



Annual Financial  
Report

**2019**

**Flughafen Wien AG**

[www.viennaairport.com](http://www.viennaairport.com)





# Key Data on the Flughafen Wien Group

## › Financial Indicators

in € million	2019	Change	2018	2017	2016
Total revenue	857.6	7.2%	799.7	753.2	741.6
Thereof Airport <sup>1</sup>	411.7	7.9%	381.7	368.2	370.8
Thereof Handling & Security Services <sup>1</sup>	166.3	1.8%	163.3	160.7	158.4
Thereof Retail & Properties <sup>1</sup>	162.6	11.1%	146.4	126.1	123.9
Thereof Malta	100.3	8.8%	92.2	82.4	73.1
Thereof Other Segments	16.7	3.1%	16.2	15.7	15.4
EBITDA	384.8	9.8%	350.4	326.5	329.8
EBITDA margin (in%) <sup>2</sup>	44.9	n.a.	43.8	43.3	44.5
EBIT	252.3	14.3%	220.8	191.8	172.0
EBIT margin (in%) <sup>3</sup>	29.4	n.a.	27.6	25.5	23.2
ROCE before tax (in%) <sup>4</sup>	13.9	n.a.	12.5	11.0	9.8
ROCE after tax (in%) <sup>5</sup>	10.4	n.a.	9.4	8.2	7.4
Net profit	175.7	15.7%	151.9	126.9	112.6
Net profit after non-controlling interests	158.9	15.7%	137.3	114.7	102.6
Cash flow from operating activities	373.0	28.1%	291.2	277.9	255.1
Capital expenditure <sup>6</sup>	171.8	3.7%	165.7	103.6	92.0
Income taxes	62.2	10.2%	56.4	46.5	40.8
Headcount (Flughafen Wien Group) <sup>7</sup>	7,231	14.2%	6,330	5,772	5,731
Average number of employees for the year (FTE) (Flughafen Wien Group) <sup>8</sup>	5,385	11.5%	4,830	4,624	4,657

in € million	31.12.2019	Change	31.12.2018	31.12.2017	31.12.2016
Equity	1,380.9	6.5%	1,297.0	1,211.0	1,144.0
Equity ratio (in%)	60.0	n.a.	60.1	58.7	56.7
Net debt <sup>1</sup>	81.4	-58.9%	198.2	227.0	355.5
Net assets	2,300.6	6.6%	2,158.1	2,063.0	2,018.3
Gearing (in%) <sup>1</sup>	5.9	n.a.	15.3	18.7	31.1

## › Industry Indicators

	2019	Change	2018	2017	2016
<b>Passenger development of the Group</b>					
Vienna Airport (in mill.)	31.7	17.1%	27.0	24.4	23.4
Malta Airport (in mill.)	7.3	7.4%	6.8	6.0	5.1
Košice Airport (in mill.)	0.6	2.9%	0.5	0.5	0.4
Vienna Airport and strat. Investments (VIE, MLA, KSC)	39.5	15.0%	34.4	30.9	28.9
<b>Traffic development Vienna Airport</b>					
Passengers (in mill.)	31.7	17.1%	27.0	24.4	23.4
Thereof transfer passengers (in mill.)	7.2	7.6%	6.7	6.4	6.2
Aircraft movements	266,802	10.7%	241,004	224,568	226,395
MTOW (in mill. tonnes) <sup>9</sup>	10.9	13.6%	9.6	8.8	8.7
Cargo (air cargo and trucking; in tonnes)	283,806	-3.9%	295,427	287,962	282,726
Seat load factor (in%) <sup>10</sup>	77.3	n.a.	76.0	74.8	73.4

## › Stock Market Indicators

	2019	Change	2018	2017	2016
Shares outstanding (in million) <sup>11</sup>	84.0	0.0%	84.0	84.0	84.0
P/E ratio (as of 31.12.)	20.0	-5.6%	21.1	24.6	19.2
Earnings per share (in €) <sup>11</sup>	1.89	15.7%	1.63	1.37	1.22
Dividend per share (in €) <sup>11,12</sup>	0.0	-100%	0.890	0.680	0.625
Dividend yield (as of 31.12.; in %)	0.0	n.a.	2.58	2.02	2.67
Pay-out ratio (as a % of net profit)	0.0	n.a.	54.5	49.8	51.2
Market capitalisation (as of 31.12.; in € million)	3,171.0	9.4%	2,898.0	2,826.6	1,965.6
Stock price: high (in €) <sup>11</sup>	40.50	11.6%	36.30	35.32	27.45
Stock price: low (in €) <sup>11</sup>	34.05	8.1%	31.50	23.59	18.80
Stock price: as of 31.12. (in €) <sup>11</sup>	37.75	9.4%	34.50	33.65	23.40
Market weighting ATX Prime (as of 31.12.; in %)	1.16	n.a.	1.27	0.92	0.88

### Definitions:

- 1) Previous year figures adjusted
- 2) EBITDA margin (Earnings before Interest, Taxes, Depreciation and Amortisation) = EBITDA / Revenue
- 3) EBIT margin (Earnings before Interest and Taxes) = EBIT / Revenue
- 4) ROCE before tax (return on capital employed before tax) = EBIT / average capital employed
- 5) ROCE after tax (return on capital employed after tax) = EBIT less allocated taxes / average capital employed
- 6) Capital expenditure: intangible assets, property, plant and equipment and investment property including corrections to invoices from previous years, excluding financial assets
- 7) Headcount: number of all employment relationships of the Flughafen Wien Group in the relevant year (not weighted in full-time equivalents)
- 8) Weighted average full-time equivalents for the year (FTE) including apprentices, excluding employees on official non-paying leave (maternity, military, etc.) and the Management Board and managing directors
- 9) MTOW: maximum take off weight for aircraft
- 10) Seat load factor: Number of passengers / available number of seats
- 11) Stock split in the ratio of 1:4 effective as of 27.6.2016 - historical figures adjusted accordingly;  
old ISIN AT0000911805 replaced by the new ISIN AT00000VIE62
- 12) Dividend 2019: recommendation to the Annual General Meeting

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**Group Management  
Report for the 2019  
Financial Year**



# The Flughafen Wien Group

## Description of the business model

The Flughafen Wien Group (FWAG) is made up of three international airports in Austria (Vienna), Malta and Slovakia (Košice<sup>1)</sup> and the Bad Vöslau airfield.

Vienna Airport acts as an important hub for destinations in Eastern Europe. As one of the largest employers in Eastern Austria, it is an important factor driving growth and business for Austria.

Malta Airport has recently recorded a very high increase in passenger numbers. Košice Airport is the second largest Slovakian airport and despite difficult general conditions has posted a steady upturn in passenger figures over the last few years. Bad Vöslau Airfield is of local importance and is primarily used for private aviation.

With its fully consolidated subsidiaries, the Flughafen Wien Group employs 5,385 full-time equivalent (FTE) staff with a headcount of 7,231. Last year, 39.5 million passengers (2018: 34.4 million passengers) were handled at the Group's three international airports.

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**Note:** Arithmetic differences can occur when adding rounded amounts and percentages due to the use of computer aided tools. The same applies to other information such as headcount, traffic data, etc.

1) Košice Airport is included in the consolidated financial statements at equity, as key business decisions are made with the other shareholders.

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## Business segments

The business activities of the Flughafen Wien Group are divided into the five segments: Airport, Handling & Security Services, Retail & Properties, Malta and Other Segments.

### Airport Segment

The Airport segment is responsible for the operation and maintenance of all movement areas of the terminals, the facilities involved in passenger and baggage handling, as well as security controls for passengers and hand luggage at Vienna Airport. Another field of activity is the acquisition of new airlines in point-to-point traffic and transfer traffic, and the associated increase in the number of destinations and flight frequencies. These efforts are supported by attractive fees and incentives for airlines.

### Handling & Security Services segment

As a ground and cargo handling agent, the Handling & Security Services segment provides services at Vienna Airport for aircraft and passenger handling of scheduled, charter and general aviation traffic. In addition to ramp, cargo and passenger handling, this segment also includes the provision of security services such as checks of passengers and hand luggage as well as general aviation, which covers civil aviation with the exception of scheduled and charter flights. The working environment for the Handling & Security Services segment is influenced by aviation sector trends and steady pressure on prices. It responds to airlines' requests, such as shorter ground time and reduced service packages. The ground-handling unit is successfully holding its own by providing short turnarounds, a high punctuality score and tailor-made offerings.

### Retail & Properties Segment

Passengers, users of parking facilities, hotel guests, conference participants, employees at the site, and meeters and greeters are important target groups in the Retail & Properties segment. Other substantial contributions to income in addition to Centre Management & Hospitality with shopping, food & beverages, passenger services (lounges, VIP) and advertising revenue include parking and the rental of office and cargo space.

### Malta segment

The Malta segment includes Malta Airport (Malta International Airport plc, MIA) and its direct investments (hereinafter referred to as the MIA Group). Malta Airport and its investments are responsible for the operation of Malta Airport. In addition to traditional aviation services, the companies of the MIA Group also generate revenue from parking and the rental of retail and office space. Handling is performed by two external firms.

### Other Segments

The reporting segment "Other Segments" provides a wide range of services for the other operating segments of the Flughafen Wien Group as well as external customers. This segment includes the subsidiaries of Flughafen Wien AG that directly or indirectly hold shares in foreign associates and joint ventures (e.g. at Košice Airport), and that have no other operating activities.

## The business environment

The macroeconomic environment, especially economic growth, exchange rates and the development of disposable incomes and international trade have a major influence on the development of aviation. As an international hub in Central Europe, the economic development of Vienna Airport is influenced primarily by economic trends in the eurozone and – given its geographical location – those in the Central and Eastern Europe (CEE) region in particular. The same applies to the airports of Malta and Košice, which are also significantly influenced by the general economic development in their region. Another key factor for FWAG is the economic and political situation in the Far East, the Middle East and Russia.

The economic upward trend of recent years continued at a slower rate in 2019. All signs indicate that the slowdown in economic growth is intensifying. According to current estimates, the global economy, as measured by global GDP, expanded by 2.9% (2018: 3.5%), the lowest figure since the financial crisis. The global economy is forecast to grow by 2.4% again in 2020, although this forecast is particularly uncertain due to the impact of the coronavirus epidemic that started in China. An upward trend is not expected until 2021. (Sources include: OECD Interim Economic Outlook, March 2020).

This year, nearly all national economies saw lower growth than in the previous year. Ongoing trade policy tensions had a particularly negative impact on confidence and investment. In many countries, fiscal policy has been relaxed only to a limited extent so far, and world trade will also grow only very modestly from 2019 to 2021.

Economic growth in industrialised nations is still being driven mainly by the USA. At 2.3%, however, growth in the USA is also below the average of the last seven years and is still coming under considerable pressure from the trade conflict with China.

Many emerging economies also performed very poorly; the slowdown of global growth is reflected in the financial markets and commodity prices.

Growth momentum in the eurozone is modest after the high level of previous years. Economic growth of 1.2% is anticipated in 2019 (2018: 1.9%). All signs indicate that this trend will intensify over the next few years (growth of 0.8% and 1.2% in 2020 and 2021, respectively). This is chiefly due to global uncertainty, weak external demand and the impact of the spread of coronavirus, which is curtailing investment and exports. (Source: OECD Interim Economic Outlook, March 2020).

After a lengthy phase of extraordinarily strong expansion, the Austrian economy is still on a stable growth trajectory. However, the current economic upturn has passed its peak. Real economic growth of 1.7% is expected for 2019, a figure that is well short of the two previous years (2.5% and 2.4%).

Stable to slightly accelerated growth was originally forecast for 2020. Given the outbreak of coronavirus, this outlook is now deeply uncertain. Whether and to what extent the economy starts to slow down depends on the duration and intensity of the epidemic.

The phase of weaker growth is also influencing the situation on the labour market. While the forecast unemployment rate fell from 4.8% in the previous year to 4.6% in 2019, a steady, slight increase to 4.8% is forecast for 2020 and 2021. However, this forecast is also uncertain due to the aforementioned factors. The high price stability is a positive factor. For example, the inflation rate fell to 1.5%. (Sources: OeNB - Economic Outlook for Austria, December 2019; WIFO - Economic Outlook, December 2019). >

## Tourism in Austria

Tourism in Vienna had another record year in 2019 with growth of 9.0% to around 17.5 million overnight stays (2018: around 16.1 million). Foreign guests accounted for 82.6% of overnight stays. The most significant growth by region was achieved by travellers from Italy (+21.0%), Spain (+36.8%) and Ukraine (+73.9%). Overnight stays by Austrian guests were also up by 2.9% (source: Statistik Austria).

## Travel in Austria

In the first half of 2019, travel by the Austrian population again surpassed the comparative figures from the previous year. A total of around 9.6 million holiday trips were taken during this period (2018: 8.9 million). However, the number of business trips declined from around 2 million to 1.9 million in the same period, so travel increased by over 5% overall. (Source: Statistik Austria).

## Traffic development of the Flughafen Wien Group

### › Cumulative traffic development of the Flughafen Wien Group

Traffic figures for VIE, MLA, KSC	2019	Change	2018
Total passengers	39,527,803	+15.0%	34,385,021
Thereof local passengers	32,135,634	+16.6%	27,549,988
Thereof transfer passengers	7,237,646	+7.6%	6,725,628
Flight movements	324,740	+9.7%	296,087
Cargo (air cargo and trucking; in tonnes)	300,266	-3.6%	311,322

The Flughafen Wien Group, including its foreign investments in Malta Airport and Košice Airport, posted a substantial increase of 15.0% to a total of more than 39.5 million passengers in 2019.

## Traffic at Vienna Airport 2019

› **New passenger record (up 17.1%) due to significant growth at Austrian, Lauda and Wizz Air**

Traffic indicators	2019	Change	2018	2017
Passengers (in million)	31.7	+17.1%	27.0	24.4
Thereof local passengers (in million)	24.3	+20.0%	20.3	17.8
Thereof transfer passengers (in million)	7.2	+7.6%	6.7	6.4
Thereof transit passengers (in million)	0.2	+63.0%	0.1	0.1
Flight movements	266,802	+10.7%	241,004	224,568
MTOW (in million tonnes)	10.9	+13.6%	9.6	8.8
Cargo (air cargo and trucking; in tonnes)	283,806	-3.9%	295,427	287,962
Seat load factor in %	77.3	n.a.	76.0	74.8
Number of destinations	217	+5.9%	205	195
Number of airlines	77	+4.1%	74	74

For the first time in its history, Vienna Airport handled more than 31 million passengers in 2019. It counted 31,662,189 passengers, up 17.1% on the previous year. From January to December, there were 81 days that saw over 100,000 passengers (2018: 3 days). Moreover, over 3 million passengers were handled at Vienna Airport for the first time in both July and August. The strongest day at the airport was 14 July, a Sunday, with 113,069 passengers. This excellent result was thanks to various new routes and more frequent flights on existing routes by the airlines stationed at the airport.

The number of local passengers increased year-on-year to 24,318,315, a significant 20.0% rise. In transfer traffic, Vienna Airport further expanded its hub function with growth of 7.6% to 7,189,864 passengers.

The number of flight movements rose by 10.7% to a total of 266,802 take-offs and landings, exceeding the previous record from 2008 (266,402 movements) for the first time. The average seat load factor (scheduled and charter) increased by 1.3 percentage points to 77.3%. The maximum take-off weight (MTOW) climbed by 13.6% to 10,878,054 tonnes.

