**	**131,001**
Changes to the items:		
Inventories	-10,051	-24,412
Trade receivables, contract assets and project consortiums	-17,072	-20,447
Intra-group receivables and receivables from other non-current	-3,520	2,864
Other receivables and assets	16,484	-39,806
Current provisions	-1,108	32,544
Trade payables, contract liabilities and project consortiums	55,220	33,273
Intra-group liabilities and liabilities to other non-current investees and investors	185	-1,881
Other liabilities	27,030	10,577
Consolidated cash flow from operating activities	**237,069**	**123,713**

FIGURES IN THOUSAND EUR	Notes	2019/20	2018/19
Investments		-144,133	-96,872
Inflows from asset disposals		9,867	5,497
Changes in scope of consolidation		-2,593	-5,469
Consolidated cash flow from investing activities		**-136,859**	**-96,844**
Changes in bonded debts		-74,080	13
Changes in liabilities to banks		-348	-13
Changes in lease liabilities		-20,432	-1,799
Changes in group financing		96	134
Paid hybrid coupon		-1,313	-1,321
Distributions		-30,000	-10,000
Consolidated cash flow from financing activities		**-126,077**	**-12,986**
Consolidated cash flow from operating activities		237,069	123,713
Consolidated cash flow from investing activities		-136,859	-96,844
Consolidated cash flow from financing activities		-126,077	-12,986
Net change in liquid funds		**-25,866**	**13,883**
Liquid funds at the beginning of the period		508,210	500,921
Currency translation adjustment relating to liquid funds		-19,992	-6,594
Liquid funds at the end of the period	(19)	**462,352**	**508,210**

DEVELOPMENT OF EQUITY

FROM 1 APRIL 2018 TO 31 MARCH 2020

FIGURES IN THOUSAND EUR	Share capital	Capital reserves	Hybrid capital	Revaluation reserves	Revenue reserves	Currency translation	Group equity	Non-controlling interests	Total
As of 1 April 2018	**7,705**	**58,269**	**30,462**	**10,422**	**263,936**	**-3,382**	**367,412**	**0**	367,412
Earnings after tax	0	0	0	0	82,151	0	82,151	-186	81,965
Differences arising from currency translation	0	0	0	-74	0	-1,351	-1,425	0	-1,425
Changes in revaluation reserves	0	0	0	267	0	0	267	0	267
Changes in Financial Instruments	0	0	0	0	-1,004	0	-1,004	0	-1,004
Changes in actuarial gains and losses	0	0	0	0	-1,896	0	-1,896	0	-1,896
Deferred taxes on neutral changes in equity	0	0	0	-24	644	0	620	0	620
Total comprehensive income	**0**	**0**	**0**	**169**	**79,895**	**-1,351**	**78,713**	**-186**	**78,527**
Paid hybrid coupon	0	0	0	0	-1,321	0	-1,321	0	-1,321
Non-controlling interests	0	0	0	0	0	0	0	64	64
Distributions	0	0	0	0	-10,000	0	-10,000	0	-10,000
As of 31 March 2019 = As of 1 April 2019	**7,705**	**58,269**	**30,462**	**10,591**	**332,510**	**-4,733**	**434,804**	**-122**	**434,682**
Earnings after tax	0	0	0	0	90,567	0	90,567	0	90,567
Differences arising from currency translation	0	0	0	-484	0	-7,593	-8,077	0	-8,077
Changes in revaluation reserves	0	0	0	146	0	0	146	0	146
Changes in Financial Instruments	0	0	0	0	707	0	707	0	707
Changes in actuarial gains and losses	0	0	0	0	-280	0	-280	0	-280
Deferred taxes on neutral changes in equity	0	0	0	-13	-50	0	-63	0	-63
Total comprehensive income	**0**	**0**	**0**	**-351**	**90,944**	**-7,593**	**83,000**	**0**	**83,000**
Paid hybrid coupon	0	0	0	0	-1,313	0	-1,313	0	-1,313
Non-controlling interests	0	0	0	0	-122	0	-122	122	0
Distributions	0	0	0	0	-30,000	0	-30,000	0	-30,000
As of 31 March 2020	**7,705**	**58,269**	**30,462**	**10,240**	**392,019**	**-12,326**	**486,369**	**0**	**486,369**

NOTES

FOR THE FINANCIAL YEAR 2019/20

General principles

Swietelsky Baugesellschaft m.b.H. was legally changed to Swietelsky AG. The change to the legal form became valid with the entry in the Commercial Register on 4 December 2019. Swietelsky AG, based in 4020 Linz, Edlbacherstraße 10, is the parent company of an international construction group whose business activities are split into five segments: Austria, Germany, Hungary, the Czech Republic and other countries.

Pursuant to Section 245a (2) of the Austrian Business Enterprise Code (UGB), the consolidated financial statements of SWIETELSKY AG, Linz, of 31 March 2020 were generated in line with the mandatory provisions of the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), including the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as applicable in the European Union. Additionally, the further duties of disclosure set out in Section 245a (1) UGB have been fulfilled.

In addition to the statement of comprehensive income and the balance sheet, a cash flow statement has been generated in line with IAS 7 and a statement of changes in equity has been prepared (IAS 1). The notes also contain a disclosure of business segments in line with IFRS 8.

In order to improve the clarity of the disclosures, various items in the balance sheet and income statement have been condensed. These items are broken down and explained in more detail in the notes. The income statement has been prepared using the total cost method (nature of expense format).

If not stated otherwise, the consolidated financial statements are set out in thousands of euros (kEUR), which can result in rounding differences. The term employee in the financial statements refers collectively to both male and female employees. Any other gender-specific designations should otherwise also be understood as referring to all sexes.

Amendments to the accounting standards

Standards / interpretations		Application	Application date EU
IFRS 9	Amendments to Financial Instruments	1/1/2019	1/1/2019
IFRS 16	Leases	1/1/2019	1/1/2019
IFRIC 23	Uncertainty over Income Tax Treatments	1/1/2019	1/1/2019
IAS 28	Long-term Interests in Associates and Joint Ventures	1/1/2019	1/1/2019
Various	Annual improvements to IFRS 2015-2017	1/1/2019	1/1/2019
IAS 19	Plan amendment, curtailment or settlement	1/1/2019	1/1/2019

First-time adoption of IFRS 16 Leases

SWIETELSKY has been applying IFRS 16 since 1 April 2019 retrospectively in modified form, so that no adjustments of the previous year's values are necessary. The relief provisions for short-term leases under twelve months and leases for low value assets are used. The option to not consider initial direct costs of leases existing on 1 April 2019 is exercised. There is no reporting for leases that end by 31 March 2020.

The table below presents the impact of first-time adoption for IFRS 16 on the opening balance sheet as at 1 April 2019:

FIGURES IN THOUSAND EUR	31/3/2019	IFRS 16 adjustments	1/4/2019
ASSETS			
Property, plant and equipment	341,973	111,829	453,802
EQUITY AND LIABILITIES			
Non-current financial liabilities	3,001	80,240	83,241
Current financial liabilities	76,956	31,589	108,545

For the identified leases, lease liabilities for the future lease payments were entered as liabilities, discounted at the incremental borrowing rate of the Group. The average weighted incremental borrowing rate of the lessee was 1.94% on 1 April 2019.

The incremental borrowing rates were determined based on a reference interest rate in a comparable business environment plus a risk premium. The Right of use Assets were recognised corresponding to the amount of the lease liabilities.

The effects of adopting IFRS 16 as at 1 April 2019 are presented in detail in the following table:

FIGURES IN THOUSAND EUR	
Operating lease obligations as at 31 March 2019	**136,101**
Short-term leases and non-lease components, recognised as an expense	-6,985
Adjustments due to differences in the treatment of termination and extension options	-436
Discounting effect at the time of first-time application	-16,851
Lease liabilities as at 1 April 2019	**111,829**

The first-time adoption of the other above-stated IFRS standards and IFRIC interpretations had only an immaterial impact on the consolidated financial statements as at 31 March 2020, as the changes were only applicable in individual cases.

Future amendments to the accounting standards

The following new or modified standards and interpretations already published by the IASB were not yet mandatory for financial years that started on or before 1 April 2019:

Standards / interpretations		Application date IASB	Application date EU
	Conceptual framework	1/1/2020	1/1/2020
IFRS 3	Amendments to Business Combinations	1/1/2020	1/1/2020
IAS 1 and IAS 8	Amendments	1/1/2020	1/1/2020
IFRS 9, IAS 39, IFRS 7	Amendments - Interest Rate Benchmark Reform, Phase I	1/1/2020	1/1/2020
IFRS 17	Insurance Contracts	1/1/2023	na
IAS 1	Amendments – Classification of Liabilities as Current or Non-current	1/1/2022	na
IFRS 16	Covid 19-Related Rent Concessions	1/6/2020	na
IFRS 4	Amendments: IFRS 9	1/1/2021	na
AIP 2018 – 2020	Amendments especially IFRS 3, IAS 16, IAS 37	1/1/2022	na

Due to the application of other new standards and interpretations, it is expected to have only a minor impact on the consolidated financial statements in the future. Early application of the new standards and interpretations is not planned.

Basis of consolidation

Besides Swietelsky AG, all major domestic and foreign subsidiaries controlled by the parent company have been included in the consolidated financial statements of 31 March 2020.

For control, the following criteria must be met:

- The parent company has power over the investee.
- The returns of the investment are variable.
- The parent company has the ability to use its power over the investee to affect the amount of its returns.
- If there are indicators that at least one of these criteria has changed with regard to the investee, the parent company must re-assess whether or not it has control.
- Regardless of the majority of voting rights, power – and therefore control over an investee – can be acquired through other rights and contractual agreements which give the parent company the opportunity to influence the activities that affect the investee's returns.

The basis of consolidation does not include 18 (previous year: 25) companies whose influence on the financial position, cash flows and results of operations of the Group are of lesser significance. The volume of turnover of the subsidiaries not included in the basis of consolidation is approximately 0.9%, of the Group's revenue.

Companies currently included in the consolidated financial statements can be found in the list of investments. The balance sheet date for all fully consolidated companies is 31 March 2020.

In the 2019/20 financial year, the basis of consolidation developed as follows:

	Full consolidation	Equity measurement
As at 1 April 2019	54	3
of which foreign companies	*27*	*2*
Initial consolidations	3	0
Deconsolidations	-1	0
As at 31 March 2020	**56**	**3**
of which foreign companies	*26*	*2*

Additions to scope of consolidation

In these consolidated financial statements, the following companies were fully consolidated for the first time:

Company name	Direct share	Date of acquisition
J & K Fassadenprofi GmbH	100%	2/10/2019
Swietelsky Liegenschaftsverwaltung Fischamend GmbH [1]	100%	27/11/2019
Klaus Hennerbichler GmbH	100%	12/12/2019

[1] Asset deal acc. to IFRS 3.2 (b)

The remaining 20% of the company shares Terratop Hobmaier Verwaltungs GmbH and Terratop Hobmaier GmbH & Co. KG were acquired by exercising the purchase option on 26 March 2020.

Per assignment contract from 17 September 2019, 100% of the shares of Klaus Hennerbichler GmbH were acquired, the closing of the transaction took place on 12 December 2019. The acquired assets and liabilities are allocated to the purchase price as follows:

Acquired assets and liabilities	FIGURES IN THOUSAND EUR
Non-current assets	5,312
Current assets	3,798
Non-current liabilities	-132
Current liabilities	-6,451
Consideration (purchase price)	**2,527**
Acquired cash and cash equivalents	-117
Net cash outflow from acquisition	**2,410**

The initial consolidation of J & K Fassadenprofi GmbH did not include any significant assets and liabilities. Companies included for the first time were consolidated at the date of acquisition or a near reporting date, provided this had no significant difference to an inclusion at the date of acquisition.

The companies included for the first time in the 2019/20 financial year has contributed kEUR 1,901 to the Group revenue and kEUR -3,362 to the comprehensive income.

Disposals from scope of consolidation

The liquidation of Nyugat-Magyarországi Vasútépítő Kft. “v.a” became effective on 26 November 2019 and was therefore no longer included in the consolidated financial statements. The impact on the consolidated financial statements as at 31 March 2020 due to the deconsolidation is of minor importance. The loss of kEUR 32 was recognised in the income statement.

Consolidation methods

The financial statements of the domestic and foreign companies included in the basis of consolidation have been generated using standard accounting and valuation methods. The financial statements of the domestic and foreign group companies have been adapted accordingly; negligible deviations have not been changed.

The capital consolidation was carried out using the acquisition method in accordance with the provisions of IFRS 3. The consideration transferred during the purchase and the identifiable net assets received have been measured at fair value. The resulting goodwill is subjected to an annual impairment test. The income from an acquisition at a price lower than the market value is recognised directly as profit or loss.

Regarding the other non-current equity investments included using the equity method, the same principles are used for capital consolidation as for fully consolidated companies, whereby the last available financial statements are used as the basis of the equity consolidation. Amendments to the IFRS accounting standards are made on the principle of materiality.

As part of the consolidation of debt, trade receivables, loans and other receivables are offset against the corresponding liabilities and provisions between the subsidiaries included in the consolidated financial statements.

Expenses and income from intra-group trade are eliminated. Intercompany profit and loss in the fixed and current assets resulting from intra-group trade is eliminated unless it is of lesser significance. The necessary taxes are deferred for consolidation measures recognised in net profit or loss.

Currency translation

The currency of the Group is the Euro, Financial statements of foreign companies are translated into Euros in line with the concept of functional currency. For all companies this is the currency of the country as the companies run their business independently in financial, economic and organisational terms.

The translation of all balance sheet headings, except for those of the equity, is carried out based on the exchange rate on the balance sheet date. Income and expense items are translated using the average annual exchange rate. Goodwill from the capital consolidation is recognised as assets in the local currency and is also translated using the exchange rate on the balance sheet date.

In the financial year, currency translation differences of kEUR -8,077 (previous year: kEUR -1,425) were recorded in other comprehensive income as part of the capital consolidation and reported in the currency translation provision in equity. Differences resulting from currency translation between the exchange rate on the balance sheet date within the balance sheet and the average exchange rate used in the income statement were also recognised in other comprehensive income and offset against the currency translation provision in the equity. Revaluations under IAS 29 (Financial Reporting in Hyperinflationary Economies) were not carried out.

ACCOUNTING AND VALUATION METHODS

Intangible assets and property, plant and equipment

The goodwill resulting from mergers is subjected to an annual impairment test. In this test, the recoverable amount of a cash-generating unit is compared to the corresponding carrying amount. The cash-generating unit is the acquired legal entity and legal entities that benefit from the potential synergy of the merger, respectively.

As there are not normally market prices for individual entities, the present value of the net cash inflows is used to calculate the fair value less costs of disposal. It is calculated based on current forecasts in internal reports which in turn are based on experience and expectations in connection with future market developments. The detailed planning period is three years; planning years further in the future will be more heavily weighted. The discount rate for the future cash flows corresponds to the weighted average cost of capital (WACC) after taxes, which is calculated based on a peer group. The costs of capital ranged from 6% to 10%.

Intangible assets and property, plant and equipment are initially recognised at historical cost. The cost model is used for subsequent measurement: Acquisition or production costs less scheduled depreciation and impairment. The revaluation model is used for the land, land rights and buildings asset group, including buildings on third-party land. The comparative approach was used to calculate the fair values. Differences resulting from the revaluation, minus deferred taxes, are offset directly against equity.

The SWIETELSKY Group is a lessee of real estate properties, machines and equipment, as well as of vehicle fleets. Lease payments are primarily assessed with the implied interest rate of the lease; alternatively the Group’s incremental borrowing rate is used. Payments for short-term leases and leases regarding low-value assets are recorded as expenses. Short-term leases are lease agreements with a term of up to twelve months.

The depreciation of limited-life asset is linear across the asset’s foreseeable useful life. If, in connection with assets, indications of impairments arise and if the present values of future cash flows are lower than the carrying amounts, the assets will be written down to the lower fair value under IAS 36.

Expenses for repairs and maintenance work which do not significantly extend the planned useful life of an asset are recognised as expenses in the period in which they arose.

The following assumed useful lifes were used when calculating the depreciation rates:

Intangible assets	
Software and licences	2 – 4 years

Property, plant and equipment	
Buildings	10 – 50 years
Technical equipment and machinery	2 – 20 years
Other equipment, operating and office equipment	2 – 20 years

Financial assets

Financial assets are recognised in the consolidated balance sheet if SWIETELSKY has a contractual right to receive cash or other financial assets from another party. Regular way purchases and sales of financial assets are recognised using settlement date accounting.

Financial assets that are not measured at fair value through profit or loss are initially recognised at fair value plus transaction costs which are directly attributable to the acquisition. Transaction costs which arise upon the acquisition of financial assets measured at fair value through profit or loss are immediately recognised as an expense. Receivables bearing no interest or interest below the market rate are initially recognised at the present value of the expected future cash flows.

For purposes of subsequent measurement, financial assets are classified in one of the following categories in accordance with IFRS 9, with each category having its own measurement requirements. The classification is determined at initial recognition. For measurement and accounting purposes, financial assets are to be assigned to one of the following categories:

- Financial assets measured at amortised cost (AC)
- Financial assets measured at fair value through profit or loss (FVTPL)
- Financial assets, classified as debt instruments under IAS 32, measured at fair value through other comprehensive income (FVOCI-debt)
- Financial assets, classified as equity instruments under IAS 32, measured at fair value through other comprehensive income (FVOCI-equity)

Derivative financial instruments and hedging

Derivative financial instruments are employed exclusively to mitigate risks arising from movements in currency exchange rates and are classified as measured at fair value at the date of contract conclusion. Derivative financial instruments are initially recognised at cost and measured at fair value in subsequent periods. Unrealised gains or losses on the measurement are recognised in the income statement if the conditions for hedge accounting under IFRS 9 are not met. If these conditions are met, the effective part of the fair value change in other comprehensive income and the ineffective part are recognised immediately in the cash flow hedge of a recognised receivable, liability or highly probable forecast transaction Income statement recognised.

Derivative financial instruments are stated under other financial assets or other financial liabilities. Derivative financial instruments are measured based on observable market data and non-observable market data. The fair value is determined using generally accepted methods of mathematical finance.

Inventories

Inventories are measured at historical cost or at their lower net realisable value. The historical costs include all direct costs and reasonable portions of the overheads accrued during production/acquisition. Sales costs and the costs of general management are not included in the historical costs. In accordance with IAS 23, the attributable borrowing costs have been capitalised for inventories classified as qualifying assets.

Contract assets and contract liabilities

Contract assets comprise contracts specifically negotiated for the construction of buildings (construction contracts). In the case of construction contracts, revenue is recognised over time. To determine revenue over a specific period, it is necessary to measure the stage of completion, which is based on the output generated at the reporting date (output method).

If one of the parties has fulfilled its contractual obligations in part, the entity must recognise the contract as a contract asset or a contract liability, depending on whether the entity has rendered the service, or the customer has made the payment. If the measured service rendered as part of a construction contract should exceed the prepayments received, it will be recognised as an asset under receivables from construction contracts. If the opposite should happen, the service will be recognised as a liability under trade payables.

The allocation of the transaction price to each performance obligation from construction contracts with customers is made based on the work estimate for the respective stand-alone item. Contractual penalties or bonus payments during the construction period may lead to amendments of the transaction price. Payments for construction contracts are usually made parallel to the performance based on regular invoicing. Payments of advance consideration before the actual performance are common practice.