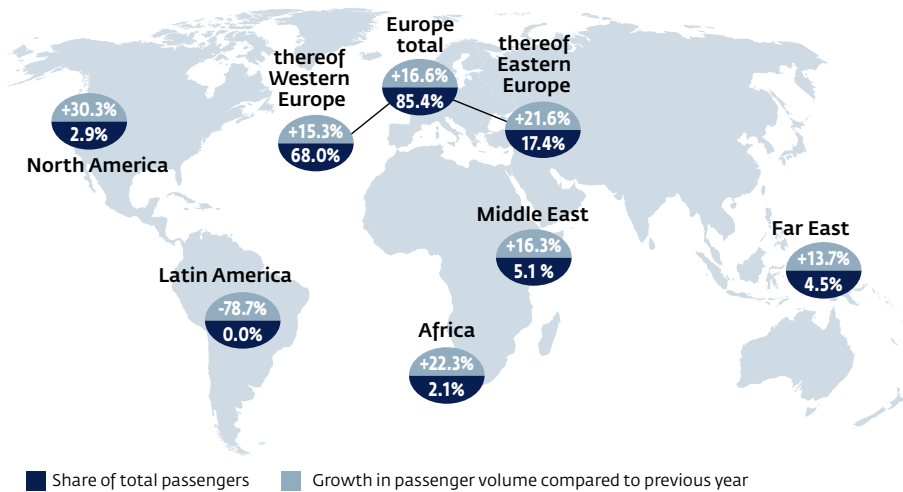
77 airlines regularly flew to Vienna Airport in 2019, serving 217 destinations in 68 countries. The new long-haul destinations were Guangzhou via Ürümqi, Montreal and Tokyo-Haneda.

Only cargo traffic declined by 3.9% in 2019. This was partly due to declining component deliveries to the automotive cluster in Slovakia.

## › Development of passenger numbers at Vienna Airport

### › Departing passengers in 2019 (scheduled and charter) by region

Region	2019	2018	Change	Share in 2019	Share in 2018	Change in share in percentage points
Western Europe	10,717,728	9,293,609	+15.3%	68.0%	68.9%	-0.9
Eastern Europe	2,750,315	2,261,764	+21.6%	17.4%	16.8%	+0.7
Far East	703,544	618,561	+13.7%	4.5%	4.6%	-0.1
Middle East	797,495	685,705	+16.3%	5.1%	5.1%	0.0
North America	459,377	352,427	+30.3%	2.9%	2.6%	+0.3
Africa	333,305	272,454	+22.3%	2.1%	2.0%	+0.1
Latin America	593	2,790	-78.7%	0.0%	0.0%	0.0
	15,762,357	13,487,310	+16.9%	100.0%	100.0%	



The Western Europe region benefited primarily from the new routes and increased capacity offered by Lauda and Wizz Air to Spain, Italy and Greece. The traffic volume increased by 15.3% to 10,717,728 departing passengers. However, this region's share of passenger volume decreased slightly by 0.9 percentage points to 68.0%.

Eastern European destinations, primarily in Ukraine and Romania, posted growth of 21.6% to 2,750,315 departing passengers, driven largely by new routes and increased capacity offered by Wizz Air, Austrian and Lauda. The share of travellers to this region increased by 0.7 percentage points to 17.4%.

The number of passengers flying to the Far East increased by 13.7% to 703,544, due primarily to All Nippon Airways' new flights to Japan, but also to China Southern Air-

lines' and Hainan Airlines' new routes to China. However, the share of the passenger volume decreased slightly by 0.1 percentage points to 4.5%.

Destinations in the Middle East attracted 797,495 travellers – growth of 16.3% – due chiefly to increased capacity to Israel. The region's share of the total passenger volume stayed at 5.1%, as in the previous year.

The North America region saw growth of 30.3% to 459,377 departing passengers. This considerable increase is mainly attributable to the new Canadian destinations served by Air Canada and Austrian. The region's market share increased tangibly by 0.3 percentage points to 2.9%.

Traffic bound for Africa increased by 22.3% to 333,305 departing passengers, attributable mainly to Luda's new routes to Morocco and Austrian's to South Africa. The region's share of the total passenger volume amounted to 2.1%.

Due to the discontinuation of flights to Cuba and the Dominican Republic, Latin America was the only region to record a decline in passengers.

#### › Top five destinations in 2019 (departing passengers)

Destinations	2019	Change	2018	2017
1. London	707,237	+3.6%	682,545	602,134
2. Frankfurt	562,166	-6.5%	601,045	597,923
3. Berlin	514,974	-3.0%	530,712	432,824
4. Paris	484,832	+9.4%	443,001	403,675
5. Amsterdam	475,165	+15.3%	412,218	385,514

#### › Development in passenger volume in Central and Eastern Europe in 2019 (departing passengers)

Destinations	2019	Change	2018	2017
1. Bucharest	312,843	+36.8%	228,746	204,539
2. Moscow	301,126	+3.6%	290,602	280,974
3. Kiev	250,744	+88.6%	132,968	108,907
4. Warsaw	192,884	+49.1%	129,366	108,781
5. Sofia	173,492	+11.5%	155,655	158,436
6. Belgrade	101,230	+2.9%	98,344	96,366
7. Tirana	90,402	+10.8%	81,565	82,622
8. Prague	87,049	+5.8%	82,304	77,783
9. Zagreb	83,241	+2.0%	81,581	79,787
10. Sarajevo	79,135	+13.7%	69,580	63,850
Other	1,078,169	+18.3%	911,053	825,546
<b>Departing passengers</b>	<b>2,750,315</b>	<b>+21.6%</b>	<b>2,261,764</b>	<b>2,087,591</b>

### › Development of passenger volume on long-haul routes in 2019 (departing passengers)

Destinations	2019	Change	2018	2017
1. Bangkok	178,010	+0.5%	177,205	123,689
2. Taipei	139,772	+6.0%	131,829	78,763
3. Tokyo	108,814	+239.6%	32,044	0
4. Chicago	80,342	+22.8%	65,448	53,039
5. Toronto	76,248	+48.3%	51,428	46,610
6. Beijing	75,716	+11.7%	67,760	72,611
7. Newark	67,295	+16.5%	57,785	50,810
8. Shanghai	67,287	+0.5%	66,968	58,165
9. New York	62,470	+30.3%	47,942	44,972
10. Los Angeles	56,732	+21.6%	46,655	39,011
Other	328,880	+13.5%	289,757	266,689
<b>Departing passengers</b>	<b>1,241,566</b>	<b>+20.0%</b>	<b>1,034,821</b>	<b>834,359</b>

### › Development of passenger volume to Middle East in 2019 (departing passengers)

Destinations	2019	Change	2018	2017
1. Tel Aviv	299,119	+44.8%	206,581	172,738
2. Dubai	211,893	-6.7%	227,034	230,229
3. Doha	116,397	+14.9%	101,262	89,062
4. Tehran	54,871	-8.4%	59,879	59,669
5. Amman	50,129	+11.1%	45,105	40,100
Other	65,086	+41.8%	45,844	41,537
<b>Departing passengers</b>	<b>797,495</b>	<b>+16.3%</b>	<b>685,705</b>	<b>633,335</b>



### › Passenger volume by airline in 2019

Airline	2019	Change	2018	Share in % in 2019	Share in % in 2018
Austrian	13,673,856	+6.4%	12,850,423	43.2	47.5
Lauda	2,656,768	+347.9%	593,211	8.4	2.2
Eurowings	2,277,788	-8.3%	2,484,008	7.2	9.2
Wizz Air	2,080,809	+368.0%	444,578	6.6	1.6
easyJet	1,235,356	-7.3%	1,332,009	3.9	4.9
Lufthansa	730,061	-20.6%	919,347	2.3	3.4
Level	610,887	+73.6%	351,982	1.9	1.3
Turkish Airlines	550,309	+0.8%	545,790	1.7	2.0
British Airways	447,966	-7.1%	482,381	1.4	1.8
SWISS	445,260	-5.1%	469,377	1.4	1.7
Other	6,953,129	+5.9%	6,564,186	22.0	24.3
Thereof Lufthansa Group <sup>1</sup>	17,318,078	+2.3%	16,931,593	54.7	62.6
Thereof low-cost carriers	10,009,363	+56.3%	6,404,765	31.6	23.7
<b>Total passengers</b>	<b>31,662,189</b>	<b>+17.1%</b>	<b>27,037,292</b>	<b>100.0</b>	<b>100.0</b>

1) Lufthansa Group (100% subsidiaries): Austrian, Brussels, Eurowings, Lufthansa and SWISS

### › Development of key airlines at Vienna Airport

The strongest airline at Vienna Airport – Austrian Airlines – enjoyed excellent performance in terms of passenger volume thanks to expanded services and higher capacity utilisation, achieving a 6.4% increase to a total of 13,673,856 passengers. However, its share of total passenger volume decreased by 4.3 percentage points to 43.2%.

Lauda expanded its base by stationing additional aircraft in Vienna and attained an 8.4% share of total passenger volume with various new routes and more frequent flights to existing destinations. With a total of 2,656,768 passengers, Lauda was the second-largest carrier at the airport in 2019.

Eurowings, the third-largest airline at the site, carried 206,220 fewer passengers as a result of various cancelled routes and less frequent services on existing routes, which reduced its market share to 7.2% (2018: 9.2%). In total, 2,277,788 passengers travelled with Eurowings.

Wizz Air's positive performance at the airport is also worthy of note. It offered new routes and more frequent flights, becoming the fourth-largest carrier in Vienna with 2,080,809 passengers and a market share of 6.6%.

### › Decline in cargo volume (-3.9%)

In 2019, the cargo sector again held its ground against the second cargo handling provider (Swissport) in a difficult general environment with an average market share of 95.5%. Flughafen Wien AG handled 271,077 tonnes of cargo in the reporting year, a decrease of 3.9% on 2018. The decline, primarily in the first half of the year, is in line with the global trend and is chiefly attributable to a slowdown in trade.

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Total cargo turnover at Vienna Airport in 2019 (including the second cargo handling provider) amounted to 283,806 tonnes, which likewise equates to a decline of 3.9%. While the air cargo handled fell by 5.2% year-on-year to 204,740 tonnes, the trucking volume remained relatively constant at 79,066 tonnes (-0.6%).

## Traffic development at Malta and Košice airports

### › Malta (fully consolidated subsidiary)

Traffic indicators	2019	Change	2018
Passengers (in million)	7.3	+ 7.4%	6.8
Flight movements	51,910	+6.5%	48,737
MTOW (in million tonnes)	2.0	+ 6.0%	2.0
Cargo (air cargo and trucking; in tonnes)	16,422	+3.7%	15,830

Malta Airport again set a new record for passengers and movements in 2019. With growth of 7.4%, more than 7.3 million passengers were handled. The number of aircraft movements also increased significantly year-on-year to 51,910 (2018: 48,737). At 81.8%, the seat load factor in the reporting year was on a par with the previous year. Malta Airport further expanded its route network by introducing new routes and new airlines in the peak and off-peak season. In total, more than 125 destinations in 43 countries were served by 33 airlines in 2019.

Malta Airport's biggest customer in 2019 was Ryanair, which generated passenger growth of 15.7%. The home carrier Air Malta also grew in the reporting year, flying 3.0% more passengers than in the previous year. Further increases were posted by the third- and fourth-biggest airline customers easyJet (up 4.4%) and Wizz Air (up 10.2%).

Malta Airport's most important destinations are in the UK (1,710,613 passengers), Italy (1,446,069 passengers) and Germany (895,922 passengers). Destinations in the fourth- and fifth-largest markets of France (+10.8%) and Spain (+17.3%) also performed very dynamically in 2019.

### › Košice (investment recorded at equity)

Traffic indicators	2019	Change	2018
Passengers (in million)	0.6	+2.9%	0.5
Flight movements	6,028	-5.0%	6,346
MTOW (in million tonnes)	0.2	-0.1%	0.2
Cargo (air cargo and trucking; in tonnes)	38	-40.9%	65

Košice Airport reported passenger growth of 2.9% to 555,325 (2018: 539,552), which is primarily attributable to the strong growth in charter flights (+15,000 passengers). Aircraft movements were down by 5.0% at 6,028 (2018: 6,346).

With regard to scheduled flights, Austrian Airlines and LOT posted the strongest growth at Košice Airport at 22.5% and 16.6%, respectively, while Wizz Air saw a decline of 16.8% due to the closure of its base in Košice and the cancellation of three routes in May/June 2019. In addition, Turkish Airlines ceased operations in Košice due to the global grounding of the Boeing 737-MAX 8. At the beginning of January 2019, domestic traffic to Bratislava was also discontinued.

In contrast, Ryanair's new summer connection to London Southend is a positive development.

Once again, the key markets for scheduled flights were London with more than 174,000 passengers, ahead of Vienna with more than 70,000 passengers, followed by Prague with over 52,000 and Warsaw with over 45,000 passengers. The destinations Vienna, Prague and Warsaw include a significant proportion of transfers, primarily to Germany, Italy, France, Switzerland and the Netherlands.

The total MTOW for scheduled and charter flights in 2019 remained stable at the previous year's level.

## Fee and incentive policy at Vienna Airport

The fee adjustments based on the price cap formula and the procedure for adjustments in 2019 were regulated by the Austrian Airport Charges Act, which has been in effect since 1 July 2012.

Vienna Airport has a fee system that is highly attractive by international comparison. As at 1 January 2019, fees were adjusted on the basis of a price cap formula that was agreed between airlines and the Austrian Civil Aviation Authority (Austrian Ministry for Transport, Innovation and Technology (bmvit)) and is embedded in the Austrian Airport Charges Act. The calculation of the landing, parking and airside infrastructure fee is based on the maximum take-off weight (MTOW) of the aircraft, while the passenger fee, landside infrastructure fee and security fee are based on the number of passengers. The infrastructure fee for fuelling is based on the volume of fuel. Specifically, the maximum change in the fee is calculated from the rate of inflation less 0.35-times the traffic growth. Traffic growth is calculated using the three-year average, with each twelve-month period running from 1 August to 31 July. If traffic growth is negative, the maximum fee adjustment is equal to the rate of inflation.

After appropriate consultation with the airlines, Flughafen Wien AG applied for the following fee adjustments from 1 January 2019, which were approved by the Austrian Civil Aviation Authority:

- › Landing fee, infrastructure fee airside, parking fee: +1.065%
- › Passenger fee, infrastructure fee landside, security fee: +0.715%
- › Fuelling infrastructure fee: +0.896%

The PRM (passengers with reduced mobility) fee was unchanged at € 0.46 per departing passenger.

&gt;

The security fee for 2019 was € 8.46 per departing passenger, taking into account the increase in line with the price cap formula.

The transfer incentive, which is intended to boost Vienna Airport's role as a transfer airport, was € 12.50 per departing transfer passenger in 2019.

In addition, the volume incentive was used to encourage sustainable passenger volumes of airlines with a base in Vienna.

Start-up assistance for the development of additional passenger growth under certain conditions was also continued in the form of the success-based incentive.

In 2019, Flughafen Wien AG also continued its incentive programme – comprising destination and frequency incentives in addition to a high-frequency incentive – which promotes the role of Vienna Airport as a bridgehead between east and west in the long term.

## Malta Airport fees

Fees at Malta Airport are charged in line with a fee schedule. The fees were not increased in the reporting year. The current incentive system, which offers discounts for landing, parking and other fees, particularly in the winter schedule, is available equally to all airlines.

## Revenue development in 2019

### › External revenue by segment

Amounts in € million	2019	Change	2018
Airport	411.7	7.9%	381.7
Handling & Security Services	166.3	1.8%	163.3
Retail & Properties	162.6	11.1%	146.4
Malta	100.3	8.8%	92.2
Other Segments	16.7	3.1%	16.2
<b>External Group revenue</b>	<b>857.6</b>	<b>7.2%</b>	<b>799.7</b>

The revenue of the Flughafen Wien Group (FWAG) increased by 7.2% from € 799.7 million in 2018 to € 857.6 million. Details on the development of revenue can be found in the following sections.

The segment reporting was adapted to the new reporting structure. Passenger services (lounges, VIP services) are now bundled and assigned to the Retail & Properties segment. The comparative information was restated accordingly (IFRS 8.29).

# Segment developments

## › Segment results - 2019

in € million	Airport	Handling & Security Services	Retail & Properties	Malta	Other Segments	Group reconciliation	Total
Segment revenue	445.7	248.5	177.0	100.3	139.0	-252.9	857.6
Operating income	452.2	249.0	182.1	100.3	140.5	-252.9	871.3
Operating expenses <sup>1</sup>	348.3	241.7	96.5	47.9	137.5	-252.9	619.0
EBITDA	187.6	15.8	103.3	63.5	14.7		384.8
EBITDA margin in%	42.1	6.3	58.4	63.3	10.5		44.9
EBIT	104.0	7.3	85.6	52.4	3.0		252.3
EBIT margin in%	23.3	2.9	48.4	52.3	2.2		29.4

1) Including depreciation, amortisation, impairment and at-equity results in Other Segments

## › Segment results - 2018

in € million	Airport	Handling & Security Services	Retail & Properties	Malta	Other Segments	Group reconciliation	Total
Segment revenue	412.5	235.2	160.1	92.2	119.8	-220.1	799.7
Operating income	416.0	236.1	165.9	92.2	121.9	-220.1	812.0
Operating expenses <sup>1</sup>	316.2	233.9	92.8	48.1	120.2	-220.1	591.2
EBITDA	183.3	10.7	90.4	53.2	12.7		350.4
EBITDA margin in%	44.4	4.6	56.5	57.8	10.6		43.8
EBIT	99.8	2.2	73.1	44.0	1.6		220.8
EBIT margin in%	24.2	1.0	45.7	47.8	1.4		27.6

1) Including depreciation, amortisation, impairment and at-equity results in Other Segments

### › Airport Segment

Amounts in € million	2019	Change	2018
Aircraft-related fees	78.1	11.2%	70.2
Passenger-related fees	277.8	5.8%	262.7
Infrastructure revenue and services	55.8	14.6%	48.7
<b>Airport segment revenue</b>	<b>411.7</b>	<b>7.9%</b>	<b>381.7</b>

Revenue in the Airport segment increased by € 30.1 million or 7.9% to € 411.7 million in the 2019 financial year (2018: € 381.7 million). The positive effect of passenger growth in the Airport segment is offset by adjustments to incentives, as a result of which this segment's revenue rose at a slower rate than passenger numbers. Revenue from aircraft-related fees increased by 11.2% year-on-year to € 78.1 million (2018: € 70.2 million), boosted by the rise in the MTOW (up 13.6%) and the index-based rise in fees. Passenger-related fees increased by 5.8% to € 277.8 million in 2019 (2018: € 262.7 million). Revenue from the provision and rental of infrastructure and from other services also increased by a considerable 14.6% to € 55.8 million. As in previous years, the Airport segment again made the largest contribution to Group revenue with a share of 48.0% (2018: 47.7%).

Partly due to higher internal rental revenue, internal revenue was up 9.9% at € 33.9 million. Other income was increased by € 3.1 million to € 6.6 million as a result of higher proceeds from asset sales.

The Airport segment's cost of materials increased by 4.0% to € 4.3 million (2018: € 4.1 million) due to higher material consumption as a result of passenger growth. Personnel expenses also rose against the previous year by 12.4% to € 50.2 million (2018: € 44.7 million) due to a higher average headcount of 562 employees (2018: 536), pay increases under collective bargaining agreements and higher additions to provisions. Other operating expenses rose by 7.5% to € 46.6 million (2018: € 43.4 million) due to higher maintenance obligations. Internal operating costs rose by 16.3% to € 163.5 million (2018: € 140.5 million) owing to higher internal allocations relating to security services, greater performance as a result of passenger numbers, and project-related expenses.

As a result of the increase in revenue, EBITDA climbed by 2.4% to € 187.6 million (2018: € 183.3 million), while the EBITDA margin fell by 2.3 percentage points to 42.1% (2018: 44.4%).

Despite a non-recurring effect from the impairment of equipment of Flugplatz Vöslau GmbH amounting to € 1.8 million, segment depreciation and amortisation are on a par with the previous year at € 83.7 million (2018: € 83.5 million). The Airport segment's EBIT therefore increased by 4.2% to € 104.0 million in the reporting year (2018: € 99.8 million), with an EBIT margin of 23.3% (2018: 24.2%).

### › Handling & Security Services segment

Amounts in € million	2019	Change	2018
Apron handling	99.2	-0.3%	99.6
Cargo handling	34.2	0.2%	34.1
Security services	5.8	11.2%	5.2
Traffic handling	18.4	17.4%	15.7
General aviation, other	8.7	-0.5%	8.8
<b>Handling &amp; Security Services segment revenue</b>	<b>166.3</b>	<b>1.8%</b>	<b>163.3</b>

External revenue in the Handling & Security Services segment increased by 1.8% from € 163.3 million to € 166.3 million in the 2019 reporting year. At € 99.2 million, revenue from apron handling was almost constant compared with the previous year's figure of € 99.6 million. The higher income from additional customers was offset by contract changes and lower de-icing revenue. Despite the declining cargo volume handled, revenue from cargo handling was on a par with the previous year at € 34.2 million (2018: € 34.1 million) due to additional income from document handling. Revenue from traffic handling grew by 17.4% to € 18.4 million (2018: € 15.7 million) due to increasing aircraft movements and new customers. The average market share of VIE handling (aircraft/movements) increased to 85.0% (2018: 84.0%) due to the successful acquisition of new customers.

As a result of higher passenger-related internal cost allocation, internal revenue increased by € 10.3 million to € 82.2 million.

Revenue from general aviation services and other segment revenue were kept nearly at the previous year's level at € 8.7 million (2018: € 8.8 million) despite the non-recurring effect resulting from the EU Council Presidency in the second half of 2018. The Handling & Security Services segment's share of Group revenue came to 19.4% (2018: 20.4%).

The cost of materials fell by 3.6% to € 8.5 million, only slightly below the previous year's figure of € 8.8 million. The lower consumption of de-icing materials was almost completely offset by higher costs for charges passed on to airlines for passenger handling services and increased material consumption due to higher aircraft movements. Personnel expenses for the segment's average level of 3,281 employees (2018: 3,091) rose 0.8% from € 179.4 million to € 180.9 million. Other operating expenses increased by 22.1% to € 10.1 million due to higher third-party services, which were purchased primarily in the last quarter for handling services.

The segment's EBITDA amounted to € 15.8 million, representing year-on-year growth of 47.1% (2018: € 10.7 million). This was mainly attributable to the higher revenue and the savings made in personnel expenses and other operating expenses. After deducting depreciation and amortisation of € 8.5 million (2018: € 8.5 million), EBIT increased by € 5.0 million to € 7.3 million (2018: € 2.2 million). The EBITDA and EBIT margins therefore increased to 6.3% and 2.9% respectively (2018: 4.6% and 1.0%).

### › Retail & Properties Segment

Amounts in € million	2019	Change	2018
Parking revenue	50.1	11.9%	44.8
Rentals	27.8	4.3%	26.7
Centre management & hospitality	84.6	13.0%	74.9
<b>Retail &amp; Properties segment revenue</b>	<b>162.6</b>	<b>11.1%</b>	<b>146.4</b>

External revenue in the Retail & Properties segment climbed by 11.1% to € 162.6 million in 2019 (2018: € 146.4 million). This was firstly attributable to higher revenue from centre management & hospitality, which was up 13.0% at € 84.6 million (2018: € 74.9 million), and secondly to increased parking revenue, which was up 11.9% at € 50.1 million (2018: € 44.8 million). Rental revenue (not including advertising) increased by 4.3% to € 27.8 million (2018: € 26.7 million). The Retail & Properties segment's share of Group revenue came to 19.0% (2018: 18.3%).

Other income fell by 11.7% year-on-year to € 5.1 million (2018: € 5.8 million), which is attributable to lower revenue from sales of land than in the previous year.

The cost of materials including purchased energy was slightly lower than the previous year's level, due partly to higher purchased services for customer orders, which were more than compensated for by lower energy costs. Personnel expenses climbed from € 11.7 million to € 14.1 million owing to the higher headcount and pay increases under collective bargaining agreements. Other operating expenses declined by a considerable 9.6% to € 17.6 million (2018: € 19.5 million). This was attributable to lower expenses from renting buildings, from maintenance and service costs and from marketing and market communication. Internal operating expenses were 6.9% or € 2.9 million higher than the previous year's figure of € 42.3 million due to higher maintenance services charged internally.

As a result of higher income, EBITDA climbed by 14.2% to € 103.3 million (2018: € 90.4 million). Depreciation and amortisation increased slightly from € 17.3 million to € 17.7 million. As a result, EBIT increased year-on-year by 17.1% to € 85.6 million (2018: € 73.1 million). The EBITDA margin improved to 58.4% (2018: 56.5%) and the EBIT margin to 48.4% (2018: 45.7%).

### › Malta Segment

Amounts in € million	2019	Change	2018
Airport	70.8	8.1%	65.5
Retail & Properties	29.2	10.8%	26.3
Other	0.4	9.6%	0.3
<b>Malta segment revenue</b>	<b>100.3</b>	<b>8.8%</b>	<b>92.2</b>

The Malta segment's external revenue amounted to € 100.3 million in 2019 (2018: € 92.2 million). Revenue in the Airport segment, which includes income from tariffs, aviation concessions and PRM services, climbed by 8.1% year-on-year from € 65.5 million to € 70.8 million due to traffic growth. Income from retail outlets, advertising space and rental, including VIP lounges and parking revenue, rose by 10.8% year-on-year to



€ 29.2 million (2018: € 26.3 million). The Malta segment's total share of Group revenue was 11.7% (2018: 11.5%).

At € 3.1 million, the cost of materials was slightly lower than the previous year's level (2018: € 3.2 million). Personnel expenses climbed by 8.8% to € 10.7 million (2018: € 9.9 million) owing to the 11.4% increase in the headcount to 379 (2018: 340) and increases under collective bargaining agreements. They include ongoing salary costs, pension expenses and statutory social security contributions. At € 23.0 million, other operating expenses were down 11.1% compared to the previous year (2018: € 25.9 million) and included expenses for security staff, cleaning, PRM services, other third-party personnel services, IT services, airline marketing and maintenance. The reduction is primarily attributable to the application of IFRS 16, which resulted in a decrease in rental and lease expenses and an increase in depreciation and amortisation and financial expenses.

EBITDA amounted to € 63.5 million (2018: € 53.2 million), corresponding to an EBITDA margin of 63.3% (2018: 57.8%). With depreciation and amortisation of € 11.1 million (2018: € 9.2 million), the Malta segment generated EBIT of € 52.4 million (2018: € 44.0 million). The EBIT margin rose from 47.8% in the previous year to 52.3%, which is due both to the positive business performance and to the application of IFRS 16.

### › Other Segments

Amounts in € million	2019	Change	2018
Energy supply and waste disposal	8.9	6.0%	8.4
Telecommunications and IT	3.0	1.1%	3.0
Materials management	1.5	-5.0%	1.6
Electrical engineering, security equipment, workshops (VAT)	1.0	-17.6%	1.2
Facility management, building maintenance	0.5	-34.8%	0.8
Visitor World	0.6	-3.8%	0.6
GET2	0.8	n.a.	0.0
Other	0.4	-32.9%	0.7
<b>Other Segments revenue</b>	<b>16.7</b>	<b>3.1%</b>	<b>16.2</b>

The external revenue of the Other Segments segment amounted to € 16.7 million in 2019, representing a 3.1% increase as against € 16.2 million in the previous year. While price adjustments in energy supply and waste disposal resulted in a 6% increase in revenue to € 8.9 million (2018: € 8.4 million), facility management revenue fell to € 0.5 million (2018: € 0.8 million). External revenue of the subsidiary GET2 amounted to € 0.8 million from cleaning services (fully consolidated from 1 May 2019). Other Segments accounted for 1.9% of external Group revenue (2018: 2.0%).

Internal revenue increased by 18.1% year-on-year to € 122.3 million (2018: € 103.6 million), partly in relation to cleaning services and maintenance services for other reporting segments. Other income declined from € 2.1 million to € 1.5 million.

The cost of consumables and purchased services came to € 23.6 million, down 2.1% on the previous year due primarily to lower expenses for energy (2018: € 24.1 million). Personnel expenses increased by 20.4% to € 67.2 million (2018: € 55.8 million) as a result of a higher headcount averaging 1,019 employees (2018: 729), increases under collective bar- >

gaining agreements and additions to provisions. This was primarily due to the change in the consolidated group resulting from the consolidation of GET2 from 1 May 2019. Other operating expenses were up 13.6% year-on-year at € 27.9 million (2018: € 24.5 million), primarily due to costs for external third-party services, which are sourced by Other Segments and subsequently charged on in part to the other segments. Internal operating costs rose to € 10.3 million (2018: € 8.2 million).

Results from companies recorded at equity include the net profit for the period of the investments recorded at equity Košice Airport and City Airport Train (CAT) and were somewhat lower than in the previous year at € 3.2 million (2018: € 3.6 million).

Segment EBITDA amounted to € 14.7 million in 2019 (2018: € 12.7 million). Depreciation and amortisation was up 5.0% year-on-year at € 11.6 million (2018: € 11.1 million), also in the area of IT equipment. EBIT increased by 85.6% to € 3.0 million (2018: € 1.6 million). The EBITDA margin was 10.5% (2018: 10.6%) and the EBIT margin was 2.2% (2018: 1.4%).

## Earnings

The development of earnings in the Flughafen Wien Group (FWAG) in the 2019 financial year can be summarised as follows:

### › Income statement, summary, in € million

Net profit	2019	Change	2018
Revenue	857.6	7.2%	799.7
Other operating income	13.7	11.5%	12.3
<b>Operating income</b>	<b>871.3</b>	<b>7.3%</b>	<b>812.0</b>
Operating expenses, not including depreciation, amortisation and impairment	-489.7	5.3%	-465.1
Results of companies recorded at equity	3.2	-10.9%	3.6
<b>EBITDA</b>	<b>384.8</b>	<b>9.8%</b>	<b>350.4</b>
Depreciation and amortisation including impairment	-132.5	2.3%	-129.6
<b>EBIT</b>	<b>252.3</b>	<b>14.3%</b>	<b>220.8</b>
Financial results	-14.4	-15.3%	-12.5
<b>EBT</b>	<b>237.9</b>	<b>14.2%</b>	<b>208.3</b>
Income taxes	-62.2	10.2%	-56.4
<b>Net profit for the period</b>	<b>175.7</b>	<b>15.7%</b>	<b>151.9</b>
Thereof attributable to non-controlling interests	16.8	15.3%	14.6
Thereof attributable to equity holders of the parent	158.9	15.7%	137.3
<b>Earnings per share in €</b>	<b>1.89</b>	<b>15.7%</b>	<b>1.63</b>

Revenue increased by 7.2% to € 857.6 million (2018: € 799.7 million), chiefly due to the increase in passengers, higher shopping and food & beverages revenue, and increased parking and property revenue. Due to the seasonality in the airport business resulting from holiday trips, FWAG normally generates its highest revenue in the second and third quarters.