Impairment of financial assets

SWIETELSKY relies on expected credit losses in accordance with IFRS 9 to recognise impairment losses. The expected loss impairment model is based on financial instruments accounted for at amortised cost on non-current assets and debt instruments, which are accounted for at fair value in equity.

The impairment model of IFRS 9 calls for the formation of a risk provision in the amount of the twelve-month expected credit loss (stage 1). Should a significant increase in the credit risk occur, then the lifetime expected credit loss is recognised (stage 2). If there is objective evidence of actual impairment, then stage 3 applies. This does not necessarily result in the recognition of additional impairment, although an adjustment of cash flows to the net book value is required for financial instruments recognised under application of the effective interest method.

For trade receivables and contract assets, the simplification rules of IFRS 9 (simplified approach) were applied. This means that the valuation allowance for these assets is at least at the level of the credit losses expected over the term. The general impairment model applies to all other financial instruments mentioned above.

SWIETELSKY draws on all available information when evaluating the significant increase in the credit risk after the initial measurement and when estimating the expected credit loss. This includes historic data, future-oriented information and internal and external credit ratings.

Deferred taxes

The balance sheet liability method is used to calculate the tax accrual for all temporary differences between the carrying amounts of the balance sheet headings in the IFRS consolidated financial statements and the existing tax values in the various companies. Furthermore, the expected tax benefit from existing loss carryforwards is included in the calculation. Exceptions from this comprehensive tax accrual are differences from non-tax-deductible goodwill as well as temporary differences relating to investments in subsidiaries and associates, if the Group can control the reversal of these differences yet does not intend to do so.

Deferred tax assets are only accounted for if it is likely that the tax benefit they contain can be realised. The calculation of deferred tax is based on the standard income tax rate in the country in question on the date of the probable reversal of the value difference.

Provisions

Due to the statutory provisions, provisions for severance payments have been made in Austria. Provisions for severance payments are calculated based on actuarial evaluations. In this regard, the probable entitlement over the term of employment of an employee is collected with consideration for salary increases in the future. The present value of the partial entitlement earned by the balance sheet date is accounted for as a provision. Pension provisions are calculated using the projected unit credit method. In the projected unit credit method, the discounted pension entitlement acquired by the balance sheet date is calculated.

Due to the applicability of IAS 19 (2011), changes to the calculation parameters (actuarial gains and losses) are recognised directly in other comprehensive income, minus deferred taxes.

The other provisions cover all identifiable risks and liabilities whose amounts or grounds are unknown. Essentially, these are provisions for guarantees, expected losses, remaining and subsequent work and process costs. Each is accounted for at the amount judged to be necessary on the balance sheet date to cover future payment obligations of the Group. In each case, the amount proving to be the most probable after a careful examination of the matter is accounted for.

Unless they are of lesser significance, non-current provisions are recognised at their discounted settlement value on the balance sheet date. The settlement value also includes the cost increases to be considered on the balance sheet date.

Financial liabilities

The financial liabilities comprise non-derivative liabilities and derivatives with a negative fair value at the balance sheet date.

Non-derivative financial liabilities are recognised in the consolidated balance sheet if SWIETELSKY has a contractual obligation to transfer cash or other financial assets to another party. Initial recognition of non-derivative financial liabilities is made at fair value. As part of the subsequent measurement of non-derivative financial liabilities at amortised cost, any premiums, discounts or other differences between the cash inflow and the repayment amount are distributed over the financing term using the effective interest method and stated on an accruals basis in interest expense.

Financial liabilities that are not measured at fair value through profit or loss are initially recognised at fair value plus transaction costs, which are directly attributable to the acquisition. Differing thereof transaction costs which arise upon the acquisition of financial liabilities measured at fair value are immediately recognised as an expense.

Contingent liabilities

Contingent liabilities are potential or existing liabilities for which an outflow of resources is not probable. They are not recognised in the balance sheet. The obligations disclosed under contingent liabilities correspond to the liabilities that exist on the balance sheet date.

Revenue recognition

Revenue from construction contracts are continuously recognised pursuant to IFRS 15. The output method based on the output generated at the reporting date is used for the revenue recognition over time. Addenda in the sense of construction contracts are services which cannot be billed due to the contractual agreements, as an agreement is yet to be reached with the client in connection with their chargeability and acknowledgement. Whereas costs are immediately recognised in net profit or loss when they are accrued, revenue from addenda is generally only realised after the client provides his/her written acknowledgement or with payment, if the payment is received before the written acknowledgement.

Revenue from trade, services for project consortia, other services and resulting from the sale of construction materials is recognised upon the transfer of power of disposal and the associated opportunities and risks, or upon the performance of the service. If the real estate projects are sold the revenue is recognised pro rata based on the degree of completion of the work.

Estimations and assumptions

Estimates and assumptions on the amount and identity of reported assets and liabilities, revenues and expenses, and information on contingent liabilities, are required for the consolidated financial statement, according to IFRS, and mainly relate to the verification of the value of assets and recognition and valuation of provisions.

For the assumptions and estimates about the future made on the balance sheet date, the circumstances availing at the time of the conclusion of the consolidated financial statement and a realistic estimate of the future development of the global and industry-specific environment are considered in the determination of the expected future business development. Changes to the circumstances away from these assumptions may result in deviations of the actual amounts from the estimated values. In the event of such a development, the assumptions, and if necessary the carrying amount of the affected assets and liabilities, will be adjusted to the new state of knowledge. At the time of the generation of the consolidated financial statement, there were no indications for the need to make significant changes to the fundamental assumptions and estimates.

Revenue from construction contracts and real estate development

Revenue from construction contracts is recognised over time. SWIETELSKY estimates the share of the overall order backlog that was already realised by the balance sheet date and the outstanding contract costs. Should the manufacturing costs exceed the recoverable proceeds, a provision for impending losses is identified. Especially with technically complex and demanding projects, there is always the risk that this estimate of overall costs deviates from the actually incurred costs. The above also applies to over time recognition of revenue from real estate development.

Recoverability of goodwill

In accordance with the rules set out in IAS 36, every year SWIETELSKY checks whether the goodwills have lost any value. The recoverable amount of the cash-generating unit is determined using the fair value less disposal costs. The calculation is based on the current forecast as well as on assumptions about future market development. Should the global market and the industry-specific conditions change for reasons that are beyond the control of SWIETELSKY, the actual values may deviate from the assumed values.

Other provisions

Regarding the other construction-related provisions, there is the risk that the actual costs for warranty, remaining performances or impending losses may be higher in individual cases. However, the provision item is composed of a number of individual projects, so that the risk is reduced to the individual consideration of the projects. The same also applies for provisions related to legal disputes.

COVID-19

As is generally known, on 11 March 2020 the WHO declared COVID-19 to be a pandemic. Consequently, most European governments, in particular the Austrian federal government, took comprehensive measures and imposed sometimes draconian restrictions on freedom of movement and the transport of goods, services and people across borders as well as nationally in order to stem the exponential spread of this disease. As these measures and restrictions – particularly in the period between mid-March and mid-April 2020 – led to an almost complete stoppage of operational construction activities in the short term, they also had an impact on the business operations of Swietelsky AG and its subsidiaries. In the reporting year, this situation only led to a relatively mild impact on the company's success.

CONSOLIDATED INCOME STATEMENT

NOTES ON THE ITEMS

(1) Revenue

FIGURES IN THOUSAND EUR	Austria	Germany	Hungary	Czech Republic	Other countries	Group
Road construction	202,076	149,085	100,839	142,760	27,416	622,176
Railway construction	137,148	33,165	144,879	64,443	175,530	555,165
Building construction	715,347	96,172	50,585	82,476	17,249	961,829
Civil engineering	325,636	89,590	53,368	40,801	48,845	558,240
Tunnel construction	133,542	0	0	0	0	133,542
Revenue	**1,513,749**	**368,012**	**349,671**	**330,480**	**269,040**	**2,830,952**
over time	1,477,039	367,276	330,214	322,860	264,445	2,761,834
at a point in time	36,710	736	19,457	7,620	4,595	69,118

Revenues of kEUR 2,830,952 (previous year: kEUR 2,672,762) relate exclusively to proceeds from contracts with customers, including revenue from construction contracts, revenue from developer projects, trade to and services for project consortia, as well as other services. The revenue from the completion of contracts, which contain the partial profits recognised over a given period based on the degree of completion of each contract (the percentage of completion method), are kEUR 2,761,834 (previous year: kEUR 2,606,995).

Revenue provides only an incomplete picture of the construction output generated in the financial year. Additionally, therefore, the segment report illustrates the full output of the Group which also contains the proportional services of the project consortia, unconsolidated companies and companies recognised at equity.

(2) Other operating income

FIGURES IN THOUSAND EUR	2019/20	2018/19
Profits from the sale of tangible fixed assets	6,216	2,467
Insurance refunds	5,391	7,167
Currency translation gains	4,851	3,828
Furtherances	2,972	1,352
Others under EUR 1 mio each	3,752	1,681
	23,182	**16,495**

(3) Expenses for material and other purchased construction output

The cost of purchased services concerns subcontractors and tradesmen, as well as planning services, equipment rentals and other third-party services:

FIGURES IN THOUSAND EUR	2019/20	2018/19
Cost of materials	-659,113	-602,622
Cost of purchased services	-1,229,981	-1,124,059
	-1,889,094	**-1,726,681**

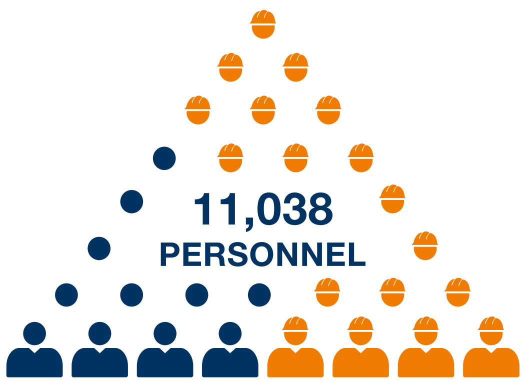
(4) Employee benefits expenses

FIGURES IN THOUSAND EUR	2019/20	2018/19
Wages	-284,684	-261,815
Salaries	-233,154	-215,256
Expenses for severance payments and payments into employee welfare funds	-12,074	-11,747
Post-employment benefit costs	-668	-489
Expenses for mandatory social security contributions and income-based contributions and compulsory contributions	-128,046	-115,268
Voluntary social security expenses	-9,265	-8,301
	-667,891	**-612,876**

Expenses for severance payments and payments into employee welfare and pension funds contain service costs and interest component of the addition to the provision. The expenses from defined pension schemes are kEUR 10,042 (previous year: kEUR 9,259).

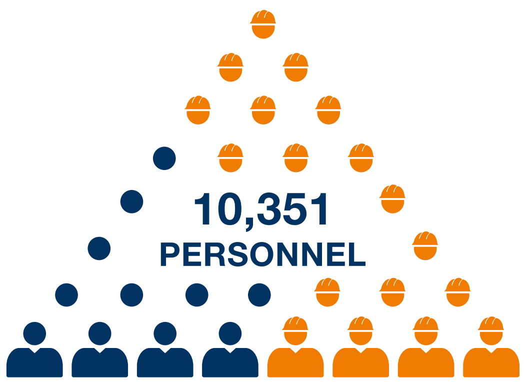
The average number of employees is as follows:

2019/20



Average number of
blue-collar worker 7,162 / white-collar worker 3,876

2018/19



Average number of
blue-collar worker 6,711 / white-collar worker 3,640

(5) Depreciation and amortisation

Scheduled depreciation and impairments of intangible assets, property, plant and equipment are set out in the statement of changes in fixed assets. In the financial year, no impairment losses on property, plant and equipment were recognised (previous year: kEUR 0). As part of the annual impairment test of goodwill (see point 10), impairments of kEUR 2,885 were recorded (previous year: kEUR 0).

(6) Other operating expenses

FIGURES IN THOUSAND EUR	2019/20	2018/19
Operating taxes	-4,766	-5,070
Rentals and leases	-15,764	-37,349
Maintenance and service	-17,946	-15,441
Insurance expenses	-19,600	-17,898
Projects, planning, monitoring	-8,625	-8,143
Vehicle expenses, fleet	-10,870	-11,421
Travel expenses	-13,087	-12,182
Advertising, public relations	-13,006	-15,920
Legal and tax advice, audits	-6,940	-6,294
Currency translation losses	-3,404	-4,827
Other provisions	3,011	-16,377
Others under EUR 8 mio each	-37,040	-36,618
	-148,037	**-187,540**

Expenses for research and development result from several specific technical proposals, real projects on the market and the introduction of construction methods and products to the market and were therefore recognised as expenses in their entirety. The impairments for expected credit losses in accordance with IFRS 9 are included in other operating expenses and did not result in a material change compared to the previous year.

The expenses accrued for the financial year for the group auditor KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft total kEUR 328, of which kEUR 318 results from the audit of the consolidated financial statements (including the financial statements of various affiliated companies) and kEUR 10 results from other services.

(7) Share of results of associates

FIGURES IN THOUSAND EUR	2019/20	2018/19
Income from associated companies	3,202	4,194
Profit from project consortiums	20,200	16,558
Losses from project consortiums	-1,149	-3,549
	22,253	**17,203**

(8) Net income from investments

FIGURES IN THOUSAND EUR	2019/20	2018/19
Income from non-current equity investments	5,523	4,581
Losses from non-current equity investments	-365	-137
	5,158	**4,444**

(9) Income tax

Both the taxes on income and deferred taxes paid or owed by the various companies are recognised as taxes on income:

FIGURES IN THOUSAND EUR	2019/20	2018/19
Actual taxes	-25,058	-25,037
Deferred taxes	491	-429
	-24,567	**-25,466**

The following tax components are recognised directly in equity in the statement of comprehensive income:

FIGURES IN THOUSAND EUR	2019/20	2018/19
Changes to Financial Instruments	-120	170
Changes in actuarial gains and losses	70	474
Changes to revaluation reserves	-13	-24
	-63	**620**

The causes of the difference between the Austrian group tax rate of 25% and the recognised group tax rate are as follows:

FIGURES IN THOUSAND EUR	2019/20	2018/19
Earnings before tax	**115,134**	**107,431**
Theoretical tax expenditure of 25%	28,784	26,858
Differences to foreign tax rates	-4,665	-4,033
Tax-neutral expenses and income	911	4,546
Changes in tax rates	0	0
Tax-free investment income / equity measurement of associated companies	-1,241	-1,322
Changes to estimates of deferred taxes	611	-320
Aperiodic effects and other non-temporary differences	167	-263
Recognised income tax expense	**24,567**	**25,466**

CONSOLIDATED BALANCE SHEET

NOTES ON THE ITEMS

(10) Intangible assets and property, plant and equipment

The composition and development of the intangible assets, goodwill and property, plant and equipment are set out in the consolidated statement of changes in fixed assets. No borrowing costs were capitalised in the financial year as no major qualifying assets were acquired or produced.

Goodwill

The goodwill on the balance sheet date results from the following mergers:

FIGURES IN THOUSAND EUR	31/3/2020	31/3/2019
Swietelsky Vasuttechnika Kft.	4,458	4,458
Bahnbau Petri Hoch- und Tiefbau Gesellschaft m.b.H.	2,244	2,244
SWIETELSKY stavebni s.r.o.	1,157	1,157
Detect Rail Technologies GmbH	0	765
Metallbau Wastler GmbH	701	701
Ing. Baierl Gesellschaft m.b.H.	700	700
Swietelsky Baugesellschaft m.b.H., Traunstein	565	565
	9,825	**10,590**

The comparison of the carrying amounts with the recoverable amounts of the cash-generating units determined by the annual impairment test revealed a need for impairment of kEUR 765 (previous year: kEUR 0). The goodwill from the initial consolidation of Klaus Hennerbichler GmbH in the amount of kEUR 2,120 was completely impaired. In addition, no impairments of the cash-generating units were necessary.

Property, plant and equipment

The cumulative amount of the revaluations for the asset group of land, land rights and buildings, including buildings on third-party land, is kEUR 12,643 (previous year: kEUR 13,028) on the balance sheet date. The carrying amount that would result from measurement at amortised cost is kEUR 202,473 (previous year: kEUR 123,161).

The property, plant and equipment were revalued based on the independent appraisal of:

Weismann+Pitschmann	from 20/2/2017	for Austria
HUNGAVENT Pénzügyi és Befektetési Tanácsadó Kft	from 30/3/2020	for Hungary
SC LOUISIANA SRL	from 31/3/2018	for Romania

Leases

The development of the rights of use from leases can be found in the consolidated statement of changes in fixed assets. The cash outflows from leases in the 2019/20 financial year break down as follows:

FIGURES IN THOUSAND EUR	
Interest expenses for lease liabilities	2,178
Redemption of lease liabilities	20,432
Short-term lease expenses	15,865
Total lease payments	**38,475**

The expenses for low-value leasing contracts are of minor importance.

Restrictions on disposition / purchase obligations

No restrictions on disposition or material obligations in connection with the acquisition of fixed assets that are not already accounted for in the consolidated financial statements exist as of the balance sheet date.

(11) Non-current financial assets and investments in associates

More detailed information on the Group's investments (with shareholdings of over 20%) can be found in the list of investments.

Disclosures on associated companies

Associated companies are not listed on the stock exchange; the summarised financial information (100%) is as follows:

FIGURES IN THOUSAND EUR	31/3/2020	31/3/2019
Revenue	88,803	113,969
Earnings after tax	6,586	8,218
Other income	-3,162	-355
Total comprehensive income	3,424	7,863
Non-current fixed assets	94,672	90,219
Current fixed assets	28,584	33,101
Non-current liabilities	-80,301	-74,260
Current liabilities	-26,798	-29,327
Net assets	16,157	19,733

Disclosures on project consortia

Within the Group, construction project consortia are classified as joint ventures and their results are recognised under share of results of associates. The table below shows the largest project consortia for the 2019/20 financial year.

Project consortium	(short)	Share in %
Arge ATCOST 21	ATCOST	15.00
Arge Tunnel Fröschnitzgraben	ATF	50.00
Arge A7 Voest-Brücke	A7 VB	58.00
Arge Tunnel Albaufstieg	ATA	21.00
Arge Bahntechnik Schwäbische Alb	ABSA	50.00

100% of the financial information has been disclosed.

FIGURES IN THOUSAND EUR	Revenue	Non-current assets	Current assets	thereof cash and cash equivalents	Non-current liabilities	Current liabilities
ATCOST	184,546	3,176	240,633	14,674	0	243,809
ATF	104,933	67,645	103,447	40,289	0	171,092
A7 VB	64,989	476	243,438	7,193	0	243,914
ATA	54,851	235	80,227	13,122	0	80,462
ABSA	42,416	4,272	8,291	3,964	0	12,563

In the financial year 2019/20, results from joint ventures in the amount of kEUR 9,084 from the above-mentioned joint ventures are reported in the result from equity investments.

The table below shows the largest project consortia for the 2018/19 financial year.

Project consortium	(short)	Share in %
Arge ATCOST 21	ATCOST	15.00
Arge Tunnel Fröschnitzgraben	ATF	50.00
Arge Tunnel Albaufstieg	ATA	21.00
Arge A7 Voest-Brücke	A7 VB	58.00
Arge Bahntechnik Schwäbische Alb	ABSA	50.00

100% of the financial information has been disclosed.