At € 13.7 million, other operating income was higher than the previous year's figure of € 12.3 million. Own work capitalised for investment projects in the Group increased by 39.5% from € 5.5 million to € 7.7 million. Income from the disposal of fixed assets in the amount of € 3.4 million (2018: € 3.7 million) resulted – as in the previous year – primarily from sales of land.

### › Operating expenses up 4.6% in 2019

Amounts in € million	2019	Change	2018
Consumables and purchased services	41.3	-2.0%	42.1
Personnel expenses	323.2	7.2%	301.5
Other operating expenses	125.2	3.0%	121.5
Depreciation, amortisation and impairment	132.5	2.3%	129.6
<b>Total operating expenses (including depreciation, amortisation and impairment)</b>	<b>622.2</b>	<b>4.6%</b>	<b>594.7</b>

Expenses for consumables and services used of € 41.3 million in 2019 are down 2.0% on the previous year (2018: € 42.1 million). Lower expenses for energy and de-icing materials were almost completely offset by the higher cost of materials and purchased services resulting from the increase in passengers and aircraft movements.

Personnel expenses rose by 7.2% from € 301.5 million to € 323.2 million in the reporting year, essentially due to pay increases under collective bargaining agreements, a higher average headcount (caused in part by the first-time consolidation of GET2), and changes to provisions (partly as a result of updating actuarial parameters). FTEs in the Group increased by 11.5% to 5,385 (2018: 4,830). The share of working agreements (headcount) rose by 14.2% to 7,231.

Wage costs climbed by 5.3% to € 129.6 million (2018: € 123.0 million) due to pay increases under collective bargaining agreements, higher additions to provisions in the area of holidays and anniversary bonuses (partly as a result of updating actuarial parameters), and the change in the consolidated group (full consolidation of GET2 from 1 May 2019). Salary expenses also increased by 6.9% to € 111.5 million (2018: € 104.3 million) on account of the higher number of salaried employees, pay increases under collective bargaining agreements, provisioning requirements (partly as a result of updating actuarial parameters), and the effects of the change in the consolidated group resulting from the consolidation of GET2 from 1 May 2019. Expenses for severance compensation including contributions to employee benefit funds climbed by 46.6% from € 9.2 million to € 13.5 million in the reporting year due to changes in provisions, while expenses for pensions were on a par with the previous year. Expenses for statutory levies and contributions climbed by 5.3% year-on-year to € 62.6 million (2018: € 59.5 million). Other employee benefit expenses increased by 23.2% from € 2.4 million to € 3.0 million.

Other operating expenses (incl. valuation allowances) rose by 3.0% year-on-year to € 125.2 million (2018: € 121.5 million). The main changes were in rental and lease ex- >

penses (down € 2.1 million, partly due to the first-time application of IFRS 16 from 1 January 2019) and in legal, auditing and consulting costs (down € 1.2 million). These were countered by increased expenses for maintenance and renovation (up € 4.9 million), marketing and market communication (up € 1.5 million), expenses for the payment obligation arising from the environmental fund – Vienna Airport service agreement from the mediation process (up € 1.7 million), and other operating costs, which include the third-party services for the management of the lounges (up € 1.9 million). Expenses for third-party personnel rose by € 7.3 million year-on-year due to purchased services for IT and handling, whereas expenses for third-party services from Group companies decreased by € 10.1 million as a result of the full consolidation of GET2 from 1 May 2019.

### › Results of companies recorded at equity

The results of investments in companies recorded at equity amounted to € 3.2 million after € 3.6 million in the previous year, reflecting the consistently positive operating business of the two investments Košice Airport and the City Airport Train (CAT).

### › Group EBITDA of € 384.8 million

EBITDA (Amounts in € million)	2019	Change	2018
Airport	187.6	2.4%	183.3
Handling & Security Services	15.8	47.1%	10.7
Retail & Properties	103.3	14.2%	90.4
Malta	63.5	19.3%	53.2
Other Segments	14.7	15.4%	12.7
<b>Group EBITDA</b>	<b>384.8</b>	<b>9.8%</b>	<b>350.4</b>

EBITDA Group share (in %)	2019	2018
Airport	48.8	52.3
Handling & Security Services	4.1	3.1
Retail & Properties	26.8	25.8
Malta	16.5	15.2
Other Segments	3.8	3.6
<b>Group EBITDA</b>	<b>100.0</b>	<b>100.0</b>

FWAG's earnings before interest, taxes, depreciation and amortisation (EBITDA) increased by 9.8% to € 384.8 million (2018: € 350.4 million). The EBITDA margin climbed to 44.9% (2018: 43.8%).

## › Depreciation, amortisation and impairment of € 132.5 million

Amounts in € million	2019	Change	2018
Investment in non-current assets	171.8	3.7%	165.7
Depreciation and amortisation	130.7	0.9%	129.6
Impairment	1.8	n.a.	0.0
<b>Total depreciation, amortisation and impairment</b>	<b>132.5</b>	<b>2.3%</b>	<b>129.6</b>

The largest investment projects are the terminal alteration at € 37.7 million, Office Park 4 at € 24.7 million, West Apron at € 12.3 million, and the construction of hangars 8 and 9 at € 11.4 million. A total of € 19.9 million was invested at Malta Airport in the reporting year, including in the construction of a car park, improvements to terminal infrastructure and airport traffic areas, the expansion of the cargo village, and a new 1 MWp photovoltaic system. Further details can be found in note (14) to the consolidated financial statements.

In the 2019 financial year, the impairment tests carried out resulted in recognising impairment of fixed assets in the Vöslau Airfield cash-generating unit of € 1.8 million. This was recognised in the Airport segment.

Further information can be found in note (7) to the consolidated financial statements. The effects of the first-time application of IFRS 16 are presented in the notes to the consolidated financial statements in V. "Changes to significant accounting policies" and note (38).

## › Group EBIT increased to € 252.3 million

EBIT (Amounts in € million)	2019	Change	2018
Airport	104.0	4.2%	99.8
Handling & Security Services	7.3	224.5%	2.2
Retail & Properties	85.6	17.1%	73.1
Malta	52.4	19.0%	44.0
Other Segments	3.0	85.6%	1.6
<b>Group EBIT</b>	<b>252.3</b>	<b>14.3%</b>	<b>220.8</b>

EBIT Group share (in %)	2019	2018
Airport	41.2	45.2
Handling & Security Services	2.9	1.0
Retail & Properties	33.9	33.1
Malta	20.8	19.9
Other Segments	1.2	0.7
<b>Group EBIT</b>	<b>100.0</b>	<b>100.0</b>

&gt;

Due to the improvement in EBITDA, there was a 14.3% increase in EBIT to € 252.3 million (2018: € 220.8 million) despite the higher depreciation and amortisation. The EBIT margin increased to 29.4% (2018: 27.6%).

### › Financial results at minus € 14.4 million

Amounts in € million	2019	Change	2018
Income from investments, excluding companies recorded at equity	0.7	109.5%	0.3
Interest income	2.2	8.9%	2.0
Interest expense	-17.9	13.2%	-15.9
Other financial result	0.6	-38.8%	1.0
<b>Financial results</b>	<b>-14.4</b>	<b>-15.3%</b>	<b>-12.5</b>

At minus € 14.4 million, the financial results were 15.3% higher than in the previous year (2018: minus € 12.5 million). Income from investments not including companies recorded at equity increased to € 0.7 million as a result of higher profit distributions from these investments. Net interest expenses amounted to € 15.7 million (2018: € 13.8 million). This essentially stemmed from interest expenses in connection with IFRS 16 (up € 2.2 million). Other financial results amounted to € 0.6 million. This item includes the subsequent measurement of securities (application of IFRS 9 since the 2018 financial year in relation to debt instruments (FVPL), see note (10)).

### › Group net profit of € 175.7 million (up 15.7%)

FWAG's total profit before taxes increased by 14.2% to € 237.9 million in 2019 (2018: € 208.3 million).

The income of the respective companies is subject to taxation in the Republic of Austria (25%), Malta (for Maltese companies: 35%) and Slovakia (for Slovakian subsidiaries: 21%). The tax rate came to 26.1% in 2019 (2018: 27.1%). Income taxes amounted to € 62.2 million (2018: € 56.4 million).

The net profit for the year was € 175.7 million (2018: € 151.9 million). This included the pro rata loss of the subsidiary BTS Holding a.s. The result attributable to non-controlling interests in the Maltese companies (the MIA Group and MMLC) amounted to € 16.8 million in the 2019 financial year (2018: € 14.6 million). The net profit attributable to the equity holders of the parent company amounted to € 158.9 million in the 2019 financial year (2018: € 137.3 million), an increase of 15.7%.

In the 2019 financial year, the weighted average number of shares outstanding was 83,996,504 (2018: 84,000,000), resulting in earnings per share of € 1.89 (2018: € 1.63). As at 31 December 2019, Flughafen Wien AG held 47,939 of its own shares.

# Financial, asset and capital structure

## › Statement of financial position structure

	2019		2018	
	in € million	as a % of total assets	in € million	as a % of total assets
<b>ASSETS</b>				
Non-current assets	1,999.6	86.9	1,957.2	90.7
Current assets	301.1	13.1	200.9	9.3
<b>Total assets</b>	<b>2,300.6</b>	<b>100.0</b>	<b>2,158.1</b>	<b>100.0</b>
<b>EQUITY AND LIABILITIES</b>				
Equity	1,380.9	60.0	1,297.0	60.1
Non-current liabilities	572.5	24.9	549.3	25.5
Current liabilities	347.2	15.1	311.8	14.4
<b>Total assets</b>	<b>2,300.6</b>	<b>100.0</b>	<b>2,158.1</b>	<b>100.0</b>

## › Assets

Compared to 31 December 2018, non-current assets rose by 2.2% to € 1,999.6 million (2018: € 1,957.2 million). The change is the result of current additions to intangible assets, property, plant and equipment and investment property of € 171.8 million, which are offset by depreciation, amortisation and impairment losses of € 132.5 million. The application of IFRS 16 since 1 January 2019 also resulted in a € 39.2 million increase in non-current assets, € 37.2 million of which resulted from the recognition of long-term rental agreements at Malta Airport. The change in other assets is mainly attributable to the reclassification of time deposits based on their maturity profile and new time deposits (in total down € 67.5 million), and reclassifications of prepaid lease expenses (IFRS 16) to right-of-use assets (down € 30.8 million). Therefore, the share of total assets accounted for by non-current assets declined overall to 86.9% (2018: 90.7%).

Property, plant and equipment with a carrying amount of € 1,530.3 million (2018: € 1,448.9 million) was the largest component of non-current assets. Within this item, capital expenditure (additions) including changes in the consolidated group (first-time consolidation of GET2 from 1 May 2019) of € 144.3 million and reclassifications of € 0.7 million were offset by depreciation of € 119.3 million, impairment losses of € 1.8 million and derecognition of assets of € 1.3 million.

The carrying amount of land and buildings was up by 2.8% from € 1,002.7 million (2018) to € 1,030.6 million in 2019. In addition to capital expenditure of € 27.6 million, depreciation of € 61.0 million was recognised and reclassifications of € 4.2 million were made from finished projects. The derecognition of assets in this item came to € 1.1 million; the adjustments relating to IFRS 16 came to € 58.3 million.

The "Technical equipment and machinery" item, with a carrying amount of € 255.7 million as at 31 December 2019, was 2.6% lower year-on-year (2018: € 262.5 million). Firstly, capital expenditure and reclassifications of completed projects were recognised in the amount of € 29.3 million and secondly, depreciation and impairment losses of € 36.0 mil-

lion were recorded. The "Other equipment, operating and office equipment" item rose year-on-year by 12.1% to € 115.6 million (2018: € 103.0 million).

Advance payments and projects under development posted a € 47.8 million increase in their carrying amount to € 128.5 million (2018: € 80.7 million) as a result of current construction projects at the Vienna and Malta sites. € 37.7 million of the additions relate to the terminal alteration, € 2.7 million to the helicopter hangar and € 6.9 million to the car park in Malta.

The carrying amount of investment property rose by 10.7% year-on-year to € 178.7 million as at the end of the year (2018: € 161.5 million). Depreciation of € 5.8 million is offset by reclassifications to property, plant and equipment of € 2.7 million as well as capital expenditure and advance payments, relating primarily to Office Park 4, of € 25.4 million, and IFRS 16 adjustments of € 0.3 million.

The carrying amount of investments in companies recorded at equity increased by 1.9% from € 42.9 million to € 43.7 million. On the one hand, this is due to dividends received of € 2.1 million. On the other hand, current income of € 3.2 million was generated as a result of the positive development of these investments, while a disposal of € 0.3 million was posted due to the change in the consolidated group (full consolidation of GET2 from 1 May 2019). Non-current other assets decreased from € 148.2 million to € 80.7 million. Equity instruments under non-current assets fell from € 5.2 million to € 4.5 million, mainly due to the measurement of financial instruments. The first-time application of IFRS 16 resulted in the reclassification of prepaid lease expenses to right-of-use assets (down € 30.8 million). Due to the maturity profile of the time deposits and the reinvestment in other current securities, other receivables fell from € 111.3 million to € 75.2 million in connection with investments.

Current assets increased by 49.9% year-on-year to € 301.1 million (2018: € 200.9 million). This is primarily attributable to higher liquidity at the end of the reporting period and a higher level of investments of € 55.7 million (2018: € 45.0 million). Inventories were almost on par with the previous year's level at € 6.2 million. Due firstly to the remeasurement of existing investments at market value and secondly to the purchase of two new securities, the carrying amount of securities rose by 30.6% to € 58.7 million as at 31 December 2019 (2018: € 28.1 million).

## › Equity and liabilities

The Flughafen Wien Group's equity rose by 6.5% from € 1,297.0 million to € 1,380.9 million in the reporting year. The net profit of € 175.7 million (before non-controlling interests) is offset by the payout of the Flughafen Wien AG dividend for the 2018 financial year of € 74.8 million and distributions to non-controlling shareholders of € 8.3 million. The revaluation of defined benefit plans, the market valuation of securities and the scheduled development of the revaluation reserve resulted in a € 9.0 million change in other reserves. The equity ratio decreased slightly to 60.0% (2018: 60.1%).

The non-controlling interests as at 31 December 2019 relate to the other shareholders in Malta Airport (Malta International Airport plc), Malta Mediterranean Link Consortium Limited (MMLC) and the Slovakian subsidiary BTS Holding a.s. They changed in line with the current results for the year of the subsidiaries and the distributions made. The carrying amount of non-controlling interests was € 104.6 million (2018: € 96.2 million).