FIGURES IN THOUSAND EUR	Revenue	Non-current assets	Current assets	thereof cash and cash equivalents	Non-current liabilities	Current liabilities
ATCOST	158,701	5,675	199,655	7,741	0	205,330
ATF	83,585	58,216	86,137	33,965	0	144,353
ATA	78,996	660	98,199	24,287	0	98,859
A7 VB	69,980	942	123,066	4,300	0	124,008
ABSA	15,562	2,749	6,008	2,215	0	8,757

In the financial year 2018/19, results from joint ventures in the amount of kEUR 7,397 from the above-mentioned joint ventures are reported in the result from equity investments.

Services of project consortia were engaged as follows in the financial year:

FIGURES IN THOUSAND EUR	31/3/2020	31/3/2019
Services rendered	115,183	106,377
Services received	802	2,929
Receivables as at 31 March	50,288	45,928
Liabilities as at 31 March	9,043	14,138

(12) Inventories

FIGURES IN THOUSAND EUR	31/3/2020	31/3/2019
Raw materials, consumables and supplies	49,612	52,627
Land for development and construction projects	62,478	54,395
Finished products and goods	8,608	5,664
	120,698	**112,686**

No significant value adjustments were made to the net realisable value of inventories during the financial year. Borrowing costs on the production of significant qualifying assets were not capitalised, as in the previous year.

(13) Trade receivables, other receivables and assets

FIGURES IN THOUSAND EUR		31/3/2020			31/3/2019	
	Total	of which current	of which non-current	Total	of which current	of which non-current
Contract assets	1,271,277	1,271,277	0	1,050,683	1,050,683	0
Advances received	-1,091,143	-1,091,143	0	-889,103	-889,103	0
	180,134	**180,134**	**0**	**161,580**	**161,580**	**0**
Other trade receivables	160,371	154,974	5,397	172,762	167,289	5,473
Receivables from project consortia	50,288	50,288	0	45,928	45,928	0
Trade receivables	**390,793**	**385,396**	**5,397**	**380,270**	**374,797**	**5,473**
of which financial assets	*210,659*	*205,262*	*5,397*	*218,690*	*213,217*	*5,473*
of which non-financial assets	*180,134*	*180,134*	*0*	*161,580*	*161,580*	*0*

The contract assets comprise the right to payment from construction contracts as well as from project developments for the work performed by the reporting date. If the advances received exceed the payment rights, presentation is made under contract liabilities. In the financial year, no costs of contract initiation or contract satisfaction were capitalised as separate assets.

In the financial year 2019/20, revenue was recognised in the amount of kEUR 181,329 (previous year: kEUR 89,276) that had been contained under contract liabilities at the beginning of the financial year. As at 31 March 2020, there are unsatisfied performance obligations (order backlog) in the amount of kEUR 3,142,597 (previous year: kEUR 3,116,309). The recognition of revenue from these performance obligations is expected with kEUR 2,016,651 (previous year: kEUR 2,014,308) in the following financial year and with kEUR 1,125,946 (previous year: kEUR 1,102,001) in the next five financial years.

As usual in the construction industry, the customer has the contractual right to retain part of the total amount of the invoice. As a rule, these retentions are, however, redeemed by collateral bank or group guarantees.

FIGURES IN THOUSAND EUR		31/3/2020				31/3/2019
	Total	of which current	of which non-current	Total	of which current	of which non-current
Receivables from affiliated companies	11,490	11,490	0	9,191	9,191	0
Receivables from associated companies	4,332	392	3,940	4,224	284	3,940
Receivables from other non-current investees and investors	12,427	12,427	0	11,481	11,481	0
Other receivables and prepaid expenses	35,312	34,657	655	57,654	56,495	1,159
Other receivables and assets	**63,561**	**58,966**	**4,595**	**82,550**	**77,451**	**5,099**
of which financial assets	*48,166*	*43,626*	*4,540*	*62,467*	*57,423*	*5,044*
of which non-financial assets	*15,395*	*15,340*	*55*	*20,083*	*20,028*	*55*

The valuation allowances on other trade receivables were as follows in the financial year:

FIGURES IN THOUSAND EUR	31/3/2020	31/3/2019
As at 1 April	42,131	37,396
Currency translation	-951	-352
Changes to the basis of consolidation	50	449
Addition/utilisation/release	3,385	4,638
As at 31 March	**44,615**	**42,131**
Other trade receivables before valuation allowance	435,408	422,401
Valuation allowances	-44,615	-42,131
Carrying amount on 31 March	**390,793**	**380,270**

The individual valuation allowances consist of numerous individual items, none of which is considered significant on its own. No significant valuation allowances existed for other financial receivables and other financial assets on the balance sheet date.

(14) Cash and cash equivalents

FIGURES IN THOUSAND EUR	31/3/2020	31/3/2019
Securities	94,594	106,793
Cash-in-hand, bank balances	387,352	418,210
	481,946	**525,003**

(15) Deferred taxes

Due to the currently applicable tax provisions, it can be assumed that differences between the amount of the equity interest and the proportional equity of subsidiaries included in the consolidated financial statements resulting from accumulated profits will essentially remain tax-free. As there is also no intent to sell, under IAS 12.39 no tax deferral was carried out.

Deferred taxes on loss carryforwards were capitalised in so far as they can likely be offset against taxable profits in the future. Tax write-downs on investments must be spread over a period of seven years in accordance with the Austrian Corporation Tax Act (KStG). The deferred taxes on open depreciation (one-seventh) of kEUR 926 (previous year: kEUR 872) are reported in the deferred tax assets from reserves.

Temporary differences between the valuation of the balance sheet items in the IFRS financial statements and the existing tax value have the following effects on accrued/deferred taxes recognised in the balance sheet:

FIGURES IN THOUSAND EUR	31/3/2020		31/3/2019	
	Assets	Liabilities	Assets	Liabilities
Non-current assets	363	20,441	1,757	3,847
Current assets	3,269	19,296	1,596	12,862
	3,632	**39,737**	**3,353**	**16,709**
Non-current liabilities	18,180	0	2,622	0
Current liabilities	9,864	4,876	8,319	10,414
Tax losses carried forward	119	0	116	0
Deferred tax assets and liabilities	**31,795**	**44,613**	**14,410**	**27,123**
Offsetting of deferred tax assets and liabilities with the same tax authority	-21,119	-21,119	-6,113	-6,113
Deferred taxes offset	**10,676**	**23,494**	**8,297**	**21,010**

(16) Equity

The share capital of Swietelsky AG amounts to EUR 7,705,000.01 and it is shared into 7,705,000.00 registered shares.

In the financial year 2007/08, hybrid bonds with a nominal value of kEUR 70,000 were placed. Interest: 7.75% for the first 5 years, then 3-month EURIBOR plus 5.85%; duration unlimited; listing: Vienna Stock Exchange – Corporates Prime market segment, trading in the third market – Multilateral Trading Facility (MTF) since 5 May 2016 (before till 4 May 2016 on the regulated OTC market). The yield from the issuance of the hybrid bond is recognised as a portion of equity as this instrument meets the criteria for equity under IAS 32. In line with this, the coupons to be paid are also recognised as part of the appropriation of net profit. Under IAS 32, they must be recognised after taxes.

Repurchases of the hybrid bond have been made in the nominal value of kEUR 38,594, so far. In accordance with IAS 32.33, the own repurchased equity instruments are deducted from the equity. Fees paid are recognised directly in the equity. The various components of the equity and the changes they have undergone can be found in the statement of changes in equity.

(17) Provisions

FIGURES IN THOUSAND EUR	Balance as of 1/4/2019	Currency translation	Changes to the basis of consolidation	Additions	Reversal	Utilisation	Balance as of 31/3/2020
Provision for:							
Severance payments	28,313	0	97	1,807	0	1,758	28,459
Pensions	198	0	0	13	0	12	199
Non-current provisions	**28,511**	**0**	**97**	**1,820**	**0**	**1,770**	**28,658**
Taxes	22,886	-27	81	12,680	0	11,266	24,354
Other:							
Construction-related	74,045	-5,162	40	23,645	6,033	13,330	73,205
Other	25,567	-446	57	1,797	6,119	2,489	18,367
Current provisions	**122,498**	**-5,635**	**178**	**38,122**	**12,152**	**27,085**	**115,926**
Total	**151,009**	**-5,635**	**275**	**39,942**	**12,152**	**28,855**	**144,584**

FIGURES IN THOUSAND EUR	Balance as of 1/4/2018	Currency translation	Changes to the basis of consolidation	Additions	Reversal	Utilisation	Balance as of 31/3/2019
Provision for:							
Severance payments	25,493	0	309	4,126	0	1,615	28,313
Pensions	279	0	0	19	0	100	198
Non-current provisions	**25,772**	**0**	**309**	**4,145**	**0**	**1,715**	**28,511**
Taxes	11,377	7	86	13,109	0	1,693	22,886
Other:							
Construction-related	62,256	-1,233	287	38,173	6,209	19,229	74,045
Other	17,240	-122	54	10,819	165	2,259	25,567
Current provisions	**90,873**	**-1,348**	**427**	**62,101**	**6,374**	**23,181**	**122,498**
Total	**116,645**	**-1,348**	**736**	**66,246**	**6,374**	**24,896**	**151,009**

The development of the provisions for severance payments is shown below:

FIGURES IN THOUSAND EUR	31/3/2020	31/3/2019
Present value of the defined benefit obligation (DBO) on 1 April	28,313	25,493
Changes to the basis of consolidation	97	389
Service cost	1,219	1,697
Interest expense	430	431
Severance payments	-1,989	-1,562
Actuarial losses realised	389	1,865
Present value of the defined benefit obligation (DBO) on 31 March	**28,459**	**28,313**

The amount of provisions for severance payments is calculated using actuarial methods on basis of the pension tables set out in AVOE 2018-P (employees). A discount rate of 1.76% (previous year: 1.56%) and a salary-related promise of salary increase of 2.50% (previous year: 2.50%) was used as the basis.

In the financial year 2019/20, all actuarial losses resulted from financial assumptions – none were caused by demographic assumptions. On the balance sheet date, severance payment obligations had a weighted duration of approximately 11 years (previous year: 12 years).

In the following sensitivity analysis, effects of changes in the essential parameters on the carrying amounts are described:

Changes:	Parameters		DBO	
Interest rate	-1.00%	+1.00%	+11.20%	-9.60%
Salary increase	-0.50%	+0.50%	-4.80%	+5.10%

The development of provisions for pensions is shown below:

FIGURES IN THOUSAND EUR	31/3/2020	31/3/2019
Present value of the defined benefit obligation (DBO) on 1 April	198	279
Changes to the basis of consolidation	0	0
Service cost	9	15
Interest expense	3	5
Severance payments	-12	-97
Actuarial losses realised	1	-4
Present value of the defined benefit obligation (DBO) on 31 March	**199**	**198**

The amount of provisions for pensions is calculated using actuarial methods based on the pension tables set out in AVOE 2018-P (employees). A discount rate of 1.76% (previous year: 1.56%) and an increase in the pension commitment of 1.00% (previous year: 1.00%) was used as the basis. In the 2019/20 financial year, all actuarial losses resulted from financial assumptions – none were caused by demographic assumptions. On the balance sheet date, the DBO had a weighted duration of approximately 17 years (previous year: 17 years).

The pension provision is formed for obligations from entitlements and ongoing payments to active and former employees and their survivors. Obligations mainly concern retirement pensions. Individual commitments are normally based on the length of service of the employee on the date of the commitment (including the employee's position and remuneration). No new commitments have been entered since 1993.

The company pension scheme consists of an unfunded defined-benefit pension system. Defined-benefit pension plans oblige the company to render promised services to active and former employees.

In the following sensitivity analysis, effects of changes in essential parameters on the carrying amounts are described:

Changes:	Parameters		DBO	
Interest rate	-1.00%	+1.00%	+18.60%	-14.60%
Pension increase	-0.25%	+0.25%	-2.40%	+2.50%

Construction-related provisions essentially contain provisions for guarantee obligations, contingent losses, obligations from remaining and subsequent work and costs of litigation.

Since May 2017, due to searches of the premises of more than 50 Austrian construction companies, we know that, among others, Swietelsky AG has been affected by proceedings carried out by the Austrian Federal Competition Authority and the Central Public Prosecutor's Office for Combating Economic Crimes and Corruption. The action is based on a reasonable suspicion that illegal anticompetitive horizontal agreements allegedly took place in a number of tender procedures between the affected companies. Based on the information currently available, the possibility cannot be ruled out that the suspicion established in the searches, including that relating to Swietelsky AG, is justified in cases, which are not yet clearly defined. A conviction of Swietelsky AG for participation in horizontal price fixing could – if viewed abstractly – have the following consequences for the company: financial penalties in the event of breaches of the ban on cartels; compensation claims of any aggrieved clients on the basis of an antitrust conviction; in the event of SWIETELSKY employees being convicted, corporate financial penalties on the basis of the Austrian Corporate Responsibility act. The situation is extremely complex and still only starting to be clarified, nevertheless appropriate precautions were formed. However, the final consequences for Swietelsky AG are not known until the end of the procedure and may differ from the estimated amount.

In April 2018 another proceeding by the Central Public Prosecutor's Office for Combating Economic Crimes and Corruption became known. The subject of these investigations is primarily the suspicion that predominantly former employees of Swietelsky AG may have acted corruptly in connection with Romanian construction projects. Within the framework of the responsibility of legal entities, SWIETELSKY is accused of being associated with their employees' criminal acts, it is not possible to predict with reasonable certainty what the outcome of the investigation will be or to quantify – even only roughly or indicatively – the pecuniary consequences for SWIETELSKY at the present state of knowledge.

The estimated costs of legal representation for both proceedings has been considered in provisions.

(18) Liabilities and other liabilities

FIGURES IN THOUSAND EUR	31/3/2020			31/3/2019		
Financial liabilities	**Total**	**of which current**	**of which non-current**	**Total**	**of which current**	**of which non-current**
Bonds	0	0	0	74,080	74,080	0
Liabilities to banks	7,715	2,709	5,006	4,705	2,765	1,940
Lease liabilities	91,935	23,295	68,640	1,172	111	1,061
	99,650	**26,004**	**73,646**	**79,957**	**76,956**	**3,001**

In the financial year 2012/13 bonds with a nominal value of kEUR 85,000 was issued, interest of 4.625%; term from October 2012 to October 2019; listed at the Vienna Stock Exchange – corporates prime market segment, third market – Multilateral Trading Facility (MTF) since 5 May 2016 (before till 4 May 2016 on the regulated OTC market). In the financial year 2015/16, bonds were repurchased with a nominal value of kEUR 10,912 (valuated on 23 March 2016).

No physical securities were supplied to safeguard liabilities to banks.

FIGURES IN THOUSAND EUR	31/3/2020			31/3/2019		
Trade payables:	**Total**	**of which current**	**of which non-current**	**Total**	**of which current**	**of which non-current**
Contract liabilities	-854,128	-854,128	0	-668,059	-668,059	0
Advances received	1,149,231	1,149,231	0	931,295	931,295	0
	295,103	295,103	0	263,236	263,236	0
Other trade payables	409,456	374,013	35,443	408,230	378,251	29,979
Liabilities to project consortia	9,043	9,043	0	14,138	14,138	0
	713,602	**678,159**	**35,443**	**685,604**	**655,625**	**29,979**
of which financial liabilities	*418,499*	*383,056*	*35,443*	*422,368*	*392,389*	*29,979*
of which non-financial assets	*295,103*	*295,103*	*0*	*263,236*	*263,236*	*0*

Other liabilities:						
Liabilities to affiliated companies	239	239	0	163	163	0
Liabilities from other non-current investees and investors	814	814	0	722	722	0
Other liabilities	153,794	141,745	12,049	123,436	111,967	11,469
	154,847	**142,798**	**12,049**	**124,321**	**112,852**	**11,469**
of which taxes	*30,501*	*30,501*	*0*	*14,489*	*14,489*	*0*
of which social security	*13,203*	*13,198*	*5*	*3,992*	*3,988*	*4*
of which personnel-related liabilities	*97,930*	*86,826*	*11,104*	*91,130*	*80,463*	*10,667*
of which financial liabilities	*12,586*	*11,646*	*940*	*13,084*	*12,286*	*798*
of which non-financial liabilities	*142,261*	*131,152*	*11,109*	*111,237*	*100,566*	*10,671*

NOTES ON THE CASH FLOW STATEMENT

The cash flow statement was generated using the indirect method, and is separated into cash flows resulting from business, investment and financing activities. The effects of changes to the scope of consolidation have been eliminated and are recognised in the cash flow from investment activities.

(19) Cash and cash equivalents

FIGURES IN THOUSAND EUR	31/3/2020	31/3/2019
Securities (Bundesschatzscheine)	75,000	90,000
Cash-in-hand, bank balances	387,352	418,210
Cash funds	**462,352**	**508,210**
Other Securities	19,594	16,793
Cash and cash equivalents	**481,946**	**525,003**

The cash flow from operating activities comprised the following items in the reporting year:

FIGURES IN THOUSAND EUR	31/3/2020	31/3/2019
Interest paid (including hybrid interest)	9,627	7,640
Interest received (including hybrid interest)	3,164	3,139
Tax paid	23,380	13,726

NOTES ON THE FINANCIAL INSTRUMENTS AND ON CAPITAL MANAGEMENT

The SWIETELSKY Group holds primary financial instruments, essentially non-current financial assets, trade receivables, bank balances, financial liabilities and trade payables. The list of primary financial instruments can be found in the balance sheet.

(20) Financial instruments, financial risk and capital management

Financial assets and liabilities at the balance sheet date are as follows:

ASSETS

FIGURES IN THOUSAND EUR	Category to IFRS 9	Carrying amount 31/3/2020	Carrying amount 31/3/2019
Assets not measured at fair value:			
Other financial assets	AC	15,336	15,423
Loans	AC	7,099	6,319
Trade receivables	AC	210,659	218,690
Other financial receivables	AC	48,011	62,467
Cash-in-hand, bank balances	AC	387,352	418,210
Assets measured at fair value:			
Derivatives for hedging purposes	FVOCI	155	0
Securities	FVPL	94,594	106,793
Total financial assets		**763,206**	**827,902**

EQUITY AND LIABILITIES

FIGURES IN THOUSAND EUR	Category to IFRS 9	Carrying amount 31/3/2020	Carrying amount 31/3/2019
Liabilities not measured at fair value:			
Financial liabilities	AC	99,650	79,957
Trade payables	AC	418,499	422,368
Other financial liabilities	AC	12,167	12,080
Liabilities measured at fair value:			
Derivatives for hedging purposes	FVOCI	419	1,004
Total financial obligations		**530,735**	**515,409**
	AC	138,141	206,704
	FVPL	94,594	106,793
	FVOCI	-264	-1,004

Amortised Cost (AC)
Fair Value through Profit & Loss (FVPL)
Fair Value Other Comprehensive Income (FVOCI)

The net result from financial instruments by class or category is composed as follows:

FIGURES IN THOUSAND EUR	AC	FVOCI	FLAC	FVPL	Total
2019/20					
Interest and similar income/expenses	2,220	0	-4,705	0	-2,485
Impairment losses and reversal of impairment losses	2,434	0	0	0	2,434
Fair value measurement	0	707	0	-208	499
Results from disposal	0	0	0	0	0
Net result	**4,654**	**707**	**-4,705**	**-208**	**448**

2018/19	AC	FVOCI	FLAC	FVPL	Total
Interest and similar income/expenses	1,635	0	-3,973	0	-2,338
Impairment losses and reversal of impairment losses	4,287	0	0	0	4,287
Fair value measurement	0	-1,004	0	-19	-1,023
Results from disposal	0	0	0	0	0
Net result	**5,922**	**-1,004**	**-3,973**	**-19**	**926**

Amortised Cost (AC)
Fair Value through Profit & Loss (FVPL)
Fair Value Other Comprehensive Income (FVOCI)
Financial Liabilities at amortised Cost (FLAC)

Dividends and expenses from investments recognised as investment income are not a component of the net result. Impairments, reversals of impairment losses and results of financial assets and liabilities at amortised cost are recognised in other operating income and other operating expenses.