The 4.2% increase in non-current liabilities from € 549.3 million to € 572.5 million re-



sulted primarily from the recognition of lease liabilities in accordance with IFRS 16. This effect was countered by reclassifications of financial liabilities based on their maturity profile. Non-current provisions increased from € 162.7 million to € 175.0 million as at 31 December 2019, primarily due to ongoing allocations (including updating actuarial parameters) to non-current staff provisions. Other non-current liabilities decreased from € 39.5 million to € 28.6 million due to adjustments in connection with the first-time application of IFRS 16.

Compared to 31 December 2018, current liabilities rose by 11.4% to € 347.2 million (2018: € 311.8 million). This is partly due to current provisions being higher at € 224.0 million (2018: € 151.1 million), e.g. from deferrals of outstanding discounts and incentives and from higher provisions for services not yet invoiced. Other current liabilities, which declined from € 62.4 million to € 52.4 million, primarily include the outstanding payment obligation arising from the environmental fund – Vienna Airport service agreement from the mediation process. The decrease in current financial and lease liabilities from € 57.0 million to € 25.4 million resulted from the repayment of cash advances from banks in the amount of € 32.0 million. Despite the improvement in earnings, the tax provision remained on a par with the previous year at € 11.4 million due to tax prepayments. As at the end of the reporting period, trade payables increased by 9.8% from € 41.4 million to € 45.4 million.

### › Financial indicators

	2019	Change	2018
Equity in € million	1,380.9	6.5%	1,297.0
Equity ratio in %	60.0	n.a.	60.1
Net debt in € million <sup>1</sup>	-81.4	-58.9%	-198.2
Gearing in % <sup>1</sup>	5.9	n.a.	15.3
Working capital in € million	-177.1	-56.2%	-113.4
Fixed-asset ratio in %	83.6	n.a.	85.8
Asset coverage in %	97.7	n.a.	94.8

1) 2018 adjusted due to IFRS 16 lease liabilities (comparative figure as at 1.1.2019)

# Cash Flow Statement

## › Cash flow statement

in € million	2019	Change	2018
Cash and cash equivalents as at 1 January	30.1	-37.2%	47.9
Cash flow from operating activities	373.0	28.1%	291.2
Cash flow from investing activities	-176.1	-11.4%	-198.8
Cash flow from financing activities	-142.3	29.1%	-110.2
Cash and cash equivalents at end of period <sup>1</sup>	84.8	181.7%	30.1
<b>Free cash flow</b>	<b>196.9</b>	<b>113.2%</b>	<b>92.4</b>

1) Including changes in the consolidated group

In the 2019 financial year, the Flughafen Wien Group generated cash flow from operating activities of € 373.0 million, an upturn of 28.1% as against the previous year (€ 291.2 million). Operating earnings (EBT plus depreciation, amortisation and impairment less measurement of financial instruments) rose by 9.8% year-on-year to € 369.8 million (2018: € 336.9 million). In addition to proceeds from dividend payments by companies recorded at equity of € 2.1 million (2018: € 1.6 million), interest payments of € 15.9 million (2018: € 16.0 million) and interest income of € 2.3 million (2018: € 1.7 million) were also recognised. Income taxes of € 69.8 million (2018: € 61.5 million) were also paid in the reporting year. Other provisions increased by € 76.2 million in the reporting year (2018: € 35.1 million), while the remaining equity and liabilities decreased by € 0.6 million (2018: € 2.3 million).

Net cash flow from investing activities amounted to minus € 176.1 million as against minus € 198.8 million in 2018. Payments for acquisitions of non-current assets (including financial assets) amounted to € 177.1 million (2018: € 145.1 million) in the reporting year. Payments received on the disposal of non-current assets (incl. financial assets) increased year-on-year from € 1.6 million to € 5.3 million. Furthermore, € 110.7 million (2018: € 95.3 million) was invested in current and non-current investments in the reporting year. This was offset by proceeds from past investments of € 106.1 million (2018: € 40.0 million).

Free cash flow (cash flow from operating activities plus cash flow from investing activities) increased from € 92.4 million to € 196.9 million, essentially as a result of lower cash outflows for investing activities in conjunction with the strong cash flow from operating activities.

Cash flow from financing activities of minus € 142.3 million can be attributed to the change in financial and lease liabilities amounting to € 57.4 million, the dividend payment of € 74.8 million to the shareholders of the parent company and of € 8.3 million to non-controlling shareholders, and the acquisition of own shares amounting to € 1.8 million.

In net terms, cash and cash equivalents therefore increased as against 31 December 2018 to € 84.8 million (2018: € 30.1 million).

## Capital expenditure

Amounts in € million	2019	Change	2018
Intangible assets	3.3	24.9%	2.6
Property, plant and equipment including investment property	168.5	3.3%	163.1

Capital expenditure on non-current assets included € 168.5 million for property, plant and equipment and investment property plus € 3.3 million for intangible assets. The major additions to non-current assets in the 2019 and 2018 financial years are described under note (14) in the notes to the consolidated financial statements.

## Investments in foreign airports

The Flughafen Wien Group (FWAG) held investments in two international airports in 2019.

- ▶ As at 31 December 2019, FWAG held an indirect interest of 48.44% of shares in Malta Airport (fully consolidated company): 40% of the shares are held by Mediterranean Link Consortium Limited (MMLC), in which FWAG has held 95.85% since the end of the first quarter of 2016, 10.1% is held directly by FWAG (through VIE (Malta) Limited) and 20% is held by the Maltese government. The remaining shares are listed on the stock exchange in Malta.
- ▶ Flughafen Wien AG indirectly holds 66% in Košice Airport (recorded at equity). Although Flughafen Wien AG controls the majority of voting rights, this company is run as a joint venture as key business decisions are made together with the other shareholders.

## Financial instruments

Information on the financial instruments used by the Flughafen Wien Group can be found in the notes to the consolidated financial statements (notes (36) and (37)).

## Branches

Flughafen Wien AG had no branches in the 2019 financial year or the previous year.

## Financial and capital management

Financial management in FWAG uses a system of performance indicators based on carefully selected and coordinated figures. These key performance indicators define the tightrope between growth, profitability and financial security that FWAG walks in the pursuit of its primary goal to generate profitable growth.

High profitability is the stated long-term goal of management. Depreciation and amortisation have a significant influence on FWAG's earnings figures. EBITDA (operating profit plus depreciation, amortisation and impairment less impairment reversals) is a key indicator, as is the EBITDA margin. An EBITDA margin of 44.9% is reported for 2019 (2018: 43.8%).

The optimisation of the financial structure is a high priority. This financial security is measured by the gearing ratio, which compares net debt with the carrying amount of equity. The company's medium-term goal is to limit the net debt/EBITDA ratio to a maximum of 2.5. As at 31 December 2019, the ratio was 0.2 (2018: 0.4).

Financial and lease liabilities fell by € 57.4 million, due essentially to scheduled and early repayments and the strong cash flow. Cash and cash equivalents amounted to € 84.8 million as at 31 December 2019 (2018: € 30.1 million). Investments of € 131.0 million (2018: € 156.3 million) are reported in current and non-current assets. Net debt including these deposits was € 81.4 million (1 January 2019: € 198.2 million). With reported equity of € 1,380.9 million (2018: € 1,297.0 million), the gearing ratio was 5.9% (2018: 11.0%).

In addition to the EBITDA margin, the return on equity (ROE) is also used to assess the company's profitability. ROE compares net profit for the period with the average reported equity for the financial year. ROCE (return on capital employed) and cash flow are also used to manage the company.

### › Profitability indicators in % or € million

	2019	2018
EBITDA margin <sup>1</sup>	44.9	43.8
EBIT margin <sup>2</sup>	29.4	27.6
ROE <sup>3</sup>	13.1	12.1
ROCE before tax <sup>4</sup>	13.9	12.5
ROCE after tax	10.4	9.4
Free cash flow in € million	196.9	92.4

1) EBITDA margin (earnings before interest, taxes, depreciation and amortisation) = EBITDA/revenue

2) EBIT margin (earnings before interest and taxes) = EBIT/revenue

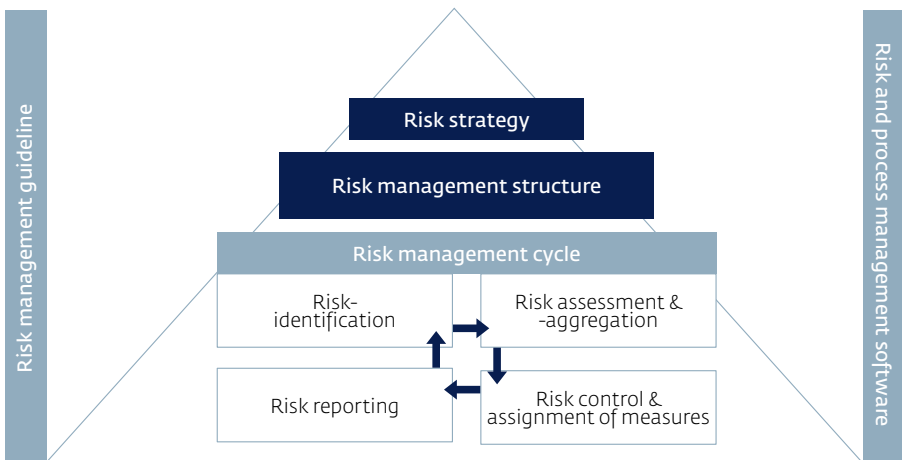
3) ROE (return on equity) = net profit for the period/average equity

4) ROCE before tax (return on capital employed before tax) = EBIT/average capital employed  
(capital employed = non-current assets, inventories, receivables and other assets including time deposits, less current provisions and liabilities)

# Risks of future development

## › Risk management system

The Flughafen Wien Group (FWAG) uses a risk management system that identifies, analyses, assesses and suitably handles relevant risks to track key risks and opportunities of future business development quickly and comprehensively. This system is shown in the following diagram:



Source: adapted from Denk, Exner-Merkelt, Ruthner (2008): Corporate Risk Management

The principles of the risk management system for the entire Group are uniformly based on the Committee of Sponsoring Organisations of the Treadway Commission's (COSO) enterprise risk management standards. These standards are operationalised and implemented in a separate policy. Given its specific organisational framework, Malta Airport has issued its own risk management policy, which is based on the uniform Group-wide standards referred to above. These guidelines define the risk principles and the formalised structure and process organisation for the performance of risk management tasks and agendas.

In terms of organisational structure, risk management at Flughafen Wien AG is located within strategic controlling. While all risk management activities are coordinated centrally by this function, all employees of FWAG are required to actively participate in risk management in their areas of activity in order to integrate the function into their ongoing business processes. Risk owners and risk officers in the business units and affiliated companies are particularly responsible for this.

The risk management cycle, consisting of risk identification, risk assessment and -aggregation, risk control and assignment of measures, and final reporting, runs efficiently on the basis of these persons and their defined roles. This process is accompanied by comprehensive documentation of FWAG's entire risk management system in the form of process and risk management software that serves as a central database for all identified risks and associated measures.

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The internal control system (ICS) also covers aspects of risk management in the sense of ensuring the reliability of operational reporting and compliance with the associated laws and provisions in addition to protecting the assets of the Flughafen Wien Group. In addition, the internal audit department of Flughafen Wien AG regularly evaluates business practices and organisational processes for compliance with Group guidelines, security and usefulness. The Management Board therefore has access to all necessary instruments and structures to identify risks early on and to implement appropriate countermeasures to avert or minimise these risks. The existing systems are evaluated on a regular basis and extended as required.

Risk management is complemented by Group-wide opportunity management, used to identify new earnings potential in all areas of the company at an early stage and to develop them to market readiness. For further information, refer to the following text section.

The key developments in the four main risk classes of the Flughafen Wien Group are described below.

### › Economic, political and legal risks

The development of business at the Flughafen Wien Group is significantly influenced by global, European and regional aviation trends, which in turn are heavily dependent on general economic conditions. Economic fluctuations or a sustained slowdown in economic growth can therefore have a decisive influence on the business performance of the company.

After the high levels of previous years, economic growth in Europe weakened in 2019. After GDP grew by 1.9% in 2018, growth of only 1.2% is expected for 2019. All signs indicate that the economic slowdown is intensifying; the forecasts for 2020 and 2021 are also only in 0.8% and 1.2%, respectively. This is chiefly due to global uncertainty, weak external demand and the impact of the spread of coronavirus, which is curtailing investment and exports. (Source: OECD Interim Economic Outlook, March 2020).

In Austria, growth for 2019 has been forecast at 1.7%, which is above average for the euro zone, but lower than the growth of previous years. The trend for weaker growth will persist in the medium term (source: WIFO Economic Outlook, 19 December 2019)

Stable to slightly accelerated growth was originally forecast for 2020. Given the outbreak of coronavirus, this outlook is now deeply uncertain. Whether and to what extent the economy starts to slow down depends on the duration and intensity of the epidemic.

Uncertainties in the geopolitical field persist in the shape of the political ties between the European Union and Russia. On 19 December, the sanctions imposed on Russia by the European Union were extended by another six months until the end of July 2020. However, Flughafen Wien AG does not expect this to have any significant negative effects on traffic volume at Vienna Airport.

In the Gulf region, political tensions and conflicts between the US and Iran have been ongoing for months. After a Ukrainian passenger aircraft was shot down by the Iranian military in mid-January 2020, Austrian Airlines suspended its connection to Tehran until further notice. However, the impact on Vienna Airport is minimal. Iran's share of total passenger traffic at Vienna Airport is less than 0.3% (calculated on the basis of departing passengers). Nonetheless, if the conflict were to escalate further and possibly spread to the entire region, then more extensive negative effects could be expected. The market share of the Middle East region in relation to total passenger

traffic at Vienna Airport is around 5% (calculated on the basis of departing passengers).

In the opinion of economic experts, the departure of the UK from the European Union at the end of January 2020 will have only a minor impact on the Austrian economy, and thus on the volume of traffic at Vienna Airport, on account of the relatively low intensity of economic ties between Austria and the UK. The IMF quantifies the negative effect on Austria's economic performance caused by Brexit – even if there is no subsequent agreement on a trade deal – at a maximum of 0.5%. (Sources: IHS, February 2017; IMF, July 2018). Thus the impact on traffic volume at Vienna Airport is to be classified as low.

Selectively the possible depreciation of pound sterling and the resulting reduction in purchasing power of British passengers could have a negative effect on revenue in the area of shopping and food & beverages services. All in all, however, the extent of this risk is limited. In 2019, the UK accounted for 6.2% of passenger volume (in terms of departing passengers) at Vienna Airport.

Brexit is of greater relevance for Malta Airport. The UK accounts for around 23.4% (1-12/2019) of the total passenger volume. This could result in short-term negative effects on the traffic volume.

Political tension and terrorist threats in individual countries and regions have a negative impact on bookings in the respective tourist destinations. In the past, however, it has been observed that such declines were of a short-term nature or were compensated by other destinations. Negative effects on the volume of traffic at Vienna Airport would only arise if these substitution effects are only partial or alternative destinations are served by private transport. Furthermore, negative sales effects are possible in the duty free business if passengers from non-EU destinations avoid destinations within the internal market.

The EU Commission and EU legislators are still working on the details of the Aviation Package presented in December 2015. In particular, the revisions to the EASA (European Union Aviation Safety Agency) basic regulation have already been completed. EASA will have more authority, some of which is new.

The European Commission is currently considering a revision of the Directive regulating airport fees. The mandatory application of a uniform, single-till rule for calculating airport fees is under discussion. If this rule took effect, it could significantly influence the earnings of airport operations.

For the evaluation of the ground handling services regulation (BVD), a roadmap was published in February 2019 that provides for evaluation by 2021. The outcome of this evaluation is not yet known. A further increase in the number of handling agents in the restricted-access ground handling services would further heighten the competitive and price pressure on the market.

Aviation has also been included in the European Union Emission Trading System (EU ETS) since 2012. The ICAO (International Civil Aviation Organization) has now agreed on a procedure for reducing or offsetting climate-damaging emissions from aviation.

However, the costs of the ETS certificates are likely to rise significantly in the years ahead, because in Phase 4 of European emissions trading (starting in 2021) a further reduction in ETS certificates is expected. This could result in air traffic becoming more expensive in the European context.

Both at national and European level, there are currently intensive discussions about new measures to reduce CO<sub>2</sub> emissions. Aviation will potentially also be affected by any >

new regulations or changes to the taxation of fossil fuels. The increase in air ticket tax for short- and medium-haul flights announced by the Austrian federal government in its coalition deal would make tickets more expensive and have a negative effect on traffic volume at Vienna Airport.

Furthermore, changes in regulatory requirements or relevant legal principles can influence the company's results. These political and regulatory risks are monitored and assessed on an ongoing basis. FWAG does not anticipate any changes to the current regulations on permissible flight operating times or current night flight rules. Flughafen Wien AG has placed cooperation with the surrounding communities and their authorities on a broad and very stable basis in the form of the Dialogue Forum. The focus is on a transparent information policy and a comprehensive integration of cities and communities affected by noise emissions from aviation.

Non-compliance with legal requirements can give rise to liability on the part of management or the Management Board. Compliance with the relevant regulations is therefore ensured by internal guidelines, such as the Issuer Compliance Guideline and the Market Abuse Regulation (MAR). To prevent the misuse or distribution of insider information, permanent areas of non-disclosure have been established by Flughafen Wien AG, which are supplemented by temporary areas of non-disclosure as needed. A variety of organisational measures and control mechanisms have also been implemented to monitor these processes on a regular basis. As the contents of the Issuer Compliance Guideline have now been conclusively regulated in the MAR and its supplementary acts with its objective of achieving complete harmonisation, for reasons of conformity to European legislation the Issuer Compliance Guideline was repealed on 3 January 2018.

## › Market and competitive risks

Despite the slowdown of global economic growth, IATA (International Air Transport Association) presents a thoroughly positive outlook for the aviation industry worldwide, with global passenger growth of 3.7% in 2019 (2018: 6.9%) in terms of departing passengers. As expected, air cargo traffic has been significantly affected by the drop in world trade. Air cargo therefore saw a decline of 3.3% in 2019 (2018: +3.4%), measured in terms of freight and mail tonne kilometres (source: IATA Economic Performance of the Airline Industry 12/2019).

2019 was a challenging year overall for the aviation industry. Passengers continued to benefit from lower prices and growing supply, while the weak economic growth and lower growth in world trade put pressure on the industry's profits despite the low price of kerosene. For European airlines, IATA is forecasting a total profit of US\$ 6.2 billion after taxes for 2019 (2018: US\$ 9.1 billion).

Before the outbreak of the epidemic, IATA had forecast high growth rates of 4.0% for the airlines. In a forecast revised in March 2020, in which IATA tries to gauge the impact of the coronavirus epidemic, it assumes a global revenue decline of between 4.7% and 19%, depending on the progression and spread of the wave of infection. (Source: IATA 03/2020).

Flughafen Wien AG assumes that the market and competitive situation in European aviation will remain very competitive in the next few years, not least due to the very aggressive price and growth policy of airlines operating in the low-cost carrier (LCC) market segment.



At Vienna Airport, too, the strong growth over the last two years has been driven by the strong performance of the low-cost carriers. After a record year in 2019 (17.1% passenger growth at Vienna Airport), however, market consolidation and an accompanying reduction in the capacity offered at Vienna Airport are expected within the next two years. In addition, growth will be constrained by the limited runway capacity in the existing two-runway system. Overall, however, Flughafen Wien AG not only expects growth to level off in 2020, but also anticipates a decline in aircraft movements and passenger numbers due to the effects of the coronavirus epidemic.

The high price and competitive pressure exerted by low-cost carriers is a major challenge for the traditional network carriers in particular. For airports, this development means that the pressure from network carriers on their respective hub airports to keep rates and input costs as low as possible will remain high. Both aspects are likely to negatively impact the income that airports can achieve per passenger, and will also demand intensive efforts to increase cost efficiency and productivity.

Austrian Airlines is FWAG's biggest customer and accounts for 43.2% in 2019 (2018: 47.5%) of total passenger traffic at the Vienna site. Austrian Airlines' strategic focus and its long-term development as a strong network carrier have a significant influence on the commercial success of FWAG, and are therefore under constant observation and analysis by the business areas responsible. In the past year, Austrian Airlines increased the number of passengers transported by 5.1% (or 6.4% in Vienna) and expanded its offering (measured as the number of seat kilometres available) by 2.9% (2018: +9.7%).

In November 2019, Austrian Airlines announced an ambitious cost reduction programme named "PE20". In total, savings of around € 90 million are to be made each year, affecting 700-800 jobs. Austrian Airlines intends to stick to its #DriveTo25 strategy programme announced in January 2020. The programme's aims are to regain the ability to invest and to replace the long-haul fleet, which is important for Vienna Airport. However, the parent group has not yet made a decision about the pending modernisation of the long-haul fleet.

Flughafen Wien AG sees adherence to the strategy and the programme to increase efficiency and productivity as essential for the continuation of its growth-oriented network strategy, with a focus on east-west traffic. A change in this would adversely affect the position of Vienna Airport as a major European aviation hub and lead to declines in transfer volumes.

In the immediate catchment area of Vienna Airport, the activities at Bratislava Airport continue to be regarded as particularly relevant and remain under close observation.

Overall, FWAG counteracts market risk with marketing measures and competitive fee and incentive models that apply equally to all airlines. In particular, the company's goal is to share the airlines' market risk and thereby promote strategically important intercontinental routes and traffic to destinations in Central and Eastern Europe.

The airport investments in Malta (fully consolidated) and Košice (recorded at equity) are not only exposed to the above industry risks, but also to additional local challenges and market risks. Overall, the development of traffic volumes at the two airports was highly positive in the past year.

Malta is currently very popular as a holiday destination and is increasingly becoming a year-round tourist destination. Passenger growth in 2019 was 7.4% – a very good result after records were set in 2017 and 2018, when double-digit growth rates were achieved. >

However, the further economic performance of home carrier Air Malta remains uncertain. This airline had a market share of around 28.7% (of total passenger traffic at Malta Airport) in 2019. The loss of the airline would have negative repercussions on passenger traffic and thus the results of Malta Airport in the short term. In the medium and long term, however, it is expected that new airlines or those already represented at the site would increase their capacity and serve the existing demand.

In 2019, passenger volume at Košice Airport increased by around 3% compared to 2018. This growth was achieved even though Czech Airlines (CSA) discontinued its flights to Bratislava in January and Turkish Airlines stopped flying to Istanbul in June. The route to London Southend, which Ryanair had only begun operating in 2019, was also discontinued. Eurowings added a new connection to Düsseldorf.

As airlines are making cost improvements and restructuring plans, there is always a risk that flights to and from regional airports may be cut or reduced. This risk particularly affected Košice in 2019, which also explains the moderate growth in comparison with previous years. However, Ryanair has already announced that it will add a route to London Stansted, which it will fly three times a week from April 2020.

In handling services, Flughafen Wien AG was able to successfully defend its leading market position in ramp, traffic and cargo handling in the reporting year. The foundation for this strong standing in competition with other service providers is formed by specially designed service packages and high quality standards. The risk of losing market share is buffered by the existence of long-term service agreements with the most important key accounts (Austrian Airlines, Eurowings, easyJet and Lufthansa).

After the number of aircraft handling operations performed by the Flughafen Wien AG's ramp handling team had already been increased by 3.6% in the previous year, the momentum was stepped up again with growth of 12% in 2019. The rapidly growing Wizz Air was gained as a new customer in ramp handling and contributed to an increase in Flughafen Wien AG's market share for aircraft handling to more than 87% by the end of 2019.

The high level of competition between the airlines continues to increase the price pressure on upstream service providers and handling services in particular. In light of these challenges, in 2018 a multitude of measures were launched to increase efficiency in workflows along the entire value chain, which were successfully implemented in stages in 2019.

The trend towards using larger aircraft, as seen in recent years, is set to continue. For example, Austrian Airlines has already begun decommissioning its existing fleet of Dash 8-400s by 2021 and replacing them with larger Airbus A320s. Thus, FWAG assumes that growth in aircraft movement will be lower than passenger growth in years to come. This reduces future growth potential for ramp handling. However, the use of larger aircraft will also mean higher average proceeds per aircraft handled, so the reduced momentum in volume growth can be compensated for in part by the prices.

In the cargo business, the dominant market position of a few airlines (e.g. Lufthansa Cargo) and forwarding agents represents a certain risk. FWAG is working to further diversify its portfolio and thereby reduce this risk by continuously monitoring the airlines and acquiring new customers. The cargo business is also highly sensitive to economic fluctuations.

In the Retail & Properties segment, FWAG rents out buildings and space that are used primarily by companies whose business development is dependent on that of air traffic

(retailers, airlines, etc.). Therefore this business is subject not only to the general risks of the real estate market, but also to the risks of changes in passenger volumes and changes in passengers' buying power, such as in connection with the devaluation of the relevant domestic currency against the euro (currency risks). Due to revenue-based contractual components, this is linked to effects on FWAG's revenue situation in the retail and property sectors.

### › Finance and investment risks

The FWAG treasury department is responsible for the efficient management of interest rate and market risks and evaluates the respective risk positions on a regular basis as part of risk controlling. Interest rate risk results in particular from variable interest rates on financial liabilities and assets. The gradual reduction of variable rate financial liabilities has already significantly reduced the potential impact of interest rate changes on FWAG.

The EIB (European Investment Bank) credit agreement in place defines terms for the liability of qualified guarantors. Following the conclusion of a new guarantee agreement, three banks are liable to the EIB as guarantors for the remainder of the loan at this time, currently € 300 million. The interest rate is fixed for the remaining term.

Detailed information on financial risks – including liquidity risk, credit risk, interest rate risk and foreign exchange risk – and the financial instruments used to counter these risks can be found in note (37) to the consolidated financial statements.

The general and specific market risks already referred to above, in addition to country-specific political and regulatory risks in Malta and Slovakia, can adversely affect the medium-term planning of the investments in Malta and Košice airports and lead to impairment on assets, goodwill and the carrying amounts of investments.

FWAG's capex projects are exposed to various risks – including the loss of suppliers, higher construction costs, or changes in planning – that could increase the intended expenditures. Therefore, in the pre-project phase, a full risk assessment is already performed for the relevant capex project. Subsequent risk monitoring is handled by a standardised analytical and evaluation process with project controlling. Any special risks identified by the project managers (e.g. contaminated soil) are incorporated in the respective calculations. The provisions to be complied with regarding project organisation, audits and approvals within the framework of the handling of construction projects are defined by FWAG in a separate construction manual (BHB) as a mandatory corporate instruction (directive).

All capex projects take account of the forecast traffic volume. The increase in passenger numbers projected by experts over the medium and long term forms the basis for the timely and needs-driven provision of new capacity and the calculation of returns on specific projects. This significantly reduces the investment risk of new projects (e.g. due to low utilisation).

The construction of the "Parallel runway 11R/29L" (third runway) is a key project for FWAG's long-term development and growth potential and is continuing as a top priority, given that Vienna Airport will reach its capacity limits in the existing two-runway system after 2025 based on foreseeable passenger development.

After the Austrian Federal Administrative Court approved construction of the third runway subject to additional conditions on 28 March 2018, the Austrian Supreme Admi- >

nistrative Court announced on 18 March 2019 that it had rejected all appeals lodged against this approval and that the environmental impact assessment procedure was thus finally concluded.

All assets were measured based on the assumption that Vienna Airport will maintain its position as an east-west hub.

## › Operating risks

Besides the factors described above, the development of traffic is also significantly influenced by national and external factors such as terrorism, war, or other latent risks (e.g. pandemics, closing of air space due to natural disasters, strikes, etc.). Local damage risks, such as fire, natural disasters, accidents, or terrorism on site, as well as theft of or damage to property, likewise constitute operating risks. Vienna Airport takes key precautions against such events in the form of appropriate safety and fire protection measures, emergency plans and high safety standards. This involves close cooperation with the Austrian Federal Ministry of the Interior and the Federal Police Department in Schwechat as well as specific security measures for customers. These risks are also covered by insurance (aviation liability insurance, terror liability insurance, etc.).

The COVID-19 (coronavirus) disease, which started in China, has been having a negative impact on international aviation since the beginning of 2020. In response, numerous airlines have suspended their flights to Asian and Italian destinations. Similarly, some airlines have heavily reduced or entirely cancelled their flights to Israel, Iran and destinations in the Far East. Our home carrier Austrian Airlines is one of these. All in all, the direct effects on Vienna Airport can be considered significant, particularly because key customers of the Flughafen Wien Group have been affected by drastic cuts in capacity and lost income. The extent of the impact is directly related to the duration of the wave of infections.

As Vienna Airport plays a critical role as a key infrastructure provider and backbone of international integration in the entire Eastern European region, particularly high demands are made of the availability, the reliability, the quality and the data security of the ICT (information and communication technology) systems used. The inclusion of risk management in planning processes allows for the early identification, analysis and assessment of risks in ICT projects and, if required, the implementation of appropriate measures to reduce risk. The major operating risks in the area of information and communications technology include potential failures of central infrastructure facilities and services, the impairment of basic supply, the destruction of central ICT infrastructure and the potential loss of sensitive data.

State-of-the art monitoring systems and emergency procedures have been implemented for all critical ICT systems – such as Vienna Airport’s core system, “mach2”, or the ERP (enterprise resource planning) system SAP – which support the early identification, analysis and handling of problems and ensure a high degree of reliability. Given the business requirements, ICT systems are generally implemented redundantly and, if necessary, with high availability, so that a failure of individual components does not endanger the availability of overall systems. To check and secure the failure concepts, regularly emergency tests are implemented. In addition to measures and controls already implemented, these systems are the focus of continuous development to guarantee compliance with the latest technical and legal requirements.

The basic infrastructure (electricity, heating, refrigeration, water and waste water) is exposed to risks in connection with the availability of central systems. Measures have been and are being continuously developed to achieve the greatest possible reliability (e.g. ring circuits).

In this reporting year, there was a focus on increasing failsafe performance. Measures were implemented, particularly in respect to redundancy concepts of ICT systems which were supported by regular examinations on the basis of failure and switchover tests. Generally, however, despite all the measures taken, there remains a certain residual risk with regard to the availability of the infrastructure due to the possible occurrence of force majeure.

Plans for emergency measures, crisis management and operational continuity management have also been enacted at Malta International Airport. These are regularly reviewed and updated to ensure the possibility of a fast and effective response to operational disruptions.

FWAG is aware of the great importance of motivated and committed employees for the attainment of corporate goals. In order to counteract the loss of know-how through turnover, numerous measures have been implemented to strengthen employee retention. Numerous steps have also been implemented to increase occupational safety and to minimise absences due to illness.