Principles of financial risk management

The SWIETELSKY Group faces credit, market and liquidity risks in connection with its assets, liabilities and scheduled transactions. The goal of financial risk management is to control and limit these risks.

Principles of financial risk management are defined by the management and monitored by the supervisory board. The group treasury and the decentralised treasury units are responsible for implementing financial risk management. Individual risks are minimised by means of derivative financial instruments. The use of derivative financial instruments by the Group is subject to corresponding approval and control procedures.

As in the previous year, the derivatives at 31 March 2020 were closed to hedge currency risk, there were no derivatives for which no hedging relationships could be established.

Interest rate risk

Essentially, interest rate risk results from bank balances and liabilities to banks which are subject to variable interest rates. This is because the risk exists in rising interest costs or falling interest received resulting from an adverse change in market interest rates.

Bank balances subject to variable interest rates

FIGURES IN THOUSAND EUR	Carrying amount 31/3/2020	Average interest rate 2019/20	Carrying amount 31/3/2019	Average interest rate 2018/19
EUR	85,951	0.02%	153,980	0.03%
HUF	230,235	0.00%	186,233	0.00%
RON	27,773	0.00%	28,672	0.00%
CZK	17,387	0.00%	19,597	0.62%
GBP	4,364	0.26%	4,213	0.09%
PLN	4,248	0.21%	13,067	1.45%
HRK	3,151	0.01%	4,884	0.02%
DKK	6,448	0.00%	420	0.00%
Other	2,515	0.01%	7,144	0.01%
	382,071		**418,210**	

Liabilities to banks subject to variable interest rates

FIGURES IN THOUSAND EUR	Carrying amount 31/3/2020	Average interest rate 2019/20	Carrying amount 31/3/2019	Average interest rate 2018/19
AUD	7,230	3.46%	3,157	4.14%
RON	430	0.04%	1,267	5.13%
Other	55	0.12%	281	3.34%
	7,715		**4,705**	

If the market interest rate on 31 March 2020 were 50 basis points higher, the earnings after tax and equity would have been kEUR 1,404 (previous year: kEUR 1,551) higher. A drop in the market interest rate by 50 basis points would have caused an equal reduction in earnings after tax and equity.

Calculations were made based on these financial assets and liabilities on the balance sheet date. In doing so, it was implied that the risk on the balance sheet date essentially represents the risk during the financial year. The group tax rate of 25% is used as the tax rate. In the analysis, all other variables – especially exchange rates – are assumed to be constant.

Foreign exchange risk

Essentially, risk results from bank balances, liabilities to banks in foreign currencies and trade payables and receivables in Euros in connection with subsidiaries whose functional currencies are not the Euro. However, the decentralised structure of the Group means that most foreign currency items are naturally closed because most receivables and liabilities from business activities are recognised in the same currency. The credit financing and assessment of the Group companies mainly took place in the currency of the country in question.

Performance of the major group currencies

Currency		Closing rate 31/3/2020 1 Euro =	Closing rate 31/3/2019 1 Euro =	Average rate of exchange 2019/20 1 Euro =	Average rate of exchange 2018/19 1 Euro =
Australian dollar	AUD	1.7980	1.5840	1.6398	1.5881
Czech crown	CZK	27.3300	25.8150	25.7258	25.7611
Danish crown	DKK	7.4682	7.4650	7.4677	7.4574
British pound	GBP	0.8857	0.8569	0.8747	0.8819
Croatian kuna	HRK	7.6200	7.4330	7.4409	7.4170
Hungarian forint	HUF	359.5000	321.0000	332.5683	321.3675
Norwegian crown	NOK	11.4900	9.6800	10.1019	9.6474
Polish zloty	PLN	4.5450	4.3035	4.3228	4.2968
Romanian leu	RON	4.8270	4.7620	4.7658	4.6766

A 10% appreciation or devaluation of the Euro on 31 March 2020 would have resulted in a change in earnings after tax and equity of kEUR 116 (previous year: kEUR 3,186).

Calculations were carried out based on the portfolio of financial assets and liabilities on the balance sheet date. Foreign exchange risks from euro items in subsidiaries whose currencies are not the euro were attributed to the foreign exchange risk of the functional currency of each subsidiary. Differences caused by the translation of financial statements into the Group currency because of the exchange rates have not been changed. The group tax rate of 25% is used as the tax rate. In the analysis, all other variables – especially interest rates – are assumed to be constant.

In the financial year 2018/19, SWIETELSKY concluded foreign currency forward transactions in GBP in the amount of kEUR 22,067 for hedging future payments, in the period from 2019 to 2021, and designated them as a cash flow hedge. At the time of the transaction, the relationship between the underlying and the hedging transaction, including the risk management objectives and the corporate strategy underlying the hedging relationships, was documented. Thereafter, it is regularly demonstrated that foreign exchange forward contracts are highly effective in terms of currency risk. There were no ineffective parts of the hedging relationship in the financial year 2019/20, therefore the changes in value of kEUR 707 and the related deferred taxes in the amount of kEUR -120 were recognised in equity (change in financial instruments).

Other market price risks

Besides foreign exchange and interest rate risks, the SWIETELSKY Group is exposed to other price risks resulting from financial assets and liabilities, which are however of lesser significance to the Group.

Credit risk

Due to the wide dispersion of and ongoing credit checks on our customers, credit risk of receivables from customers can be classified as low. Likewise, the default risk for the other primary financial instruments recognised as assets is to be considered low as the financial partners of the Group are all financial institutes with the highest levels of creditworthiness. The carrying amounts of the financial assets classed as assets represent the maximum default risk.

Receivables from contract assets of kEUR 180,134 (previous year: kEUR 161,580) and receivables from joint ventures amounting to kEUR 50,288 (previous year: kEUR 45,928) relate to ongoing construction projects and are therefore largely not yet due. From the other receivables from deliveries and services in the amount of kEUR 160,371 (previous year: kEUR 172,762), only a negligible amount is overdue and not impaired.

Additionally, as is standard in the industry, project consortia in which companies of the SWIETELSKY Group hold a stake are jointly and severally liable with the other partners and there are bank guarantees, mainly for tender, contractual fulfilment and guarantee obligations and advance payments.

Counter-liabilities for performance guarantees where an outflow of resources is improbable exist to the value of kEUR 158,854 (previous year: kEUR 150,000) on 31 March 2020.

Additionally, a derived credit risk of kEUR 5,266 (previous year: kEUR 5,066) resulting from the liabilities for associated companies and other investments assumed through payment guarantees.

Liquidity risks

A major goal of financial risk management in the SWIETELSKY Group is always to ensure liquidity and financial flexibility. For this purpose, a liquidity reserve has been organised in the form of unused credit lines (cash and guarantee credit), and in the form of cash reserves if necessary, at creditworthy banks. Most of these unused credit lines have a term of up to 12 months and are continuously prolonged.

The group's liquidity needs in the medium and long terms are ensured by the issuance of corporate bonds and bank loans.

The following contractually agreed payment obligations will result from the financial liabilities (interest and amortisation payments) in the coming years:

FIGURES IN THOUSAND EUR	Carrying amount 31/3/2020	Cash flows 1/4/2020-31/3/2021	Cash flows 1/4/2021-31/3/2025	Cash flows from 1/4/2025
Liabilities to banks	7,715	2,959	5,322	0
Lease liabilities	91,935	24,674	52,958	29,136
Trade payables	713,602	678,159	35,443	0
Other financial liabilities	12,586	11,646	940	0
	825,838	**717,438**	**94,663**	**29,136**

FIGURES IN THOUSAND EUR	Carrying amount 31/3/2019	Cash flows 1/4/2019-31/3/2020	Cash flows 1/4/2020-31/3/2024	Cash flows from 1/4/2024
Bonds	74,080	77,515	0	0
Liabilities to banks	4,705	2,888	2,008	0
Lease liabilities	1,172	97	318	829
Trade payables	685,604	655,625	29,979	0
Other financial liabilities	13,084	12,286	798	0
	778,645	**748,411**	**33,103**	**829**

Interest payments were calculated based on the most recently fixed interest rates on or before 31 March 2020 and 31 March 2019. Planned figures for new liabilities in the future are not included. Financial liabilities that can be repaid at any time are always allocated to the earliest maturity bucket.

Fair value hierarchy

The following tables list the financial assets and liabilities measured at fair value and the financial assets and liabilities not measured at fair value by their valuation methods in line with the three-level fair value hierarchy of the IFRS. The various levels reflect the significance of the input factors used for the measured and are defined as follows:

Level 1: Level 1 inputs are quoted prices in active markets for identical assets or liabilities. SWIETELSKY Group currently holds bonds, investment funds and (few) shares that are attributable to this Level and whose fair value matches the market or calculated value.

Level 2: Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as a price) or indirectly (i.e. derived from prices). Liability insurance measured at the redemption value of the reserve on the balance sheet date is attributable to this level.

Level 3: Level 3 inputs are input factors for the asset or liability which are not based on observable market data (unobservable input factors). In so far as relevant, non-current financial assets, bonds, liabilities to banks and lease liabilities leases are assigned to this level if no market prices are available. The fair values are calculated using the discounted cash flow method and therefore represent the present values of the associated payments with consideration for the current market parameters (especially interest rates, exchange rates, the creditworthiness of the counterparty in connection with receivables and the default risk in connection with liabilities).

If the input factors used to determine the fair value of a financial asset or financial liability can be assigned tovarious levels of the fair value hierarchy, the entire measurement at fair value will be assigned to the level of the fair value hierarchy corresponding to the lowest essential input factor for the measurement.

The group recognises reclassifications between the various levels of the fair value hierarchy at the end of the reporting period in which the change took place. No reclassifications between levels were carried out during the financial year.

Carrying amounts, fair values and fair value hierarchy of the financial assets and financial liabilities measured at fair value

FIGURES IN THOUSAND EUR	31/3/2020	Carrying amount	Fair Value	Level 1	Level 2	Level 3
ASSETS						
Securities		94,594	94,594	94,383	211	0
Derivatives for hedging purposes		155	155	0	155	0
LIABILITIES						
Derivatives for hedging purposes		419	419	0	419	0

FIGURES IN THOUSAND EUR	31/3/2019	Carrying amount	Fair Value	Level 1	Level 2	Level 3
ASSETS						
Securities		106,793	106,793	106,588	205	0
Derivatives for hedging purposes		0	0	0	0	0
LIABILITIES						
Derivatives for hedging purposes		1,004	1,004	0	1,004	0

Carrying amounts, fair values and fair value hierarchy of the financial assets and financial liabilities not measured at fair value

The cash and cash equivalents, trade receivables, other financial receivables, trade payables and other financial liabilities have mostly short residual terms. Liabilities to banks and liabilities from finance leases are subject to variable interest rates. Therefore, with these financial instruments the management assumes that the carrying amount is a reasonable approximation of the fair value.

Offsetting of financial assets and financial liabilities

In the SWIETELSKY Group, financial assets and financial liabilities are not offset against one another in the balance sheet. Offsetting agreements only exist in connection with derivative financial instruments.

Capital management

The goal of capital management is to achieve a strong capital basis that continues to generate a rate of return for the shareholders that matches the risk situation of the Group, supports the future development of the Group and can be put to good use for other interest groups as well. The management exclusively considers the booked equity as capital in accordance with IFRS. The equity ratio on the balance sheet date was 30% (previous year: 29%).

The capital management strategy of the Group aims for the Group companies to have a large enough equity base to meet the local requirements. All external capital requirements were met in the reporting year.

(21) Disclosure of business segments

Division of segments

The segments are divided based on internal reporting (the management approach). As the construction market is highly region-based, SWIETELSKY is mainly run from a regional perspective. The group's internal organisational and management structures, and therefore also the internal reports, follow these regional divisions and are therefore reported to the chief operating decision maker.

The operative business of the SWIETELSKY Group is split into five segments: Austria, Germany, Hungary, Czech Republic and other countries. The segment entitled other countries contains Romania, Croatia, Slovakia, Poland, Great Britain, Italy, Norway, the Netherlands, Denmark and Australia. The segments are defined by the country in which the head-quarters of the company are located. The services within and between the segments are billed at market prices.

The following construction output were rendered in the segments:

Austria	Germany	Hungary	Czech Republic	Other countries
Road construction	Road construction	Road construction	Road construction	Road construction
Railway construction	Railway construction	Railway construction	Railway construction	Railway construction
Building construction	Building construction	Building construction	Building construction	Building construction
Civil engineering	Civil engineering	Civil engineering	Civil engineering	Civil engineering
Tunnel construction	x	x	x	x

Segment report

The disclosure of business segments takes place based on internal reporting and is further reconciled to the revenue and EBT of the individual business segments.

External construction output are services rendered in the segment in question with no internal cost allocation. The segment investments contain additions to intangible assets, property, plant and equipment and non-current financial assets. No segment assets have been disclosed as this is not a component of regular management reports.

Information on major customers

In the same way as last year, no external customer generated more than 10% of the Group's turnover.

SEGMENT INFORMATION 2019/20

FIGURES IN THOUSAND EUR	Austria	Germany	Hungary	Czech Republic	Other countries	Consoli-dation	Group
Construction output	**1,699,005**	**389,567**	**346,399**	**323,399**	**271,107**	**0**	**3,029,477**
Reconciliation with IFRS financial statements							**-198,525**
Revenue	**1,623,054**	**380,994**	**370,449**	**339,446**	**273,354**	**-156,345**	**2,830,952**
Segment result	**67,722**	**3,272**	**23,191**	**14,121**	**10,357**	**0**	**118,663**
Included in the segment result:							
Interest income	*5,324*	*348*	*477*	*208*	*120*		
Interest expense	*-6,974*	*-999*	*-11*	*-71*	*-543*		
Depreciation and amortisation	*-36,187*	*-12,415*	*-2,672*	*-4,103*	*-4,947*		
Share of results of associates	*20,871*	*3,430*	*0*	*2,272*	*0*		
Reconciliation with IFRS financial statements							**-3,529**
Earnings before tax (EBT)	**92,415**	**7,070**	**23,898**	**12,836**	**10,657**	**-31,742**	**115,134**
Investments	**176,789**	**28,508**	**12,667**	**18,147**	**35,610**	**0**	**271,721**
Order backlog	**1,583,616**	**261,373**	**540,014**	**383,188**	**374,406**	**0**	**3,142,597**

SEGMENT INFORMATION 2018/19

FIGURES IN THOUSAND EUR	Austria	Germany	Hungary	Czech Republic	Other countries	Consoli-dation	Group
Construction output	**1,540,809**	**412,014**	**374,184**	**318,512**	**159,799**	**0**	**2,805,318**
Reconciliation with IFRS financial statements							**-132,556**
Revenue	**1,549,753**	**412,995**	**402,526**	**327,967**	**154,040**	**-174,519**	**2,672,762**
Segment result	**53,437**	**13,160**	**29,124**	**5,331**	**3,523**	**0**	**104,575**
Included in the segment result:							
Interest income	*4,978*	*18*	*910*	*149*	*229*		
Interest expense	*-8,723*	*-404*	*-52*	*-96*	*-667*		
Depreciation and amortisation	*-30,590*	*-10,260*	*-2,059*	*-3,745*	*-5,234*		
Share of results of associates	*15,925*	*3,147*	*0*	*1,001*	*0*		
Reconciliation with IFRS financial statements							**2,856**
Earnings before tax (EBT)	**68,560**	**16,318**	**27,915**	**4,369**	**3,166**	**-12,897**	**107,431**
Investments	**59,532**	**22,063**	**7,457**	**5,705**	**6,718**	**1,465**	**102,940**
Order backlog	**1,681,710**	**288,599**	**493,331**	**257,320**	**395,349**	**0**	**3,116,309**

The major reconciliation items are the result of unconsolidated companies, project consortia and IFRS measurements.

Reconciliation of the construction output with revenue:

FIGURES IN THOUSAND EUR	2019/20	2018/19
Other non-current equity investments, project consortia	-193,954	-170,987
IFRS measurements	-4,571	38,431
Reconciliation	**-198,525**	**-132,556**

Reconciliation of the segment result with earnings before tax (EBT):

FIGURES IN THOUSAND EUR	2019/20	2018/19
Investment income	-6,490	-2,687
IFRS measurements	2,961	5,543
Reconciliation	**-3,529**	**2,856**

(22) Disclosures on affiliated companies

HPB – Holding GmbH is a shareholder of Swietelsky AG which provides consulting services for the Group at market conditions. Thumersbacher Geräteverleih GmbH is a shareholder of Swietelsky AG which renders machine and equipment rental services and consultancy services for the Group at standard market rates.

Dr. Günther Grassner (Vice-chairman of the supervisory board) is a partner of the office RECHTSANWÄLTE GRASSNER LENZ THEWANGER + PARTNER, Linz, which renders consultancy services for the Group at standard market rates. Dr. Norbert Nagele (Chairman of the supervisory board) is a partner of the office HASLINGER/NAGELE & PARTNER RECHTSANWÄLTE GMBH which renders consultancy services for the Group at standard market rates.

	Services rendered		Receivables	
FIGURES IN THOUSAND EUR	**2019/20**	**2018/19**	**31/3/2020**	**31/3/2019**
Thumersbacher Geräteverleih GmbH	345	31	60	0
RECHTSANWÄLTE GRASSNER LENZ THEWANGER + PARTNER	50	50	0	0
Dipl.-Ing. Werner Baier	0	10	0	0

	Services received		Liabilities	
FIGURES IN THOUSAND EUR	**2019/20**	**2018/19**	**31/3/2020**	**31/3/2019**
HPB – Holding GmbH	0	120	0	0
Thumersbacher Geräteverleih GmbH	4	3	0	0
Dr. André Hovaguimian	0	120	0	0
RECHTSANWÄLTE GRASSNER LENZ THEWANGER + PARTNER	522	426	134	21
HASLINGER/NAGELE & PARTNER RECHTSANWÄLTE GMBH	51	174	0	0

As of the balance sheet date, there were no offset claims or obligations to the shareholders due to advance profits. A subordinated bond (hybrid bond) of kEUR 8,330 was subscribed by Thumersbacher Geräteverleih GmbH.

(23) Notes on the Management and Supervisory Boards

Management Board

Peter Gal
Dipl.-Ing. Walter Pertl
Adolf Scheuchenpflug
Dipl.-Ing. Karl Weidlinger

Supervisory Board

Dr. Norbert Nagele	Chairman
Dr. Günther Grassner	Vice-chairman
Ing. Franz Rohr	
Andrea Steinkellner	
Bruno Wyhs	
Mag. Karl Schlögl	
Manuel Madurski	
Dr. Stefan Ebner	since 24 September 2019
Dr. Werner Bick	since 24 September 2019

Salary expenses include the total remuneration of the Management Board in the amount of kEUR 9,039 (previous year: kEUR 7,368). Severance expenses relate to the Management Board at kEUR 815 (previous year: kEUR 883) and key management members at kEUR 820 (previous year: kEUR 880). Remuneration of kEUR 476 (previous year: kEUR 308) was granted to the members of the Supervisory Board.