### › **General risk assessment**

A general evaluation of FWAG's risk situation did not identify any risks to the company as a going concern, hence its continued existence is secured going forward. FWAG generates sufficient funds to pursue the airport expansion as planned.

## **Innovation and opportunity management**

FWAG's innovation and opportunity management deals with new, customer-oriented products and services as well as internal processes and potential improvements. This corporate platform coordinates and supports various innovation processes, identifies and evaluates new business areas, and supervises the exploitation of any new potential.

Innovation and opportunity management is based on the open-innovation approach, which means that innovation processes are opened to the outside in a structured manner. In addition to internal corporate channels, promising ideas are identified in the context of bench marking against other companies and airports. In the context of cooperation with start-ups, universities and other partners, new concepts are also developed.

In 2019, a game-changing step was taken via the partnership with the globally renowned innovation platform "Plug and Play". The Silicon Valley company chose Vienna Airport as the location for its "Travel & Hospitality" and "Smart City" programmes and is cooperating with its partners around the world from here. In addition, FWAG is benefiting directly from the cooperation with Plug and Play as a corporate partner, boosting its own potential for innovation.

Numerous other projects were also under way in the reporting year. These included the establishment of a co-working space and innovation/technology centre in the Airport City, the expansion of conference facilities (both part of the Office Park 4 under construction), the development of Smart City management software, the further expansion of photovoltaic systems, the use of various technologies relating to location-based services (such as Bluetooth beacons and geofencing) to enable location-based services and asset tracking, the opening of two new hangars for general aviation, and the expansion of offerings for passengers in the terminal.

## **Report on the key features of the internal control system for accounting processes**

In accordance with section 82 of the Austrian Stock Corporation Act, the Management Board is responsible for the development and implementation of an internal control and risk management system for accounting processes that meets the company's requirements. The following section explains how the Management Board of FWAG satisfies this legal requirement.

For subsidiaries, the respective managers are responsible for developing and implementing an internal control and risk management system for accounting processes that meets the needs of the particular company. These managers also represent the final authority for ensuring compliance with all related Group guidelines and directives.

The structure and design of FWAG's internal control system (ICS) was defined in a policy. The objective of the internal control system is to ensure the reliability of financi-

al reporting and compliance with all applicable laws and regulations. The ICS in a broader sense also comprises safeguarding assets and ensuring of the completeness of activity recording and invoicing.

The description of the major features of these internal controls is based on the structure of the internationally recognised COSO model (Committee of Sponsoring Organizations of the Treadway Commission). Accordingly, the internal control system comprises the following components: control environment, risk assessment, control activities, information and communication and monitoring. The relevant processes involve the identification and assessment of the financial and accounting risks to which the company is exposed as well as the implementation of appropriate controls. The control system is documented in standard software that also allows risks and controls to be depicted in context as part of the process.

### › Control environment

The corporate culture within which management and employees operate has a significant influence on the control environment. FWAG works actively to improve communications and to convey its principal values as a means of anchoring ethics and integrity in the company and in interaction with other parties. An important contribution in this area is the voluntary code of conduct implemented by FWAG, which defines the rules for giving and accepting gifts and invitations.

The implementation of the internal control system for accounting processes is regulated by internal guidelines and directives. The related responsibilities were adjusted to meet the needs of the company and thereby create a satisfactory control environment.

### › Risk assessment

Attention is focused on risks that are considered to be material. Materiality is based on a combination of probability of occurrence and potential effects (amount of damage). For the latter, the consolidated and annual financial statements are the key criteria. To determine probability of occurrence, an expanded evaluation model with a number of qualitative aspects has been used on the basis of a weighted scoring model since 2019. Account is taken of such factors as complexity and degree of automation of processes or the presence of specific organisational backup measures. The results of this expanded risk assessment are used as a basis for planning the effectiveness test by Internal Audit.

Selectively, estimates must be made on future developments when preparing the consolidated and annual financial statements. This poses an imminent risk that the future business development may deviate from these planning assumptions. In particular, the following circumstances or positions in the consolidated financial statements are involved: employee-related provisions, the results of legal disputes, the collectability of receivables, impending losses from pending business and the valuation of investments in other companies and property, plant and equipment (see also section IV. "Judgements and estimate uncertainty" in the notes to the consolidated financial statements). The company draws on external experts or obtains a validation from external sources, peer group comparisons and other suitable instruments in order to minimise the risk of inaccurate estimates.

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### › Control activities

Control activities are carried out by management and assigned persons promptly and in support of the accounting processes. Potential errors or variances in financial reporting are prevented, discovered and corrected. These controls range from the variance-based analysis of results by management and the controlling department to the specific reconciliation of accounts and the analysis of routine accounting processes.

Control activities to guarantee IT security represent an integral part of the internal control system. Access to sensitive functions and data is restricted. SAP (incl. SAP-BPC) enterprise reporting software and PC Konsol are used for accounting and financial reporting purposes. The functionality of the accounting system is among others guaranteed by automated IT controls.

### › Information and communication

The guidelines and directives for financial reporting are updated regularly by management, and communicated to all involved employees via the intranet or internal announcements. Activities at management level are intended to ensure compliance with all accounting guidelines and directives, and to identify and communicate weaknesses and opportunities for the improvement of accounting processes. The accounting staff also attend regular training courses that cover changes in international accounting policies and practices, in order to minimise the risk of errors.

### › Monitoring

Management, the controlling department, the audit department and the Supervisory Board are responsible for continuous monitoring of the internal control systems in FWAG. In addition, the individual department heads and senior managers are responsible for monitoring activities in their respective areas. Specific persons have been designated as the responsible control authorities.

The checks are reviewed for their effectiveness each year by Internal Audit. The operational effectiveness (performance of checks as defined) and the design effectiveness (are the checks accurate or suitable, particularly in respect of the risk) is reviewed and evaluated. During the annual ICS review with the organisational units and subsidiaries of the Flughafen Wien Group, the results of this effectiveness review are the basis for ongoing system improvements with a view to a continuous improvement process. The results of monitoring activities and the developments of the ICS are reported to the Audit Committee and the Supervisory Board.



# Research and Development

The Information Systems service unit is the central, internal service provider for information and communication technology (ICT). It operates all ICT systems deployed in the various corporate units. The ICT systems and processes are optimised on an ongoing basis.

Key topics implemented in 2019 were the following:

› **Loading process planning technology upgrade**

The system used for planning the aircraft loading process is a proprietary system and is to be upgraded in order to provide users with new functions and a state-of-the-art user interface. In 2019, the load sheeting agent module was modernised.

› **CDM (Collaborative Decision Making)**

In cooperation with Austro Control, ongoing work is taking place to improve the CDM process. Work is being done to achieve “fully implemented” status.

› **Zone-based employee deployment**

An innovative handling concept has been developed as part of the restructuring of handling at Vienna Airport. In this context, a customised solution was swiftly developed and put into 24/7 operation.

For the development and introduction of new systems, € 1.7 million was recognised in the Information Systems business unit in the 2019 financial year (2018: € 1.4 million).

A key research project in cooperation with TU Vienna has been designed to improve passenger quality, increase capacity and optimise personnel deployment.

In addition, traffic on the departures ramp was optimised and entry and exit from the terminals was accelerated with a solution for automated exit clearance using optical licence plate recognition. As there is no more stopping at the barriers, total throughput was significantly increased.

# Non-financial declaration required by section 267a of the Austrian Commercial Code

Sustainability is of tremendous importance to the management and employees of Flughafen Wien AG. The careful use of resources, responsibility for the surrounding area and its citizens and for stakeholders, such as passengers, employees, partners and customers, is deeply rooted in the corporate culture of Flughafen Wien AG.

The Flughafen Wien Group is unconditionally committed to its ecological, social and economic responsibility. In doing so, it is important to pursue the various goals in a balanced way and to play an active part in the sustainable development of both the company and the region.

Further information on the business model of the Flughafen Wien Group can be found at the beginning of the management report in the "Flughafen Wien Group" chapter.

Every third year, Vienna Airport publishes a sustainability report that provides comprehensive information to stakeholders such as employees, owners, customers, business partners, local residents and non-governmental organisations about activities, developments and key performance indicators in the areas of business, social matters and the environment.

The key indicators and data shown in the sustainability report are updated once a year at [www.viennaairport.com/sustainability\\_report](http://www.viennaairport.com/sustainability_report). The current 2017 Sustainability Report reports on the years 2015 to 2017 and the future sustainability goals. It corresponds to the standards of the Global Reporting Initiative (GRI standards) and reached the application level "In Accordance Core" and also includes the industry-specific, additional indicators for airport operators. The report was audited externally by TÜV Süd. The next comprehensive sustainability report will be drawn up in 2021 and report on the years 2018 to 2020.

For the reports on sustainability concepts of the international investments in Malta Airport and Košice Airport, please refer to their relevant reports. The sustainability report of Malta Airport is published on the website of the airport at ([www.maltairport.com](http://www.maltairport.com)).

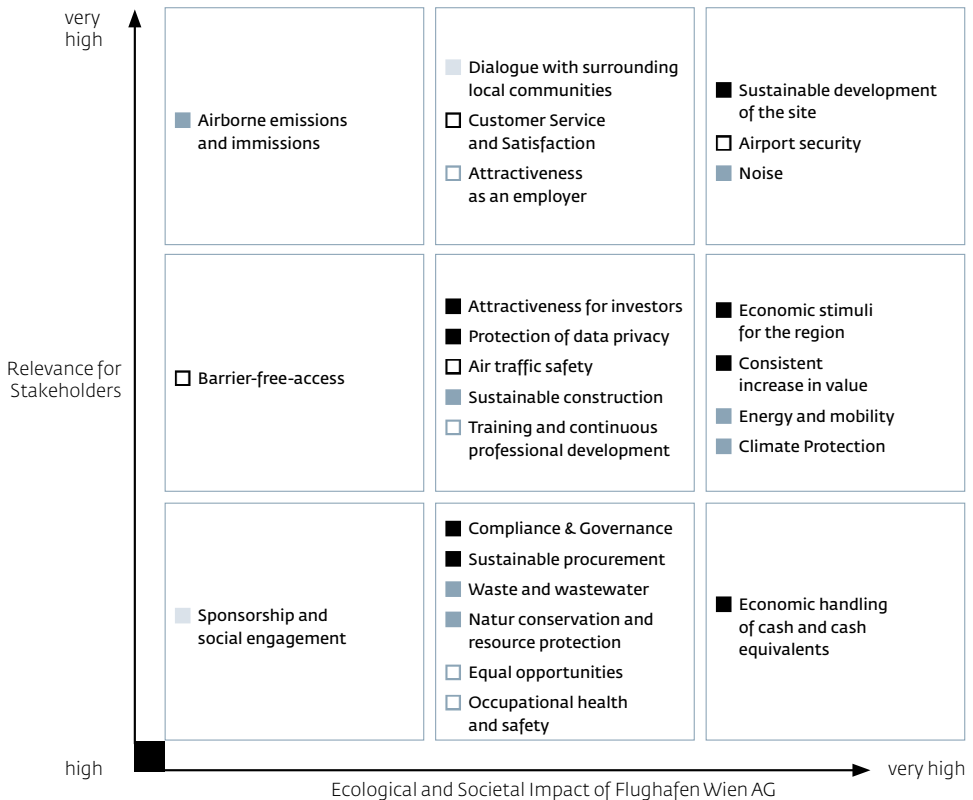
## › Key non-financial performance indicators

In order to define material sustainability aspects of the company, a process was initiated which integrates not only employees but also relevant external stakeholders. This took place in the context of regular stakeholder communication, e.g. the Dialogue Forum established for this purpose or in regular customer surveys. In addition, a survey was implemented including the relevant stakeholders. This resulted in a Materiality Matrix that forms the foundation for non-financial performance indicators of Flughafen Wien AG. This Materiality Matrix is the basis for the sustainability report of Vienna Airport.

The Materiality Matrix covers 24 topics, which can be grouped into the following categories:

- 1) Environmental issues
- 2) Social issues and employee matters
- 3) Respect for human rights
- 4) Combating corruption and bribery

### › Flughafen Wien Group's Materiality Matrix



- Company & management
- Customers (passengers & airlines)
- Environment, energy and climate protection
- Employees
- Dialogue and corporate responsibility

## › Sustainability management

In order to track the "sustainability" target on an ongoing basis and as an important element of corporate activity, Vienna Airport has defined a sustainability programme from which the targets and measures are derived. These are then examined and further developed on an ongoing basis. The team responsible coordinates and implements the sustainability agendas. The sustainability strategy finds expression in the four corporate values:

› **Customer orientation:** "Our top priority is to meet the needs of our customers. We see ourselves as service providers. We treat our customers in a friendly and respectful manner, taking account of their individual wishes. Fair dealing and honest communication with our customers and business partners is important for us. Here we leave nothing to chance and set high standards with our compliance system."

› **Professionalism:** "Our work is characterised by the highest levels of professionalism and commitment. We are proud that we perform our tasks carefully, reliably and safely, and we integrate new technologies and procedures into our processes to make further improvements. As professionals, we manage the various aspects of sustainability and deal with current challenges in a professional manner. We set sustainability targets and report regularly on our progress. Such as with climate protection where we are treading new paths with Airport Carbon Accreditation, or in the matter of security, where our security concept ensures airport operations without danger."

› **Efficiency:** "We use our economic and natural resources and energy sparingly, efficiently and responsibly. We consider ourselves to be an economic engine in the region and with a well thought out site development set challenging accents for the "Airport City". In doing so, intensive dialogue with our stake-holders is a key focus. After all, we want to design a sustainable (regional) development together."

› **Respect:** "We treat each other with trust and honesty, seeing errors as an incentive to improve. We respect the views and achievements of others, and we give each other mutual support. In their diversity, the employees of Flughafen Wien AG are a factor driving the success of our company, a factor we want to nurture and extend. For this reason, we want to make even more efforts for an attractive working environment, equality of opportunity and providing interesting career options."

# 1) Environmental issues

FWAG is committed to protective and conscientious interaction with the environment and pledges to comply with all environmental laws, regulations, binding agreements and official requirements and to continuously minimise its negative ecological impact. First and foremost, the Flughafen Wien Group has set the goal of further reducing its energy consumption, reducing the effects of noise emissions while further reducing Vienna Airport's CO<sub>2</sub> emissions, so that it will become CO<sub>2</sub>-neutral over the medium term. The Flughafen Wien Group is committed to ongoing dialogue with the stakeholders in this regard, as in many instances the airport's activities have a positive impact on customers and passengers, such as in the areas of energy conservation, facility management, and waste disposal.

Vienna Airport has established a comprehensive and systematic energy and environmental management system (EMS) and subjects itself to an environmental audit in line with the Eco-Management and Audit Scheme (EMAS) with which the European Union places the highest requirements in the world on environmental management systems, and in accordance with the ISO 14001 standard. Initial entry in the EMAS register took place in December 2015, with monitoring audits being conducted in the following two years. The company was re-certified in 2018. Another external monitoring audit was conducted in October 2019. The improvements suggested in these audits are now being successively implemented. EMAS thus provides important guidelines for organising environmental protection in a successful fashion, preserving resources, recognising environmental risks at an early stage, and continuously encouraging the company to improve. In addition, with EMAS the airport meets the requirements of the Austrian Energy Efficiency Act.