(24) Date of approval for publication

In Austrian companies organised as corporations limited by shares, the consolidated financial statements prepared by the Management Board are approved by the Supervisory Board. The meeting of the supervisory board of Swietelsky AG to approve the consolidated financial statements of 31 March 2020 will take place on 23 July 2020.

(25) Extraordinary events after the closing of the financial year

No extraordinary events took place after the closing of the financial year.

Linz, 13 July 2020

Management Board

Peter Gal   Dipl.-Ing. Walter Pertl   Adolf Scheuchenpflug   Dipl.-Ing. Karl Weidlinger

CONSOLIDATED STATEMENT OF CHANGES IN FIXED ASSETS

AS OF 31 MARCH 2020

	Historical costs							Cumulative depreciation							Carrying amounts	
FIGURES IN THOUSAND EUR	**As of 1/4/2019**	**Changes to the basis of consolidation**	**Currency translation**	**Reclassifi-cations**	**Additions**	**Disposals**	**As of 31/3/2020**	**As of 1/4/2019**	**Changes to the basis of consolidation**	**Currency translation**	**Reclassifi-cations**	**Additions**	**Disposals**	**As of 31/3/2020**	**As of 31/3/2020**	**As of 31/3/2019**
I. Intangible assets:																
1. Software and licences	10,505	29	-68	225	7,112	14	17,788	9,010	19	-66	0	1,666	14	10,615	7,172	1,495
2. Goodwill	11,716	0	0	0	2,120	0	13,836	1,126	0	0	0	2,885	0	4,011	9,825	10,590
	22,221	**29**	**-68**	**225**	**9,232**	**14**	**31,623**	**10,136**	**19**	**-66**	**0**	**4,551**	**14**	**14,626**	**16,997**	**12,085**
II. Property, plant and equipment:																
1. Land, land rights and buildings, including buildings on third-party land (basic value kEUR 56,688; previous year: kEUR 45,602)	257,537	20,741	-2,658	16,713	11,962	26,155	278,141	51,607	3,892	-897	0	11,357	2,933	63,026	215,115	136,189
thereof Right of use Assets IFRS 16	*69,742*	*247*	*0*	*0*	*6,764*	*22,842*	*53,911*	*0*	*0*	*-142*	*0*	*6,437*	*790*	*5,505*	*48,406*	*0*
2. Technical equipment and machinery	446,350	1,182	-6,535	13,609	61,688	14,126	502,167	281,057	747	-4,711	-26	49,826	10,410	316,484	185,684	150,786
thereof Right of use Assets IFRS 16	*14,507*	*0*	*0*	*0*	*1,765*	*769*	*15,503*	*0*	*0*	*-26*	*0*	*4,114*	*472*	*3,617*	*11,886*	*0*
3. Other equipment, operating and office equipment	98,335	1,718	-619	1,396	31,017	4,879	126,967	47,746	1,026	-642	26	19,119	2,979	64,295	62,672	23,009
thereof Right of use Assets IFRS 16	*27,581*	*290*	*0*	*0*	*16,581*	*1,564*	*42,886*	*0*	*0*	*-167*	*0*	*11,470*	*168*	*11,135*	*31,751*	*0*
4. Assets under construction	31,989	1	-139	-31,942	40,479	99	40,290	0	0	0	0	0	0	0	40,290	31,989
	834,212	**23,642**	**-9,950**	**-225**	**145,146**	**45,259**	**947,566**	**380,410**	**5,665**	**-6,249**	**0**	**80,302**	**16,322**	**443,805**	**503,761**	**341,973**
thereof Right of use Assets IFRS 16 [1]	*111,829*	*536*	*0*	*0*	*25,110*	*25,176*	*112,300*	*0*	*0*	*-335*	*0*	*22,022*	*1,431*	*20,257*	*92,043*	*0*
	856,434	**23,671**	**-10,019**	**0**	**154,378**	**45,274**	**979,189**	**390,546**	**5,684**	**-6,315**	**0**	**84,853**	**16,336**	**458,431**	**520,758**	**354,058**

[1] First-time application of IFRS 16 as of 1/4/2019

CONSOLIDATED STATEMENT OF CHANGES IN FIXED ASSETS

AS OF 31 MARCH 2019

	Historical costs							Cumulative depreciation							Carrying amounts	
FIGURES IN THOUSAND EUR	**As of 1/4/2018**	**Changes to the basis of consolidation**	**Currency translation**	**Reclassifi-cations**	**Additions**	**Disposals**	**As of 31/3/2019**	**As of 1/4/2018**	**Changes to the basis of consolidation**	**Currency translation**	**Reclassifi-cations**	**Additions**	**Disposals**	**As of 31/3/2019**	**As of 31/3/2019**	**As of 31/3/2018**
I. Intangible assets:																
1. Software and licences	10,403	190	-26	40	911	1,014	10,505	8,901	123	-25	10	878	877	9,010	1,495	1,502
2. Goodwill	10,251	0	0	0	1,465	0	11,716	1,126	0	0	0	0	0	1,126	10,590	9,125
	20,654	**190**	**-26**	**40**	**2,376**	**1,014**	**22,221**	**10,027**	**123**	**-25**	**10**	**878**	**877**	**10,136**	**12,085**	**10,627**
II. Property, plant and equipment:																
1. Land, land rights and buildings, including buildings on third-party land (basic value kEUR 45,602; previous year: kEUR 43,308)	175,295	3,244	-683	4,250	7,250	1,560	187,796	47,012	1,167	-176	2	4,594	991	51,607	136,189	128,283
2. Technical equipment and machinery	379,857	6,877	-910	6,572	49,061	9,614	431,843	248,223	2,283	-593	-104	39,374	8,126	281,057	150,785	131,634
3. Other equipment, operating and office equipment	61,964	1,369	-139	764	10,027	3,230	70,755	43,112	944	-111	93	6,744	3,038	47,746	23,009	18,852
4. Assets under construction	17,183	0	-15	-11,626	26,587	140	31,989	0	0	0	0	0	0	0	31,989	17,183
	634,298	**11,490**	**-1,747**	**-40**	**92,925**	**14,544**	**722,383**	**338,347**	**4,394**	**-879**	**-10**	**50,713**	**12,155**	**380,410**	**341,973**	**295,952**
	654,953	**11,680**	**-1,773**	**0**	**95,301**	**15,558**	**744,604**	**348,373**	**4,517**	**-904**	**0**	**51,591**	**13,032**	**390,546**	**354,058**	**306,579**

LIST OF INVESTMENTS

AS OF 31 MARCH 2020

Fully consolidated companies			Currency	Registered capital 31/3/2020	Group share 31/3/2020
A.S.T. Baugesellschaft m.b.H.	AT	Innsbruck	kEUR	35	100%
Bahnbau Petri Hoch- und Tiefbau Gesellschaft m.b.H	AT	Fischamend	kEUR	40	100%
Baumeister Karl Sedlmayer Gesellschaft mit beschränkter Haftung	AT	Grafenwörth	kEUR	400	100%
C. Peters Baugesellschaft m.b.H.	AT	Linz	kEUR	105	100%
Duswald Bau GmbH	AT	Neumarkt im Hausruckkreis	kEUR	37	100%
Georg Fessl GmbH	AT	Zwettl	kEUR	150	100%
HN-CW Errichtungsgesellschaft mbH	AT	Vienna	kEUR	35	100%
HTB Baugesellschaft m.b.H.	AT	Arzl im Pitztal	kEUR	40	100%
Ing. Baierl Gesellschaft m.b.H.	AT	Steinakirchen am Forst	kATS	1,180	100%
Ing. Karl Voitl Gesellschaft m.b.H.	AT	Vienna	kEUR	37	100%
J & K Fassadenprofi GmbH	AT	Ober-Grafendorf	kEUR	37	100%
Jos. Ertl GmbH	AT	Hörsching	kEUR	105	100%
Kallinger Bau GmbH	AT	Fischamend	kEUR	35	100%
Klaus Hennerbichler GmbH	AT	Hagenberg im Mühlkreis	kATS	500	100%
Kontinentale Baugesellschaft m.b.H.	AT	Waidhofen an der Thaya	kEUR	75	100%
Metallbau Wastler GmbH	AT	Linz	kEUR	73	100%
Romberger Fertigteile GmbH	AT	Gurten	kEUR	900	100%
RTS Rail Transport Service GmbH	AT	Graz	kEUR	100	100%
SWIETELSKY - INTERNATIONAL Baugesellschaft m.b.H.	AT	Linz	kEUR	730	100%
Swietelsky Bauträger Ges.m.b.H.	AT	Linz	kEUR	85	100%
Swietelsky Developments GmbH	AT	Vienna	kEUR	35	100%
Swietelsky Immobilien GmbH	AT	Vienna	kEUR	40	100%
Swietelsky Liegenschaftsverwaltung Bauhof Asten GmbH	AT	Linz	kEUR	35	100%
Swietelsky Liegenschaftsverwaltung Fischamend GmbH	AT	Linz	kEUR	40	100%

Fully consolidated companies			Currency	Registered capital 31/3/2020	Group share 31/3/2020
Swietelsky Liegenschaftsverwaltung Klagenfurt GmbH	AT	Linz	kEUR	10	100%
Swietelsky Liegenschaftsverwaltung Trumau GmbH	AT	Linz	kEUR	10	100%
Swietelsky Tunnelbau GmbH	AT	Salzburg	kEUR	35	100%
Swietelsky Tunnelbau GmbH & Co KG	AT	Salzburg	kEUR	35	100%
Transportbeton und Asphaltgesellschaft m.b.H.	AT	Zams	kEUR	73	100%
SWIETELSKY RAIL (AUSTRALIA) PTY LTD	AU	Potts Point NSW 2011	kAUD	5,400	100%
JB Stavební s.r.o.	CZ	Brno	kCZK	200	100%
Swietelsky Rail CZ s.r.o.	CZ	České Budějovice	kCZK	200	100%
SWIETELSKY stavební s.r.o.	CZ	České Budějovice	kCZK	250,000	100%
Detect Rail Technologies GmbH	DE	Schönhausen (Elbe)	kEUR	25	100%
RTS Rail Transport Service Germany GmbH	DE	Munich	kEUR	25	100%
Swietelsky Baugesellschaft mbH.	DE	Traunstein	kEUR	1,600	100%
Terratop Hobmaier GmbH & Co. KG	DE	Vilsbiburg	kEUR	44	100%
Terratop Hobmaier Verwaltungs GmbH	DE	Vilsbiburg	kEUR	25	100%
Wadle Bauunternehmung GmbH	DE	Essenbach	kEUR	25	100%
Swietelsky Rail Danmark ApS	DK	Kopenhagen	kDKK	700	100%
SWIETELSKY CONSTRUCTION COMPANY LTD.	GB	Reading	kGBP	100	100%
Swietelsky d.o.o.	HR	Zagreb	kHRK	5,812	100%
CELL-BahnBau Danubia Kft.	HU	Celldömölk	kHUF	6,000	100%
DS VASÚT Kft.	HU	Celldömölk	kHUF	17,000	100%
SWIETELSKY Építő Kft.	HU	Budapest	kHUF	5,001	100%
SWIETELSKY Magyarország Kft.	HU	Budapest	kHUF	1,579,120	100%
Swietelsky Vasúttechnika Kft.	HU	Celldömölk	kHUF	3,000	100%
Vasútgép Kft.	HU	Celldömölk	kHUF	3,000	100%
Swietelsky Rail Benelux B.V.	NL	JR Oisterwijk	kEUR	18	100%
Swietelsky Rail Norway AS	NO	Drammen	kNOK	800	100%
Swietelsky Rail Polska Spolka Z o.o.	PL	Krakow	kPLN	50	100%
Swietelsky Spolka Z o.o.	PL	Lublin	kPLN	880	100%
S.C. DRUMSERV SA	RO	Tirgu Mures	kRON	7,082	100%
Swietelsky Constructii Feroviare S.R.L.	RO	Bukarest	kRON	699	100%
Swietelsky Slovakia spol.s.r.o	SK	Bratislava	kEUR	89	100%

31/3/2020

Associated companies			Currency	Registered capital	Group share
Umfahrung Zwettl Errichtungs- und Betriebsgesellschaft m.b.H.	AT	Linz	kEUR	35	50%
Eurailpool GmbH	DE	Ismaning	kEUR	5,000	50%
Swietelsky-Faber GmbH Kanalsanierung	DE	Schlierschied	kEUR	50	50%

Other non-current equity investments – not consolidated			Currency	Registered capital	Group share
Baldauf Fliesen und Baustoffe Gesellschaft m.b.H.	AT	Linz	kEUR	40	100%
Diks und Swiera Immobilientreuhand GmbH	AT	Feldkirch	kEUR	36	100%
Swietelsky Liegenschaftsentwicklungs GmbH	AT	Linz	kEUR	35	100%
TB Betonwerk Zams GmbH	AT	Zams	kEUR	35	52%
ASB Nörsach GmbH	AT	Linz	kEUR	35	50%
Asphaltwerk Seibersdorf GmbH	AT	Linz	kEUR	35	50%
ASW - Asphaltmischanlage Zams GmbH	AT	Zams	kEUR	36	50%
ASW - Asphaltmischanlage Zams GmbH & Co. KG	AT	Zams	kEUR	150	50%
AWM Asphaltwerk Mötschendorf Gesellschaft m.b.H.	AT	Graz-St.Peter	kEUR	35	50%
AWM Asphaltwerk Mötschendorf Gesellschaft m.b.H. & Co. KG	AT	Graz-St.Peter	kEUR	40	50%
Hausruck Baugesellschaft m.b.H.	AT	Schlüßlberg	kEUR	240	50%
PAM-Pongauer Asphaltmischanlagen GmbH	AT	St. Johann im Pongau	kEUR	36	50%
PAM-Pongauer Asphaltmischanlagen GmbH & Co KG	AT	St. Johann im Pongau	kEUR	36	50%
SWIETELSKY-FABER Kanalsanierung GmbH	AT	Leonding	kEUR	35	50%
Asphaltmischwerk Weißbach GmbH & Co. Nfg. KG	AT	Weißbach bei Lofer	kEUR	73	45%
AWB Asphaltmischwerk Weißbach Betriebs-GmbH	AT	Vienna	kEUR	35	45%
Kieswerk-Betriebs-Gesellschaft m.b.H.	AT	Zams	kEUR	40	38%
Pinzgau Beton GmbH	AT	Salzburg	kEUR	40	37%
Pinzgau Beton GmbH & Co KG	AT	Salzburg	kEUR	40	37%
Gaspix Beteiligungsverwaltungs GmbH	AT	Zirl	kEUR	35	36%
RBA - Recycling- und Betonanlagen Ges.m.b.H. & Co. Nfg. KG	AT	Zirl	kEUR	581	36%
AMS - Asphaltmischwerk Süd Gesellschaft m.b.H.	AT	Linz	kEUR	36	35%
FMA Asphaltwerk GmbH	AT	Feldbach	kEUR	35	35%

31/3/2020

Other non-current equity investments – not consolidated			Currency	Registered capital	Group share
FMA Asphaltwerk GmbH & Co KG	AT	Feldbach	kEUR	44	35%
Kieswerk - Betriebs - Gesellschaft m.b.H. & Co. Kommanditgesellschaft	AT	Zams	kEUR	80	34%
AMG - Asphaltmischwerk Gunskirchen Gesellschaft m.b.H.	AT	Linz	kEUR	44	33%
AMG - Asphaltmischwerk Gunskirchen Gesellschaft m.b.H. & Co. KG	AT	Linz	kEUR	654	33%
AMW Asphaltwerk GmbH.	AT	Weitendorf	kEUR	727	33%
AMW Leopoldau GmbH & Co OG	AT	Vienna	kEUR	70	33%
AWT Asphaltwerk GmbH	AT	Stadtschlaining	kEUR	700	33%
GT Baustoff Recycling GmbH	AT	Grafenstein	kEUR	60	33%
TAM Traisental Asphaltmischwerk Ges.m.b.H.	AT	Nußdorf ob der Traisen	kATS	600	33%
TAM Traisental Asphaltmischwerk Ges.m.b.H. & Co KG	AT	Nußdorf ob der Traisen	kATS	1,000	33%
TB Transportbeton GmbH	AT	Linz	kEUR	36	33%
AHRENTAL ABBAU- UND AUFBEREITUNGSGESELLSCHAFT M.B.H.	AT	Hall in Tirol	kEUR	35	30%
AMA Linz GmbH	AT	Linz	kEUR	35	30%
Petschl Frästechnik GmbH	AT	Arbing	kEUR	450	29%
ASW - Asphaltmischanlage Innsbruck GmbH	AT	Innsbruck	kEUR	36	26%
ASW - Asphaltmischanlage Innsbruck GmbH & Co KG	AT	Innsbruck	kEUR	150	26%
Hemmelmair Frästechnik GmbH	AT	Linz	kEUR	73	25%
VAM - Valentiner Asphaltmischwerk Gesellschaft m.b.H.	AT	Linz	kEUR	36	25%
VAM-Valentiner Asphaltmischwerk Gesellschaft m.b.H. & Co. KG	AT	Linz	kEUR	73	25%
Swietelsky d.o.o.	BA	Sarajevo	kBAM	2	100%
HTB Bau AG	CH	Scuol	kCHF	100	100%
SWIETELSKY Real Estate CZ s.r.o.	CZ	České Budějovice 3	kCZK	200	100%
Strakonická obalovna s.r.o.	CZ	Sousedovice	kCZK	24,258	51%
Obalovna Lipník s.r.o.	CZ	České Budějovice	kCZK	30,000	50%
Obalovna Ostrava s.r.o.	CZ	České Budějovice	kCZK	17,930	50%
Obalovna Středokluky s.r.o.	CZ	Praha 10	kCZK	5,000	50%
Obalovna Tábor s.r.o.	CZ	České Budějovice	kCZK	5,000	50%

Other non-current equity investments – not consolidated			Currency	Registered capital	31/3/2020 Group share
SČO s.r.o.	CZ	České Budějovice	kCZK	10,000	50%
Západočeská obalovna s.r.o.	CZ	Plzeň - Koterov	kCZK	40,000	50%
TBG SWIETELSKY s.r.o.	CZ	České Budějovice	kCZK	10,000	49%
Chebská obalovna, spol. s r.o.	CZ	Štěnovice	kCZK	17,744	33%
Obalovna Louny s.r.o.	CZ	České Budějovice	kCZK	30,000	33%
Obalovna Týniště s.r.o.	CZ	České Budějovice	kCZK	30,000	33%
Brněnská obalovna, s.r.o.	CZ	Brno	kCZK	24,000	25%
Hrušecká obalovna, s.r.o.	CZ	Hrušky	kCZK	1,540,000	20%
RPM Wiebe & Swietelsky & Co KG	DE	Achim	kEUR	1,000	49%
RPM Wiebe & Swietelsky Beteiligungs-GmbH	DE	Achim	kEUR	26	49%
SWIETELSKY TRAVAUX FERROVIAIRES	FR	Metz	kEUR	5	100%
SICE LIMITED	GB	Edinburgh	GBP	50	100%
FSP (2004) LIMITED	GB	Blantyre	GBP	100	50%
BELVÁROS TETÖTÉR Kft.	HU	Budapest	kHUF	3,000	100%
G.K.S. SWIETELSKY Kft.	HU	Dunakeszi	kHUF	3,000	100%
Harmatház Kft.	HU	Budapest	kHUF	3,000	100%
Mandarino Kft.	HU	Budapest	kHUF	3,000	100%
ZED-TBM Kft.	HU	Budapest	kHUF	3,000	100%
EULAB Kft.	HU	Dunakeszi	kHUF	80,000	50%
M6-Autópálya Kkt. "v.a."	HU	Budapest	kHUF	1,060	33%
SWIERA SRL in Liquidazione	IT	Nalles	kEUR	100	82%
Cosbau S.r.l. in Liquidazione	IT	Nalles	kEUR	6,000	28%
Swietelsky Rail Luxembourg S.àr.l.	LU	Windhoff	kEUR	13	100%
S.C. AMFIBOSWIN SRL	RO	Sibiu	kRON	11,757	57%
Swietelsky gradbeno d.o.o.	SI	Laibach	kEUR	9	100%
Športfinal s.r.o	SK	Bratislava	kEUR	7	100%

GROUP MANAGEMENT REPORT

FOR THE FINANCIAL YEAR 2019/20

I. Overall economic environment

According to the IMF, the economic development already was much flatter in 2019 compared to 2018, and the world economy only grew by 2.9%. Special tariffs, geopolitical tensions and trade policy measures put pressure on global industry and global trade. In 2019 this only grew by 0.9% (2018: 3.8%). The economy of the USA grew by 2.3% in 2019, that of China by 6.1%. The coronavirus mutation SARS CoV-2 did not have a significant effect on the economic development in 2019.

Following a low growth rate of 1.2% in 2019, the eurozone was heavily affected by the COVID-19 pandemic, with a projected crash in the economic output of 7.5% in 2020. In most countries, sometimes draconian measures were taken to fight the continued spread of the virus; these resulted, and are still resulting, in far-reaching restrictions to public life and economic activity. This is accompanied by monetary and fiscal policy measures to dampen these effects. If small and large companies alike, with business models that are actually sustainable, fail to survive the crisis and massive unemployment ensues, a quick economic recovery once the pandemic is controlled is out of the question. These measures will result in a rapid increase in public debt along with private debt. Consequently, once the pandemic is overcome the question of debt sustainability, which is already an issue in the eurozone due to the incomplete architecture of the economic and monetary union, will return to the fore.

The labour market development in the eurozone was quite positive until the pandemic despite the weakening of economic growth. The economic consequences of the worldwide COVID-19 pandemic have not yet been reflected in the labour market statistics of the European Union. In most member states, measures to stem the coronavirus were only taken in March 2020 (lockdown), and their initial consequences will be visible at the earliest when the next European labour market statistics are published. At the same time, the majority of national governments have introduced far-reaching aid packages to support companies and consumers. These include the simplified registration for short time work, a measure intended to safeguard jobs and that ensures that unemployment numbers have for the moment not increased too strongly. A general drastic increase in unemployment numbers in the EU member states will however not be avoidable in the coming months.

In 2019, the economy of the Euroconstruct countries grew more slowly than in previous years at 1.4%; with 3.7%, the eastern European states of Czech Republic, Hungary, Poland and Slovakia (EC-4 countries) contributed disproportionately to this increase. In all member states, economic growth slowed down compared to the previous year. This is also true for large economies like Germany, Great Britain and Italy, which had the lowest growth rate at 0.3%.

The construction industry also witnessed growth in 2019. Following an increase of 3.1% in 2018, in 2019 it increased by 2.7% to EUR 1,697 billion. It thus continued to lie significantly above the trend for the overall economy. In the EC-4 countries, the construction industry grew more slowly (5.5%) than in the previous years, while in the western European states it developed as positively as in 2018 at 2.6%. Only Slovakia (-4.7%), Finland (-2%) and Sweden (-0.1%) witnessed a reduction in construction output in 2019.

This positive development was led by civil engineering, with a growth of 4.7% in 2019 and an overall construction output of EUR 357.7 billion (2018: 5.3%). Building construction saw overall output of EUR 1,339.3 billion (2019: 2.2%, 2018: 2.6%).

Markets

We distinguish between 4 core markets (Austria, Germany, Hungary, Czech Republic) and other countries.

Austria

The economic growth in Austria was significantly slower in 2019 (1.6%) compared to the previous year (2.4%). Austria's economy followed the global trend, and in the second half of 2019 in particular the overall economic mood worsened.

Domestic demand – pushed by above-average household income and salary increases – drove the economy, especially in the first half of 2019. As a consequence, the situation in the labour market continues to be marked by a strong growth in employment and a reduction in unemployment, down to 4.5% in 2019. Inflation dropped to 1.5%. It was forecast that the low point of the economic downturn would be reached at the end of 2019.

The Austrian construction industry still witnessed positive development in 2019, with an increase of 2.4%. It thus lies just slightly under the average of the EC-19 countries (2.7%) and that of the western European EC-15 countries (2.6%). This represents a slowdown in growth compared to the revised figures for 2018 (3.7%). Total construction output in Austria was EUR 45.1 billion in 2019, of which EUR 36.2 billion were in building construction (2.6%) and EUR 8.9 billion in civil engineering (1.6%). Following growth of 2.1% in 2018, housing construction increased to 3.5% in 2019 (EUR 19.8 billion). Despite high construction prices and slow population growth, demand for home ownership remains high due to the long-term low-interest financing possibilities.

The rehabilitation market also witnessed stable development. It grew by 2.7% in 2019. After the strong growth in 2018 (6%), the other building construction sectors stabilised in 2019 at an output volume of EUR 16.3 billion (1.6%).

While civil engineering saw a positive development, the growth rate of 1.6% to EUR 8.9 billion still lay below the industry average. Road construction grew by 4.6% with a volume of EUR 2.2 billion. Investments in rail systems (1.5%) and in the telecommunications field (4%) also brought fresh impulses. Water supply and other civil engineering sectors shrank slightly by 0.9% each.

SWIETELSKY was able to generate an above-average improvement to output in Austria in the financial year. Output growth was 10.3%, or around EUR 158.2 million. Apart from the stable sectors railway construction and bridge and elevated highway construction, all branches saw positive development. Overall output, at EUR 1,699 million, represented a share of 56.1% of the Group's construction output. At around 47%, the output share of building construction was at the previous year's level. The share of road and railway construction was just under the previous year's level, at 22%. The share of civil engineering grew to also reach 22%, while that of tunnel construction grew slightly to 9%.

Germany

Germany's gross domestic product (GDP) grew by 0.6% in 2019, according to the Federal Statistical Office. This represents a significant slowdown compared to 2017 and 2018, in which the growth was 2.5% and 1.5%, respectively. The German economy thus grew for a tenth year in a row. The main driver of growth in 2019 was consumption. Adjusted for inflation, household consumption was 1.6% above the previous year, while state consumption grew by 2.6%. On the GDP output side, the economic development was marked by two aspects in 2019. On the one hand, service providers and construction companies saw mostly positive growth. On the other hand, the economic performance of the manufacturing sector collapsed. The weak output of the automobile industry in particular contributed to the decline of 3.6%.

With a total construction volume of EUR 380.2 billion, the German construction industry continued to hold the lion's share of the output of the Euroconstruct countries and grew by 1.6% in 2019 (2018: 1.9%). New housing was a growth driver at 3.8% (EUR 70.6 billion), while the renovation sector, though larger by volume, stagnated at 0.7% (EUR 144 billion). The remaining building construction sectors only grew by 0.9%, as the rehabilitation sector in particular only increased by 0.3%. Overall, civil engineering grew by 2.1% to EUR 69.5 billion, driven by other traffic infrastructure as well as the telecommunication, energy and water supply sectors. The other civil engineering areas (road construction and rail systems) stagnated following strong growth in the previous year.

SWIETELSKY was not able to quite match the extraordinary performance of the previous year in Germany and generated EUR 389.6 million in the past financial year. Following the strong growth in the previous years (2017/18: 25.3%, 2018/19: 32.9%), this represents a decline of 5.5%. In particular, output in building construction dropped significantly (-27.7%). However, it still is a good 25% above the 2017/18 level. The share of total output remained stable at around 27%. The share of total output of road and railway construction grew to around 49% in the past financial year, while that of civil engineering remained largely constant at around 24%.

Hungary

Hungary's economy continues to boom and, at 4.9% in 2019, it is far above the EC-19 average. The high growth rate continues to be due primarily to the EU funds for the period 2014 – 2020 and associated public contracts, especially in the construction industry. The strong automotive supply industry and increasing domestic purchasing power also contributed to the growth. Economic growth is highly dependent on exports. The majority of exports is by foreign-owned companies. In particular, Hungary is very dependent on the German car manufacturing industry, which has invested heavily in Hungary. Unemployment has dropped down to 3.4%, which almost represents full employment.

The construction industry continued its positive trend of the previous two years with an increase of 14.6%. New housing grew again, by 16%, to an output volume of EUR 2.6 billion. Rehabilitation in contrast remained rather constant with a growth rate of 6% and a volume of EUR 1.8 billion. The remaining building construction sectors grew by 12.4% overall to reach EUR 6.7 billion. Civil engineering, which is prospering due to the EU funds, saw another significant increase of 19.5% to reach EUR 5.9 billion, despite the rapid growth already witnessed in the previous years.

Following strong growth in 2018/2019 of 38.3%, SWIETELSKY was able to stabilise its growth in Hungary at a somewhat lower level (2019/20: -7.43%). The decline in building construction, road construction and railway construction was compensated by continued growth in the civil engineering and bridge and elevated highway construction sectors. Of the overall construction output of EUR 346.4 million, some 67% are due to road and railway construction and around 15% to the declining building construction sector. The share of the output of civil engineering increased to around 18%.

Czech Republic

The economic growth in the Czech Republic has slowed down somewhat. While the gross domestic product in 2018 still saw growth of 2.8%, in 2019 it was only at 2.6%. Household consumption and foreign demand were the main drivers of growth. The very low unemployment rate of 2.1% and the strong wage growth (7.2%) are reflected in the growth of the retail sector (6%).

The lack of workers due to the extremely low unemployment rate is a big problem for many companies. Many companies are already running at full capacity and cannot recruit new staff. This negative effect is especially strong in the industrial sector.

The automotive branch is the key industry of the Czech economy. Czech car manufacturers and suppliers generated some 25% of the industrial output and of all Czech exports. The Czech Republic is among the 15 largest automotive nations in the world.

In 2019, the construction industry benefited from the still positive environment and saw a significant growth of 4%, for a total construction volume of EUR 23.3 billion. As in the previous year, the growth was spread across all sectors. Housing construction grew by 4.8% to EUR 9 billion, while remaining building construction only grew by 2% following solid increases in the two previous years. Publicly funded civil engineering grew by 5.4%. Rail infrastructure in particular witnessed significant investments (19.8%). Other strong drivers were road construction (5.1%) and energy supply (6%). The other civil engineering sectors underwent sometimes severe decline.

In the Czech Republic, SWIETELSKY was able to maintain its growth level of 2018/19 (1.53%). The development was not equal across all sectors. While there was growth in building construction, bridge and elevated highway construction and railway construction, there was a slight decline in road construction and civil engineering. The shares of output remained largely unchanged at 60% for road and railway construction, 25% for building construction and 15% for civil engineering.

Other countries

SWIETELSKY is also active beyond the core markets described above, either through project-specific branches or through subsidiaries. Besides the subsidiaries in Great Britain, the Netherlands, Denmark, Norway and Australia, it is active mainly in the CEE area.

The SWIETELSKY Group generated EUR 271.1 million, some 8.9% of its total construction output, in Romania, Croatia, Norway, Poland, Great Britain, Slovakia, Italy, the Netherlands, Denmark and Australia.

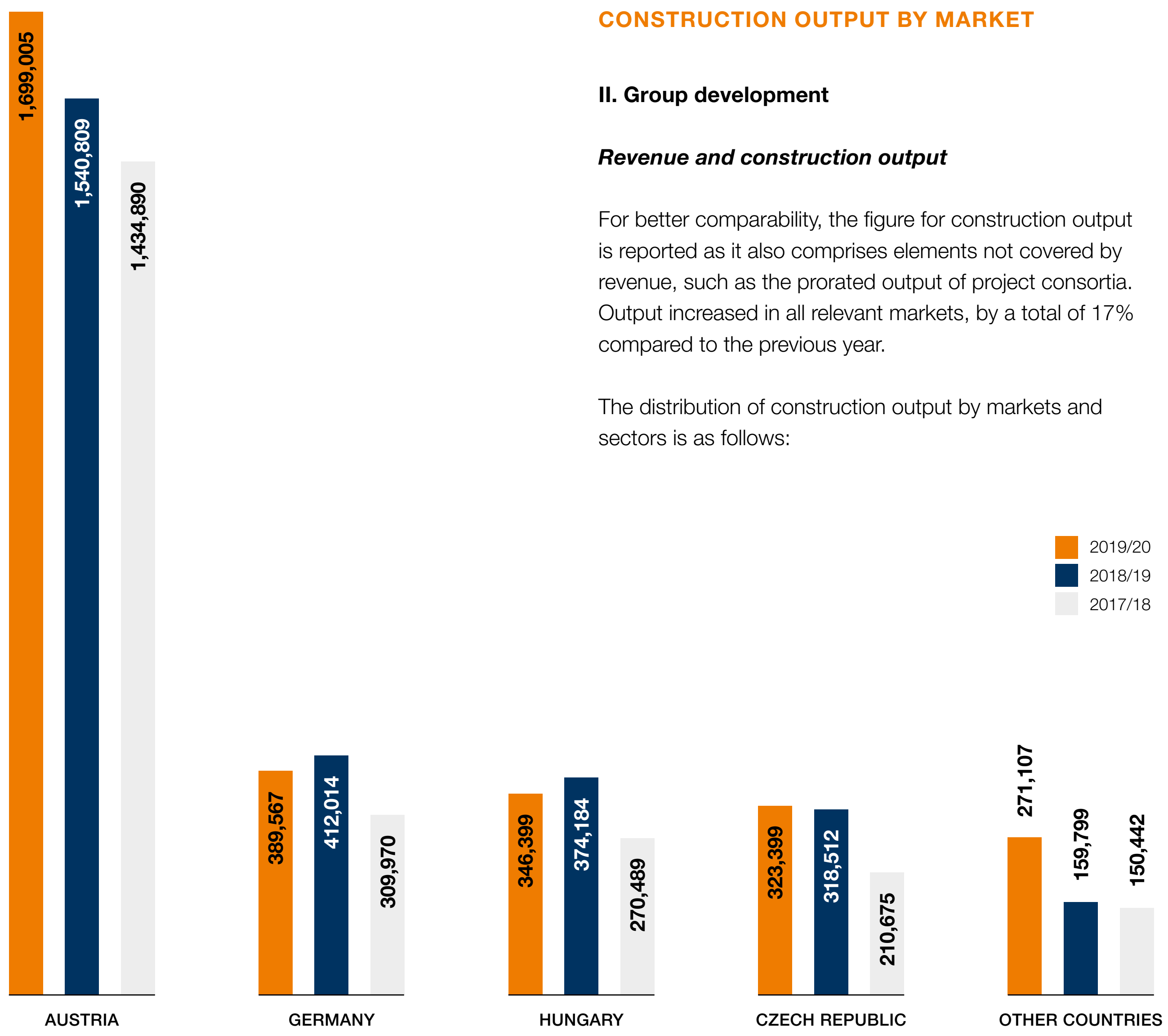
CONSTRUCTION OUTPUT BY MARKET

II. Group development

Revenue and construction output

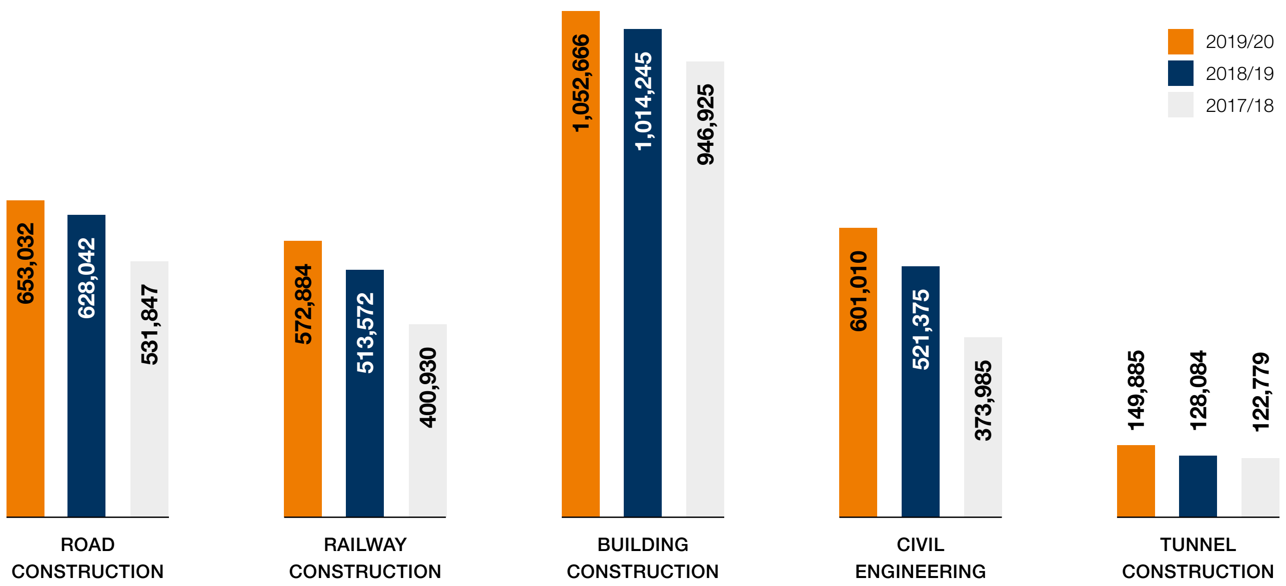
For better comparability, the figure for construction output is reported as it also comprises elements not covered by revenue, such as the prorated output of project consortia. Output increased in all relevant markets, by a total of 17% compared to the previous year.

The distribution of construction output by markets and sectors is as follows:



FIGURES IN THOUSAND EUR	2019/20	%	2018/19	%	2017/18	%
by market:						
Austria	1,699,005	56	1,540,809	55	1,434,890	60
Germany	389,567	13	412,014	15	309,970	14
Hungary	346,399	11	374,184	13	270,489	11
Czech Republic	323,399	11	318,512	11	210,675	9
Other countries	271,107	9	159,799	6	150,442	6
Total	**3,029,477**	**100**	**2,805,318**	**100**	**2,376,466**	**100**

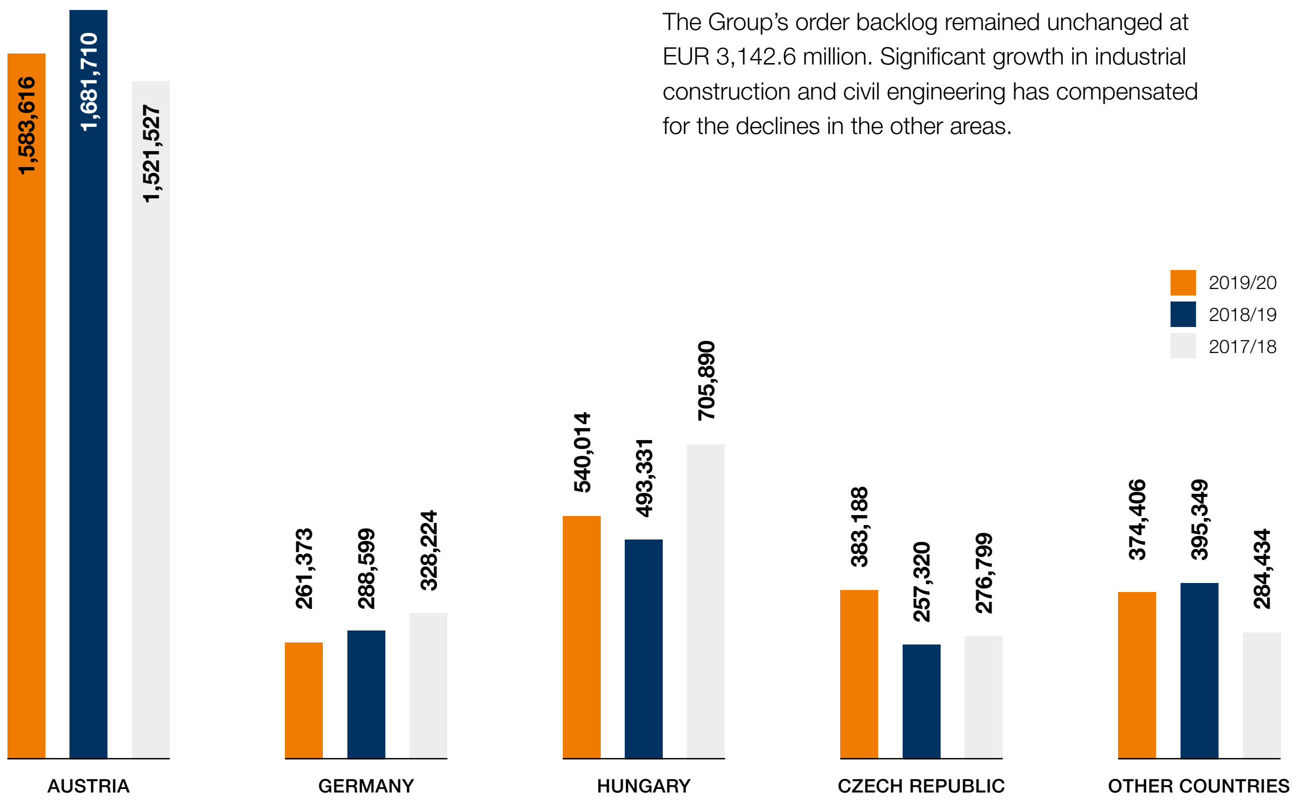
CONSTRUCTION OUTPUT BY SECTOR



FIGURES IN THOUSAND EUR	2019/20	%	2018/19	%	2017/18	%
by sector:						
Road construction	653,032	22	628,042	22	531,847	22
Railway construction	572,884	19	513,572	18	400,930	17
Building construction	1,052,666	35	1,014,245	36	946,925	40
Civil engineering	601,010	20	521,375	19	373,985	16
Tunnel construction	149,885	4	128,084	5	122,779	5
Total	**3,029,477**	**100**	**2,805,318**	**100**	**2,376,466**	**100**

Analogous to construction output, the revenue reported in the IFRS financial statements were EUR 2,831.0 million, around EUR 158.2 million or 5.9% above the previous year. This year there is a positive change in inventory (EUR 5.7 million) from the realisation of in-house projects. Other operating income has increased, own work capitalised has increased of the investment program further increased.

ORDER BACKLOG BY MARKET



Order backlog

The Group's order backlog remained unchanged at EUR 3,142.6 million. Significant growth in industrial construction and civil engineering has compensated for the declines in the other areas.

FIGURES IN THOUSAND EUR	2019/20	%	2018/19	%	2017/18	%
by market:						
Austria	1,583,616	51	1,681,710	54	1,521,527	49
Germany	261,373	8	288,599	9	328,224	11
Hungary	540,014	17	493,331	16	705,890	23
Czech Republic	383,188	12	257,320	8	276,799	9
Other countries	374,406	12	395,349	13	284,434	8
Total	**3,142,597**	**100**	**3,116,309**	**100**	**3,116,874**	**100**

Earnings position

The last financial year 2019/20 was extremely satisfactory and the already very good result of the previous year could be exceeded again. EBITDA increased significantly to EUR 202.7 million (+41.3 million). Earnings before interest and taxes rose year-on-year by EUR 8.0 million, with earnings contributions from the core markets again pleasing. An EBIT of EUR 117.8 million was achieved, which is significantly above the average of previous years. At EUR 24.6 million, the tax burden decreased slightly compared to the previous year to EUR 25.5 million.

Financial position

FIGURES IN THOUSAND EUR	2019/20	%	2018/19	%	2017/18	%
Non-current assets	575,540	35	406,646	27	351,578	26
Current assets	1,047,006	65	1,089,937	73	993,526	74
ASSETS	**1,622,546**	**100**	**1,496,583**	**100**	**1,345,104**	**100**
Equity	486,369	30	434,682	29	364,712	27
Non-current liabilities	173,290	11	93,970	6	158,911	12
Current liabilities	962,887	59	967,931	65	821,481	61
EQUITY and LIABILITIES	**1,622,546**	**100**	**1,496,583**	**100**	**1,345,104**	**100**

Net Debt			
Financial liabilities	99,650	79,957	81,419
Provision for severance payments	28,459	28,313	25,493
Pension provision	199	198	279
Cash and cash equivalents	-481,946	-525,003	-507,767
Net debt	**-353,638**	**-416,535**	**-400,576**
Gearing	**-0.73**	**-0.96**	**-1.10**

Net debt = interest-bearing debt + non-current provisions – cash and cash equivalents
GEARING = net debt/equity

In the last financial year, we invested heavily again. The technical facilities and machines were renewed significantly across the Group, but investments were also made in real estate. Investments contributed a total of EUR 266.3 million to the growth in total assets, considering the disposals and depreciation of EUR 166.7 million. In accordance with IFRS16, usage rights are now to be reported, which contribute EUR 92.0 million. Current assets decreased by EUR 42.9 million as the liquid funds decreased from EUR 525.0 million to EUR 481.9 million as of the reporting date. Ultimately, total assets increased EUR 126.0 million to EUR 1,622.5 million.

Regarding to liabilities, the provisions decreased slightly. Trade payables increased by around EUR 28.0 million, the remaining debts by a total of EUR 30.5 million. Despite a profit distribution of EUR 30.0 million, shareholders' equity increased further to EUR 486.4 million. The equity ratio was thus further increased to 30.0%. A very good value compared to other industries.

Selected key figures and financial performance indicators

FIGURES IN THOUSAND EUR	2019/20	2018/19	2017/18
Construction output	3,029,477	2,805,318	2,376,466
Revenue	2,830,952	2,672,762	2,213,417
Order backlog	3,142,597	3,116,309	3,116,874
Staff (annual average)	11,038	10,351	9,475
Construction output/Staff	274	271	251
Earnings before interest, taxes, depreciation and amortisation **(EBITDA)**	**202,680**	**161,379**	**125,667**
Earnings before interest and taxes **(EBIT)**	**117,827**	**109,788**	**79,974**
Interest income	-2,485	-2,338	-2,773
Earnings before tax **(EBT)**	**115,134**	**107,431**	**77,201**
Earnings after tax	90,567	81,965	53,698
Operating Cash flow	169,901	131,001	107,102
Cash flow/Construction output	**5.6%**	**4.7%**	**4.5%**
Return on sales **(ROS)**	**4.2%**	**4.1%**	**3.6%**
Return on equity **(ROE)**	**25.0%**	**26.9%**	**22.5%**
Return on investment **(ROI)**	**7.6%**	**7.7%**	**6.7%**
Total assets	1,622,546	1,496,583	1,345,104
Equity	486,369	434,682	364,712
Equity ratio	**30.0%**	**29.0%**	**27.1%**

ROS = EBIT/Revenue
ROE = EBT/Ø Equity
ROI = EBIT/Ø Total capital

III. Risk management

Responsible handling of our risks serves the ultimate goal of a long-term increase in company value. In the course of our risk management it must be ensured that both external risks – in particular those in the entrepreneurial environment – and internal inherent in processes and procedures, are evaluated and minimised. Existing and anticipated risks are expertly evaluated through our total value added process and systematically handled from an income return perspective, according to the company principle of 'putting earnings before sales'.

We make a distinction between core risks, which we accept ourselves, and other risks, which we are able to insure against or transfer to others.

Market risk

The construction sector as a whole is, depending on markets and divisions, vulnerable to diverse fluctuations. Unemployment, consumer behaviour, conditions on the financial and capital markets as well as the political climate, have an effect on our development. However, changing framework conditions also offer opportunities which SWIETELSKY has often been able to exploit in the past through its flexible organisation.

SWIETELSKY offers a broad range of services and strives to further diversify its portfolio with respect to products, services and markets and to spread risks optimally. Thanks to our entrepreneurial staff, we regard ourselves as in a good position to actively tackle this risk.

Operational risks

Project and contract risks accrue from the SWIETELSKY Group's traditional building and project business. All projects are audited and plausibility-checked throughout the tendering process up until the conclusion of contract for technical, commercial and legal risks. Guidelines and procedures for auditing in compliance with ISO 9001 ensure uniform calculation of project costs. Clear competence standards for transactions requiring approval safeguard the technical and economic evaluation and analysis of tenders.

When taking on projects, costing guidelines and procedures regulate uniform calculation of project costs. Order processing is controlled via monthly variance analyses and constantly supervised by central controlling. In the performance phase there is a risk that tight completion schedules cannot be adhered to. Insofar as these missed deadlines affect our business, the threat of contractual penalties exists.

We manage warranty risks by conducting consistent quality management and, where necessary, demanding securities or guarantees from contractors.

SWIETELSKY strives to avoid legal disputes. However, as this aim is not always achievable, domestic and overseas entities may become involved in legal or arbitration procedures, the outcome of which is naturally difficult to predict. We operate on the assumption that, following due diligence for all pending litigation, appropriate financial provisions are established.

Human resource risk

Human resource risks arise from employee turnover, the resulting loss of know-how and the lack of specialist and management staff and suitable trainees. SWIETELSKY therefore strives to further develop their employees' qualifications and to support the internal career opportunities within the SWIETELSKY Group. Monetary incentive systems make SWIETELSKY an attractive prospect, especially to business-minded employees. Additional initiatives for health promotion and the improvement of working conditions and employee satisfaction contribute to the company's reputation.

Procurement risk

SWIETELSKY strives to cooperate on a long-term basis with its partners. In central procurement, framework contracts and framework price agreements are closed with selected suppliers. The operative units can reach these suppliers if needed using a central procurement portal. Through observation of the market for energy and raw materials and constant monitoring processes, we attempt to minimise the risk of possible losses due to price increases in this area, whereby primary measures (for example physical procurement and threshold agreements in construction contracts) provide a fundamental advantage over derivative instruments.

Financial risks

SWIETELSKY has solid and long-term financial structures and uses conservative financing instruments.

A liquidity risk could arise if the ability to pay and to borrow is affected. Our financial resources contain adequate growth and liquidity reserves, and the corresponding lines are spread out.

All group companies have access to sufficient cash and guarantee credit capacities to finance operations as well as new projects. Due to a lack of need, however, the cash credit lines were reduced to operationally necessary levels (i.e. lines necessary for the execution of payments and to hedge FX risks), as cash lines are only resorted to infrequently due to the high levels of liquidity. These were therefore partially transformed into guarantee credits.

The high down payments, mostly from public funds, that are routine in some countries strengthen our liquidity. We continued to successfully avoid negative interest on our deposits through our spreading strategy.

The outbreak of the COVID-19 pandemic has so far not affected our liquidity situation. We continue to make our payments on time to benefit from discounts. Nonetheless, we have focused more on the development of our liquidity.

Our centralised debtor management continuously checks the creditworthiness of our clients, monitors payment agreements and ensures that payments are received. The interest risk is limited centrally by the Group's financial management through hedging transactions. Foreign exchange risks are minimised through foreign exchange forwards. A corresponding control system monitors the observance of internal guidelines.

IT risk

The protection and the safety of our own information and of that entrusted to us by our clients, as well as of our business processes and systems, is extremely important to SWIETELSKY. Through the systematic use of a global information safety management system (ISMS), we stay abreast of technical developments and of the increasing importance of digitisation in order to identify all possible IT risks, to assess them, and to ensure that we apply effective processes and tools to minimise and avoid risk.

In light of the dynamic development in the field of cyber security, continuous improvement is assured in the framework of the management process. External audits and partners support this process and are important elements in recognising new dangers early.

We address the importance of the human factor in cyber security through continuous training and awareness measures.

Misconduct risk and compliance

SWIETELSKY wishes to continue to be seen as a reliable and competent partner by its clients, suppliers and all private and public business partners in the future. Every single person is responsible for always behaving legally, fairly, respectfully and with integrity towards colleagues, clients and contractors, but also towards competitors. They are aided in this by a written code of conduct that reflects the guiding principles of our values. Observing this code of conduct is an obligation for every SWIETELSKY employee, regardless of their position. This code of conduct is the basis for behaviour that is irreproachable morally, ethically and legally, and it is available in the respective language of the country in each of our core markets. In addition, we have a generally comprehensible, multilingual illustrated brochure containing the rules of the code of conduct and a group directive regarding competition law.

In the development of its compliance management system, SWIETELSKY focuses mainly on internal communication, seminars and trainings. E-training has been set up, and its use is continuously monitored. These measures and the code of conduct are meant to contribute to anchoring these values in the company. The Management Board continues to place great emphasis on this aspect and reaffirms its zero tolerance policy to misconduct in this area. SWIETELSKY continuously improves this system, investing in the necessary resources. Compliance is a major aspect of the Group's sustainability strategy.

IV. Report on essential characteristics of the internal control and risk management system with regard to the financial reporting process

Introduction

The aim of the internal control system is to support management to be in the position to ensure effective and continuously improving internal controls with regard to financial reporting. It is aimed on one hand at adherence to guidelines and regulations and on the other hand at creation of advantageous conditions for specific control measures in key accounting procedures.

The accuracy and reliability of financial reporting is of prime importance, both for management decisions and for the provision of information to creditors and lending banks.

The internal control system comprises, in addition to assessment of operational risks, adherence to legal and proprietary standards and processes of the SWIETELSKY Group. Its aim is the uniform mapping of business transactions, thereby supporting management via decision-relevant information. This is implemented through ensuring comparability of data via both relevant statutory provisions and internal guidelines. Relevant requirements for ensuring correctness of internal and external financial reporting are recorded in internal accounting and valuation regulations.

Control environment

The implementation of the internal control system with regard to the financial reporting process is stipulated in internal guidelines. Responsibilities for the internal control system are adapted to the corporate structure, in order to ensure a satisfactory controlling environment which meets requirements.

Risk assessment

Risks relating to the financial reporting process are raised and monitored by management. The focus here is on significant risks. For preparation of financial statements, regular estimates must be made, whereby there is an intrinsic risk that future growth will deviate from these estimates. This particularly affects the following issues and items on the company financial statement: valuation of unfinished construction projects; valuation of provisions, including social capital provisions; outcomes of legal disputes; collectability of receivables and intrinsic value of investments and goodwill. In individual cases external experts are consulted or delegation made to publicly available sources, in order to avoid the risk of misjudgement.

Control measures

All control measures are applied in the ongoing business process, in order to ensure that errors or discrepancies in financial reporting are avoided. Control measures range from reviews of interim results by management through to reconciliation of accounts and monitoring of cost centres. A clear separation of functions, various control and plausibility checks and a continuous application of the "four-eyes principle" ensure accurate and reliable accounting. The departments and areas involved in the financial reporting process are appropriately equipped both in terms of expertise and personnel. The staff deployed are carefully selected, trained and receive ongoing further training.

Since the SWIETELSKY Group comprises several decentralised units, the internal control system must also be decentralised, while the processes performed by the controlling department are overseen centrally. Responsibility for the organisation and practical application of control measures lies with the individual manager of the accountable area.

Due to legal and economic demands and the decentralised structure, particular attention is paid to the IT systems used within the Group. All business processes rely significantly on the secure functioning of information and communications technology. Support for business processes via integrated information and communications technology is an essential requirement for expanding the market position of the SWIETELSKY Group.

The security of data and information processed within the company against access by unauthorised persons is ensured.

Information and communication

Guidelines and regulations for financial reporting are regularly updated by management and communicated to all staff concerned.

Regular discussions regarding financial reporting and the associated guidelines and regulations take place in various committees. As well as management, departmental managers and leading employees from the accounting department also sit on these committees.

The staff involved are continuously trained with regard to innovations in national and international accounting, in order that the risks of inadvertent misreporting can be recognised in good time.

V. Employees

In the past financial year, SWIETELSKY employed an average of 11,038 employees (2018/19: 10,351). Of these, 7,162 were blue-collar workers and 3,876 were white-collar workers (2018/19: 6,711 blue-collar workers and 3,640 white-collar workers). In the past financial year we again hired a significant number of people. The staff increases were mainly concentrated in Austria (365 people), Germany (121 people), Czech Republic (89 people), Hungary (52 people) and Slovakia (36 people).

We view our employees as a key to the company's success. Entrepreneurial attitude and independent action have always been part of our corporate culture. Many small operational units under one common roof have been and still are the key to our success. The transparent incentive payment model creates additional motivation and commitment. Loyalty to the company is rewarded with a stepped benefit model for permanent staff.

To keep up with the increased requirements in the labour market, the focus of the past financial year again lay on targeted personnel marketing activities. With "We are Swietelskys – feels like family", we speak to current and potential staff in-house and externally through traditional channels and social media activities.

We implemented our human resources strategy on this foundation. The strategy covers the areas of employer branding, continuing and further education, digital HR systems, further establishment of HR standards and advising the decentralised units.

We therefore give special attention to continued and further education for the purposes of sustainable staff development, whether through internal training events or external seminars. To maintain and nurture the relevant qualifications, the requirements for continuing and further training measures are continuously measured as part of staff development.

Our in-house construction manager training course is very popular and consists of 6 technical and 2 social modules, taken part-time over 2 years. In the past year, we again focused on sales trainings, which will continue to be held regularly in the future. On the one hand, this responds to the increased financial and tax law requirements. On the other, it gives new employees the opportunity to get to know SWIETELSKY's sales organisation. The obligatory compliance trainings transmit our value system to all our staff. All new employees were introduced to the code of conduct in all major group languages upon their joining the organisation.

With the demographic trends in mind, we continue to invest in apprenticeships in Austria. At the moment, the SWIETELSKY Group is training 240 apprentices in 16 professions. Our apprenticeship academy has been very well received. In 2 teaching blocks of 3 weeks each, the apprentices are taught theoretical knowledge such as hazard avoidance on construction sites as well as practical skills. The stations are led by experienced foremen and cover the laying of paving stones and slabs, special masonry techniques, formwork techniques, as well as basic principles of carpentry.

We design our staff's work environments with due consideration for occupational health and safety and environmental protection. Major aspects of our occupational medicine support include hazard assessment and prevention of accidents as well as measures for the early recognition of possible overwork. In parallel, trainings and measures are constantly on offer aiming not just at the avoidance of accidents and illnesses but at actively promoting the health of our employees.

The Management Board would like to thank all of our employees who contributed, through their commitment and technical skills, to our being able to largely reach our corporate goals even in this difficult economic environment. We would also like to thank our works council for its professional and constructive collaboration.

VI. Quality management

SWIETELSKY has been developing its competency in the field of quality management for over twenty years. Guided by the corporate goal of fulfilling our clients' expectations to the best of our abilities, we decided to introduce a generally recognised quality management system. It had also become necessary to react to external requirements and the increasingly complex execution of construction contracts. We wanted to ensure a high quality of execution in order to gain and maintain the trust of our clients and business partners over the long term.

The cornerstone was laid with the international standard ISO 9001, which has now been expanded into an integrated management system (IMS) with the environmental management system ISO 14001 and an occupational health management system. Due to a change in norms, this year we will switch to the new international standard ISO 45001 occupational health and safety management systems. The continuous internal audits and the annual monitoring by an accredited certifying body ensure that we observe the requirements of the norms and our internal rules, but they also act as engines for permanent improvement. In regular management reviews, upper management evaluates the integrated management system in terms of how effective and up to date it is.

The user-friendly QM system, focused on the major aspects, can be flexibly adapted and is available to all our staff as a tool to help ensure that our services are performed in accordance with the contractual and legal provisions. Implementing the requirements of the integrated management system is binding on all employees. There are also additional certified systems based on the requirements, such as the ECM safety system for the maintenance of freight cars or a safety management system for the railway traffic company RTS, a subsidiary of Swietelsky AG.

Mission statement and company policy

The mission statement is delivered by the Management Board based on the corporate strategy and is oriented to the type of service.

We see our specific customer value in the competent technical advice we provide before and during the construction project. In these consultations, our employees place their extensive experience and know-how at the client's disposal. We aim to continue to support our clients even after the work has been done and to maintain open communication with them.

We plan and act according to the following principle: "quality before quantity".

This is the precondition for the successful completion of our projects. We believe that the responsible leadership and execution of our construction works and services means always ensuring the same high level of quality. We focus as much on aspects of occupational health and safety and of environmental protection as we do on finishing on schedule. Quality also means providing the client not just with first-class staff, but also with a modern fleet of equipment that is also environmentally friendly in its use of resources.

Our company's motto is "earnings before sales". Our managers therefore have a high level of freedom in acquiring and executing contracts. Our cost accounting allows us to transparently measure our commercial success and report it to our managers on a monthly basis.

The Management Board considers it its duty to provide safe and healthy working conditions and to prevent occupational injuries and illnesses. The implementation of the OHS (Occupational Health and Safety) policy and the achieving of defined objectives take place within the bounds of existing legal, economic and cultural frameworks.

Our OHS activities are aimed at the preventive avoidance of accidents, risks to health, injuries and illnesses and integrate affected third parties, such as our clients, suppliers, sub-contractors etc. The processes are designed to be constantly improved and enable the participation of employees or their representatives. All our staff are therefore called upon to participate according to their abilities and are obligated to observe and fulfil all legal requirements. We have laid out the manner in which we plan to fulfil the requirements of ISO 45001 in several published documents.

Achieving environmental improvements is a stated aim of all our organisational units, taking into consideration our clients and the legal requirements. Defined goals and environmental programmes, derived from the mission statement, serve to realise this in an economically viable manner.

In order that relevant environmental aspects are considered, the Management Board has drafted goals and programmes that go beyond the legal requirements.

We view our suppliers and sub-contractors as competent partners. Our common goal is maximum customer satisfaction. This requires that we consider qualitative, economic and environmental aspects when selecting our suppliers and sub-contractors and evaluate their performance based on predetermined criteria. Our mission statement is oriented towards preventive error avoidance and a constant improvement of our performance, of occupational health and safety, of environmental protection and of our organisational structure and processes.

VII. Environment and energy

The construction sector is a resource- and energy-intensive industry and thus has a significant and wide-ranging impact on the environment. Well aware of the fact that resources are finite and that the environment is being increasingly polluted, SWIETELSKY aims to ensure the use of environmentally friendly processes and equipment across all project phases.

With our internal waste management system and concept that integrates comprehensive legal requirements, we place a high value on environmental protection.

SWIETELSKY strives to contribute to the achievement of the EU goals of 70% recycling of construction materials and the associated reduction in waste volumes.

Based on these specifications, SWIETELSKY sees it as its obligation to transform mineral waste from its construction sites into CE-marked construction material recycling products as much as possible. The quality assurance of these products is achieved with the aid of certified internal production controls. To improve our environmental footprint even further, we need to reuse these materials to a greater extent at the place of origin or as substitutes in construction material manufacturing. This saves primary resources as well as transport and the associated emissions.

Waste that cannot be reused is separated and temporarily stored in an environmentally safe manner. The collection of waste that has been separated by type saves money and increases the percentage that can be recycled. By operating its own waste disposal sites, SWIETELSKY also ensures that waste is properly disposed of.

We have greatly expanded our range of services in waste management. We have set up an area just for this purpose and also run a recycling centre, allowing us to collect and treat many types of waste properly. A waste container system now allows us to provide the logistics for waste removal services to our construction and production sites.

Various energy and environmental protection projects are being developed and implemented across our branches and subsidiaries. Production sites are constantly monitored in terms of their energy efficiency and are modernised wherever it is economically viable to do so. We are constantly developing and implementing both small and large projects on the basis of the options summarised in the last energy audit report to improve energy efficiency. These range from the progressive switch to LED lighting in our offices and production sites to larger investments, such as the replacement of heating systems.

In new constructions, we focus particularly on innovative technology and on the effective use of renewable energy. In the new construction of the HTB sites in Fusch and Schwoich, for example, we used concrete core activation in combination with a ground heat pump and a photovoltaic installation. Overall, we are pushing forward with the gradual replacement of fossil fuels with renewable energy sources. Our sites in Asten, Fischamend and Steyr are already equipped with PV systems. And further PV installations are already planned for Feldbach and Klagenfurt. Upcoming renovations will also take into consideration improving the thermal insulation in order to reduce energy use.

Our investments in the vehicle fleet and in new machines and equipment are also largely guided by energy use. We also conduct annual CO_2 monitoring for the main vehicle types in our fleet. The systematic substitution of machines and vehicles with the newest emission technology naturally also yields significant nitrogen oxide emission reductions.

A continuous recording of the energy used to manufacture construction products enables us to discover savings potentials by comparing the production costs of different production sites. Asphalt production is a very energy-intensive area, which is why we are working on sustainably reducing the use of resources (energy and materials) by investing in dry storage of the additives and increasing the admixture of recycled asphalt.

In many areas, especially in mountainous regions, SWIETELSKY works on erosion protection using technical and biological processes. We have already developed many innovative solutions tailored to the specific location. Some have even been registered for patenting.

Starting in the financial year 2018/19, SWIETELSKY has increasingly focused on wood and hybrid construction. Our new product brand SWIEtimber combines the know-how of more than 100 experts in wood construction within the Group and enables us to work on complex projects, especially in hybrid construction.

From an environmental standpoint, the primary objectives are to preserve resources such as air, water, energy and soil, to optimise material use and logistics, and to reduce emissions as much as possible. Our management therefore sees it as its task to constantly improve awareness for quality and the environment among the staff.

The publication of our sustainability report in November 2019 was a step towards keeping our stakeholders informed of the sustainability activities at SWIETELSKY. It also contained information and key figures regarding the environment and energy.

VIII. Technology and innovation

At SWIETELSKY, advances and new solutions are developed at various levels. SWIETELSKY's IMS (Integrated Management Systems) department ensures that our Group stays abreast of the latest developments, especially in the areas of construction materials and construction processes. Thanks to our highly qualified staff, we are able to develop our own solutions as well as participate in eg commissioning research projects.

In addition to concrete research and development projects, a major share of innovations occurs during running construction projects whose schedule, geological or technical conditions require innovative solutions. We regularly develop new technologies or apply, further develop and improve innovative procedures in the tunnel construction, mountain construction, civil engineering, stadium construction and railroad construction sectors. Depending on country-specific regulations, we strive to take advantage of tax advantages or subsidies.

The rapid developments in the field of environmental friendliness of construction materials and excavation also require adaptations to our testing methods or the development of new ones in our accredited test and inspection centre. The organisation and evaluation of round robin and comparative tests plays a major part in this. Our knowledge in this area has been used by external construction material manufacturers in the form of studies and reports.

The insight gained from material tests assists the development of resource-preserving applications.

The construction industry also stands to benefit from the new digital possibilities in the form of increased efficiency in production and management processes. We rely on model-based work processes and connected and mobile work in all phases of construction. To this end, we invest in new technologies and in the digital transformation of all our business processes. Our goal is to create a work environment in which transparency, shared knowledge, and working from everywhere at any time with real-time data are truly lived. Sources of errors can thus be removed, time and money be saved, quality increased and decisions based on a solid foundation.

IX. Outlook

In a very short time, the COVID-19 pandemic has completely upturned the forecast for the global economy. In its April 2020 forecast, the International Monetary Fund (IMF) expects a decline in real global GDP of 3% in 2020. This is significantly more than during the global economic and financial crisis of 2008 to 2009. In 2009, in comparison, the world economy only shrank by 0.1%. The reason for the extraordinarily severe economic breakdown lies in the nature of the shock. From the macroeconomic perspective, COVID-19 was at first a supply shock. Infections reduced the labour supply and employment and increased health expenditures. The containment measures that were decreed by governments lowered mobility and hit those industries that are based on social interaction especially hard. The closing of workplaces and borders interrupted (international) production chains and lowered productivity. The consequences included terminations, lost income and increased uncertainty, which in turn resulted in a demand shock, since households and companies spend less. The forecasts for the Euroconstruct nations are very pessimistic, as they assume a decline of 8.8% in the EC-19 countries for 2020. Regarding the further developments in 2021 and 2022, various scenarios have been put forth. Currently, the EC-19 countries are expected to see an economic recovery (6.6%) in 2021, which will continue at a more moderate rate (2.6%) in 2022.

This downward trend will also be clearly felt in the construction industry. Overall, the construction industry is expected to decline by 11.5% in 2020 in the EC-19 countries, before growing again in 2021 (6%) and 2022 (3.5%). In particular, building construction is expected to take a severe hit, shrinking by 12.7% in the EC-19 countries in 2020. At -7.2%, civil engineering will be less affected in 2020. It is expected that the turnaround will occur in 2021 with a growth rate of 7.4% and will continue in 2022 at 3.5%. All these forecasts should be considered with extreme caution given the extraordinary circumstances.

The economy is expected to improve in 2021 and 2022. But at 3.5% (2021) and 1.9% (2022), respectively, this improvement will be moderate.

The decline in economic growth will also be reflected in the Austrian construction industry. A downturn of -5.3% is forecast for 2020. 2021 and 2022 are expected to see some growth (2021: 3.8%, 2022: 2.1%). After the boom of the previous years, other building construction – especially new construction – will undergo a sharp reduction of 8.9% in 2020. Housing construction is expected to shrink by 3.8%, resulting in an output reduction of 6.1% to EUR 34 billion for total building construction. Civil engineering, in contrast, is forecast to only shrink by 2%. A major share of this will be the decline of 2.6% in road construction. Overall, following a 3.8% increase in 2021 and a 2.1% increase in 2022, the total volume of Austrian construction output is only expected to return to the 2019 level (EUR 45.1 billion) in two years (EUR 45.3 billion).

In Austria, SWIETELSKY can expect to see a decline in performance of around 4% due to the COVID-19 pandemic in the financial year 2020/21, along with a lower earnings yield.

The German IFO (Institute for Economic Research) forecasts a decline of 8.5% for the German economy (Euroconstruct June 2020). The negative developments of the financial crisis in 2009 have taught us that initial, less pessimistic forecasts were not tenable and that additional information led to significantly worse developments. The IFO therefore expects that the current data do not properly reflect the actual economic situation. The economic situation, which is significantly worse than during the financial crisis of 2009, is revealed in particular by the number of short time registrations. While in February and March 2009 this affected some 1.4 million people, in March and April 2020 10.1 million people were registered. The current forecast of -8.5% is based on the assumption that economic activity will not be drastically restricted again to prevent a second wave of infections. Should that event happen, an even greater recession is feared. As a consequences, it is expected that in 2021 public spending will drive the economy and that economic growth could reach 7% in 2021 and 2.5% in 2022. Such a development would bring the economy back to the 2019 level.

Following years of stable growth, 2020 is expected to see a moderate (compared to the overall economy) decline of the construction industry by -2.4%. In particular, other building construction will decline by -2.8%, and this negative trend will continue in 2021 with -0.5%. Following a drop of 2.2% in 2020, housing construction should see a turnaround as early as 2021 (2.5%). Total building construction will shrink by 2.4% in 2020 and grow slightly in 2021 (1.6%) and 2022 (0.1%). Civil engineering, which is very dependent on public funds, is forecast to shrink by 2.5% in 2020. At the moment this is not forecast to change in 2021 (-0.7%). A moderate return to growth is only expected in 2022. In 2022, at EUR 376.3 billion, total construction volume will still be under last year's level (EUR 380.2 billion).

SWIETELSKY calculates that its activities in Germany in the current financial year will decline by some 6%. The earnings yield should improve compared to the previous year due to the disappearance of negative one-time effects.

The Hungarian economy will also suffer in 2020 due to the COVID-19 pandemic. An open and export-oriented economy, Hungary is strongly dependent on the global economic environment, and, given the particular importance of the automotive industry in Hungary, of the situation in this industry. The economy is currently projected to shrink by 7%. In addition, a significant increase in the unemployment rate, from 3.4% in 2019 to 7% in 2020, is expected.

After years of growth, the construction industry will not be able to avoid these negative effects. Besides the effects of the pandemic, the end of the EU subsidies will also have an impact. For this reason, construction output is expected to decline in 2020 (-8.1%), but also in 2021 (-4.1%). The most severe declines are forecast to be in new housing construction (-19% in 2020 and -12% in 2021) and in civil engineering (-8.9% in 2020 and -5.1% in 2021). Other building construction will only decline moderately, by -3.3% in 2020 and -2.2% in 2021.

For Hungary, SWIETELSKY projects a slight increase in performance of 3% together with a positive earnings yield.

The Czech economy will be affected by the crisis. The forecasts range between -5% and -10%. The Euroconstruct report from June 2020 expects a decline of 6.5%. The continued economic trend also depends strongly on conditions abroad, in particular on the development of the German machine and automotive industry. Unemployment is expected to increase, but at 3.9% in 2020 it should remain relatively low (2019: 2.1%).

The Czech construction industry is expected to see a reduction in output volume of -7.8%. At -8.5%, building construction will decline more steeply than civil engineering (-5.7%). The decline is expected to stop in 2021 (0.5%). A turnaround is not projected before 2022 (+2.4%). Even then, the total construction output volume of EUR 22.1 billion will not even reach the level of 2018 (EUR 22.4 billion).

SWIETELSKY expects an increase in performance of around 9% and a reduced earnings yield in the Czech Republic.

In the other countries, and depending on conditions in the sector or the market, SWIETELSKY will attempt to acquire promising projects and expects to improve its performance by around 16%, with a low earnings yield.

Like the rest of the construction industry, SWIETELSKY is affected by the restrictions and hindrances due to the COVID-19 pandemic. At the moment it is difficult to predict the extent of this impact on performance and earnings with any certainty. In particular, the continued progression of the pandemic, and the reactions of individual countries to it, may be very different. Our robust and profitable business model and the consistently high group order backlog of EUR 3,143 million at the end of the financial year make us optimistic that we will successfully overcome the COVID-19 pandemic and its consequences.

Linz, 13 July 2020

Management Board

Peter Gal | Dipl.-Ing. Walter Pertl | Adolf Scheuchenpflug | Dipl.-Ing. Karl Weidlinger

AUDITOR'S REPORT

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Audit Opinion

We have audited the consolidated financial statements of **Swietelsky AG (formerly: Swietelsky Baugesellschaft m.b.H.), Linz, Austria,** and its subsidiaries ("the Group"), which comprise the consolidated Balance Sheet as at 31 March 2020, and the Consolidated Income Statement and Statement of total Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2020, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code).

Basis for our Opinion

We conducted our audit in accordance with Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section of our report. We are independent of the audited Group in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, however, we do not provide a separate opinion thereon.

Measurement of construction contracts and revenue and earnings from construction contracts
Refer to notes section (11) and (13).

Risk for the Consolidated Financial Statements

Revenues recognized in the consolidated financial statements of Swietelsky AG (formerly: Swietelsky Baugesellschaft m.b.H.) as of 31 March 2020 mainly results from construction contracts, which are realized in accordance with IFRS 15 Revenue from Contracts with Customers (over time recognition using an output-oriented method based on the work already performed).

Furthermore, the item share of profit or loss of equity-accounted investments includes significant amounts of profit or loss from projects managed in cooperation with partners in construction consortia, which are also measured on an over time-based output method.

The measurement of construction contracts, whether executed alone or in cooperation with partner is based on the services already performed, the order backlog, in particular taking contract deviations and supplementary claims into account and the costs incurred to date as well as remaining costs to be incurred. Profit or loss is recognized by reference to the stage of completion of a project (over time recognition using an output-oriented method on the basis of the work already performed). The data used for measurement is partially based on estimations.

Technically complex and demanding projects, in particular, involve the risk that the measurement of construction contracts, total actual costs and results deviate considerably from estimated data and therefore the representation of associated items in the consolidated balance sheet and consolidated income statement is incorrect. Additionally, there is also a risk that receivables from construction contracts and construction consortia are not recoverable.

Our Response

We have evaluated the measurement of construction contracts and revenue and earnings from construction contracts as follows:

- For the evaluation of internal controls concerning the accounting and measurement of projects, we critically analysed the relevant controls and performed an assessment of the operating effectiveness of material controls. Therefore we evaluated, on the one hand, automated IT-supported controls for the purpose of data transfer and plausibility controls, and on the other hand manual controls in connection with order acceptance and ongoing project monitoring.

The tests of individual cases primarily included the following audit procedures:

- Systematic and detailed inquiries regarding selected significant construction contracts, in order to verify the correct accounting method, particularly in respect of project risks
- Discussions with the operating management regarding individually significant projects in order to assess the planning assumptions
- Sample-based evaluation of the recoverability of accounts receivable from construction contracts (contract assets) and construction consortia
- Retrospective assessment of individually significant projects in connection with estimation uncertainties

Furthermore, we analysed whether the required disclosures in the notes to the consolidated financial statements include all necessary explanations in regard to revenue recognized from construction contracts and construction consortia and whether they appropriately describe the significant estimation uncertainties.

Responsibilities of Management and Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code) and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intents to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement – whether due to fraud or error – and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.
- We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.
- From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor's report unless laws or other legal regulations preclude public disclosure about the matter or when in very rare cases, we determine that a matter should not be included in our audit report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

REPORT ON OTHER LEGAL REQUIREMENTS

Group Management Report

In accordance with Austrian company law, the group management report is to be audited as to whether it is consistent with the consolidated financial statements and prepared in accordance with legal requirements.

Management is responsible for the preparation of the group management report in accordance with Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports as applied in Austria.

Opinion

In our opinion, the group management report is consistent with the consolidated financial statements and has been prepared in accordance with legal requirements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Statement

Based on our knowledge gained in the course of the audit of the consolidated financial statements and our understanding of the Group and its environment, we did not note any material misstatements in the group management report.

Other Information

Management is responsible for other information. Other information is all information provided in the annual report, other than the consolidated financial statements, the group management report and the auditor's report. We expect the annual report to be provided to us after the date of the auditor's report.

Our opinion on the consolidated financial statements does not cover other information and we do not provide any kind of assurance thereon.

In conjunction with our audit, it is our responsibility to read this other information as soon as it becomes available, to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact.

Engagement Partner
The engagement partner is Mr Dr. Helge Löffler.

Linz, 13 July 2020

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Dr. Helge Löffler
Wirtschaftsprüfer (Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid.
The consolidated financial statements together with our auditor's opinion may only be published if the consolidated financial statements and the group management report are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies.

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