Within the scope of EMS, environmental aspects and their impact are recorded, relevant topics identified and assessed on the basis of cost-benefit analyses. Subsequently environmental policy, objectives and measures are determined and their progress and the performance of the overall system regularly examined on the basis of specified key performance indicators, annual management reviews and in the context of internal and external audits.

EMS also secures legal compliance of the operation in respect to environmental law. To do this all regulations relating to the environment (laws, directives, notifications) are identified, recorded in an environmental database with the resulting obligations being implemented and monitored. Responsibility for the successful implementation of the EMS is with the Management Board and the executives according to the Flughafen Wien Group line organisation. The environmental manager in the Environment and Sustainability Management department of the Operations area coordinates and manages all internal and external activities relating to environmental protection. Here he is supported by an environmental team constituted from those responsible for specific topics in the various corporate divisions.

Vienna Airport has recently improved markedly in all material environmental aspects. This is underscored by the continuous improvement in financial results at the same time as the 36.3% increase in energy efficiency between 2012 and 2019. In addition, another € 0.9 million (2018: € 0.9 million) was invested at Flughafen Wien AG in environmental protection in 2019 (not including the noise protection programme). Projects were focused on the reduction of pollutant and noise emissions in order to >

minimise the effects of flight operations on the environment – and above all on neighbouring residents.

### › Risks

To minimise the risk on the environment resulting from air traffic and airport operations, the Flughafen Wien Group is committed to responsible and conservative use of available resources. Alongside the focus on measures and projects in its own airport operations, the Flughafen Wien Group also participates in international initiatives and programs of the aviation industry. The measures implemented in the framework of the integrated environmental management aim not only to minimise the general environmental risks, but also to reduce the consumption of resources, pollutant and noise emissions.

### › Energy efficiency programme

The Flughafen Wien Group has implemented an energy efficiency programme and has already realised numerous projects. The four photovoltaic systems at the Vienna Airport site have an output of some 2,700 kWp, which generates annual output of about 1.5 million kWh. In addition, another 2,500 solar modules will be installed on the roofs of car parks 3 and 8 in 2020, increasing the area of the solar panels at Vienna Airport by around one half to approximately 16,000 m<sup>2</sup>. This is roughly the size of three football pitches.

The conversion of conventional lighting to more energy-efficient LED technology continues. Malta Airport also uses photovoltaic systems for energy production and has switched to LED lighting.

The expansion of the photovoltaic systems is just one of many measures in the energy-efficient environmental management at Vienna Airport. For example, the electric fleet, currently with more than 380 electric vehicles, is being constantly expanded. Another focus is the sustainable construction of future buildings such as Office Park 4 and the energy optimisation of existing buildings using the specially developed Smart City management software. Last but not least, business flights by FWAG employees are offset by the purchase of CO<sub>2</sub> certificates.

Photovoltaic systems have also been expanded at Malta Airport, which has more than tripled the generation of renewable energy. The conversion of conventional lighting to more energy-efficient LED technology continued in the 2019 financial year.

### › Smart Airport City

To optimise the consumption of power, cooling and heating, Flughafen Wien AG and TU Wien (Vienna University of Technology) launched a development project in 2017 to create a prototype for a computer-assisted "virtual city," which can simulate and subsequently improve the consumption of electricity, cooling or heating. On this basis, scenarios for maintenance, improvement and expansion to the Smart Airport City are designed in order to optimise capacity and manage consumption as well as possible.

### › Aircraft noise management

Throughout Europe, road and rail traffic are the main causes of noise pollution, followed by air traffic. Take-offs and landings and ground noise such as taxiing movements and engine run-ups are the main sources of noise at airports. The Federal Environmental Noise Protection Regulations regulate the threshold values connected to flight noise that, to protect the local population, must not be exceeded – namely a day-evening-night noise index of 65 dB. However, Vienna Airport's commitment goes significantly beyond these statutory requirements: The airport's noise control programme, for example, includes the daytime protection zone with an equivalent continuous sound level of over 54 dB. The night-time protection zone starts at a continuous sound level as low as over 45 dB.

### › Noise protection

The Vienna Airport noise protection programme that was started in 2005 as part of the mediation contract aims to protect the health and improve the quality of life of people who live close to the airport.

Where the continuous sound level exceeds 54 dB during the day and 45 dB during the night, the airport assumes between 50% and 100% of the costs for noise protection measures, for example, the installation of soundproof windows and doors. Until the end of 2019, building expert opinions were prepared for 6,297 properties, and optimal noise protection was installed in 2,971 of these properties. One positive side effect of this is that the improved building insulation and lower heating costs have reduced CO<sub>2</sub> emissions in the affected areas by around 1,300 tonnes per year.

Flughafen Wien AG has also agreed to purchase, at fair value, the properties located in a noise zone where the continuous sound level exceeds 65 dB(A) during the day and 57 dB(A) at night. So far, this option has been taken up by two of the approximately 60 property owners who were offered it.

### › Night flights

In accordance with an agreement reached during the mediation process, the number of aircraft movements at Vienna Airport between 11:30 p.m. and 5:30 a.m. should remain constant at the 2009 level, a target that was not met in the reporting year due to excessive delays from bad weather and bottlenecks in European air space. The actual number of aircraft movements in 2019 was 207 more than the level of 4,700 defined in the mediation contract. In the relevant assessment period of 2015 to 2019 (five years), the number of aircraft movements was 0.6% below the target figure, so the requirements of the mediation contract were met. Plans call for a further step-by-step reduction in the number of aircraft movements to 3,000 per year, starting three years before the third runway comes into service. Details of night flights at Vienna Airport can be found in the evaluation report that will be released by the Dialogue Forum around the middle of the year at [www.dialogforum.at](http://www.dialogforum.at).

### › Emissions and climate protection

The operation of an airport, especially aircraft handling operations and land-side traffic, contributes, albeit to a lesser degree, to general airborne emissions. All emissions >

are recorded without gaps in the area around the airport as part of air quality monitoring and through the production of an annual carbon footprint. Measures and programmes are developed on an ongoing basis with airlines to systematically minimise emissions. With the help of a carbon footprint, FWAG also takes part in the Airport Carbon Accreditation System (ACAS, [www.airportcarbonaccreditation.org](http://www.airportcarbonaccreditation.org)) programme managed by the Airports Council International Europe (ACI Europe). Vienna Airport was given Level 1 certification back in 2013, in 2015 there was a move up to Level 2, and in October 2016 Level 3 certification was achieved for the first time.

For the fourth time in the reporting year, Flughafen Wien AG filed for Level 3 certification, which involved a further reduction of CO<sub>2</sub> emissions on site with greater involvement of all companies operating at the airport. To reach this Level 3 all companies located at the site had to be integrated in measures to reduce CO<sub>2</sub>.

Despite further growth, Vienna Airport wants to achieve CO<sub>2</sub> neutrality by 2030. In order to attain this target, it is working rigorously on its environment programme.

To achieve improved identification of its CO<sub>2</sub> emissions, Malta Airport joined the ACI Airport Carbon Accreditation Programme in 2016 and has already begun preparing for Level 2 certification in 2020. To this end, a detailed plan of targets and measures is being compiled to further reduce CO<sub>2</sub> emissions. Malta Airport aims to achieve CO<sub>2</sub> neutrality by 2050.

## › Waste

Unavoidable waste is appropriately sorted and, depending on the options available, assigned for reuse or recycling. The total volume of waste at Vienna Airport in 2019 amounted to 4,299 tonnes (2018: 4,326 tonnes).

In 2016, at Malta Airport monitoring and reporting on waste management was improved with a new contractor. The total volume of waste in 2019 amounted to 1,276 tonnes (2018: approx. 1,068 tonnes).

## › Water consumption

Vienna Airport's water supply is provided by four wells owned by the airport. Not including customers, the Flughafen Wien Group's water consumption in 2019 fell by approximately 65,000 m<sup>3</sup> compared with 2018 to 446,123 m<sup>3</sup>. Adding consumption by customers, consumption increased by 15% as a result of passenger growth.

As a result of its location, Malta Airport has low levels of precipitation, so that conscious handling of water is essential. In addition to collecting rain water and groundwater, the shortfall is purchased. As part of the current energy efficiency programme, further water consumption savings of 12.4% per traffic unit were achieved in 2019.

## › Sustainable procurement

Sustainable, environmentally friendly procurement, meaning the purchase of "green" products and services that are also manufactured and performed in accordance with social standards is a key company target. Regional providers are also taken into account.

In Austria, the "National action plan for sustainable procurement" was launched under the guidance of the Ministry of the Environment. In this way, sustainable criteria



are taken into consideration in the procurement process and the action plan is implemented jointly. The action plan has been in effect since autumn 2010 with the Federal Procurement Agency (BBG). Some procurement by the Flughafen Wien Group has also been handled via the BBG. Vienna Airport is also subject to some requirements under the Bundesvergabegesetz (Austrian Federal Public Procurement Act).

The largest suppliers in terms of order value belong to the sectors of construction, petroleum processing, metal working, special vehicles, technology and various services such as IT and airport handling. Measured in terms of order value, most of the contractors are regional to the airport: 80% of the 35 largest suppliers are from Vienna and lower Austria, 2% from other Austrian states and 18% from Europe.

### › Selected indicators

Vienna Airport site		2019	Change	2018
Traffic units	TU	33,716,888	15.3%	29,238,913
Passengers	PAX	31,662,189	17.1%	27,037,292
Consumption of electrical energy per traffic unit	kWh/TU	2.72	-15.9%	3.24
Consumption of electrical energy	MWh	91,855	-3.0%	94,739
Heat consumption per traffic unit	kWh/TU	1.46	-12.0%	1.66
Heat consumption	MWh	49,329	1.5%	48,591
Cooling consumption per traffic unit	kWh/TU	0.92	-16.5%	1.10
Cooling consumption	MWh	30,967	-3.7%	32,146
Fuel consumption per traffic unit	kWh/TU	1.07	-6.8%	1.15
Fuel consumption	MWh	36,093	7.5%	33,587
Total energy requirements per traffic unit	kWh/TU	5.26	-13.1%	6.05
Total energy requirements	MWh	177,277	0.2%	176,918
Total energy requirements from renewable sources per traffic unit	kWh/TU	2.72	-15.9%	3.24
Total energy requirements from renewable sources	MWh	91,855	-3.0%	94,739
Share of renewable energy in total energy requirements	%	51.8	n.a.	53.5
Water consumption <sup>1</sup>	Litre/TU	13.2	-24.3%	17.5
Waste water <sup>1</sup>	Litre/TU	10.4	33.4%	15.6
Total waste	Kg/TU	0.13	-13.8%	0.15

1) Preliminary figures

<b>Malta Airport site</b>		<b>2019<sup>1</sup></b>	<b>Change</b>	<b>2018</b>
Traffic units	TU	7,495,269	7.3%	6,985,017
Passengers	PAX	7,310,289	7.4%	6,808,177
Consumption of electrical energy per traffic unit	kWh/TU	1.82	-7.7%	1.97
Consumption of electrical energy	MWh	13,638	-1.0%	13,757
Fuel consumption per traffic unit	kWh/TU	0.12	18.3%	0.10
Fuel consumption	MWh	883	26.9%	696
Total energy requirements per traffic unit	kWh/TU	1.94	-6.5%	2.07
Total energy requirements	MWh	14,521	0.3%	14,452
Total energy requirements from renewable sources per traffic unit	kWh/TU	0.13	44.4%	0.09
Total energy requirements from renewable sources	MWh	972	61.3%	603
Share of renewable energy in total energy requirements	%	6.7	n.a.	4.4
Water consumption	Litre/TU	22.2	2.3%	21.7
Total waste	Kg/TU	0.17	11.3%	0.15

1) Preliminary figures

## 2) Social issues and employee matters

In 2019, full-time equivalents (FTE) of the Flughafen Wien Group (fully consolidated companies) rose from 4,830 to 5,385 (plus 11.5%). The increase resulted primarily from the full consolidation of GET2 – Flughafen Sicherheits- und Servicedienst GmbH in the 2019 financial year.

The number of employees (headcount) was 7,231, a year-on-year increase of 14.2%.

As at 31 December 2019, there were 5,767 employees in the Flughafen Wien Group, 840 more than 31 December 2018 (4,927 employees).

### › Average number of employees by segment (FTEs)

	2019	Change	2018 <sup>1</sup>
Airport	449	4.7%	428
Handling & Security Services	3,246	6.2%	3,056
Retail & Properties	101	11.8%	90
Malta	379	11.4%	340
Other Segments	996	40.7%	708
Administration	214	3.6%	206
<b>Total</b>	<b>5,385</b>	<b>11.5%</b>	<b>4,830</b>

1) Adjusted

### › Strategy and management

The Flughafen Wien Group regards its employees as its central resource, as its performance as a service company depends decisively on the specialist competence, performance, experience and well as the motivation and commitment of each and every individual employee.

The Group-wide core tasks of the Human Resources (HR) department are recruitment, training and continuing professional development, strategic staff development and payroll policy. A major challenge for the HR department lies in overseeing the continuous change process in the company. The issue of corporate culture is also driven extensively by the employee surveys implemented over the last few years. In the context of an anonymous employee survey, implemented by an external market research institute, Vienna Airport obtained information on the status quo again in 2018 in relation to employee satisfaction and motivation. In 2019, activity centred on the implementation of company-wide measures derived from the employee survey. To improve the overall company perspective and cross-departmental cooperation, Group-wide cooperation meetings between departments and units were introduced at management level. In addition, several network groups were established within the company. Network groups are important tools for shaping the corporate culture. They promote and strengthen cross-departmental cooperation and bring common interests to the fore. In addition to the existing groups such as vision ambassadors and internal moderators, network groups for young professionals and assistants were launched in 2019. The successfully implemented management development was also rolled out for the operating management level in 2019. At the end of the year, the first foundations were laid >

for a broad-based programme on the topics of error culture and conflict resolution for 2020.

### › Risks

In the Flughafen Wien Group, motivated, committed and highly qualified employees are essential for the success of the company. In order to counteract the loss of know-how through turnover, numerous measures have been implemented to strengthen employee loyalty, and various initiatives to increase job security and minimise sick leave have been promoted. Flexible working time models and the central integration of Human Resources development measures to reduce risk (including education and training) support risk reduction.

### › Recruiting, education and further training

FWAG received the accolade “Best Airport Staff Europe” from the aviation rating agency Skytrax in 2016 and 2017, and ranked second in 2018 as evidence that its programmes work. In 2019, FWAG’s employees were once again recognised as the “Best Airport Staff Europe”. Its popularity as an employer is steadily increasing. According to a 2019 survey by Randstad, Vienna Airport ranked among the top 10 most attractive employers in Austria. A study by IFES even puts the company in first place as the most attractive employer in Austria. The Kurier daily newspaper also granted FWAG its “popular employer 2019” seal of approval.

The basis for success in Human Resources development is filling open positions with the candidates who best meet the requirements of the position. The open positions are advertised both on the internal and external job market.

To further promote human resources work in the company, the Career and Development Center was initiated in 2017. It aims to support the professional development of employees and accompany managers in this task. In 2019, a total of 38 employees were newly nominated to the Center and 16 found a new role thanks to the Center. Currently, 52 people are registered with the Center. In addition, the Center coordinated the internal transfer of 29 older employees from the apron, which entails hard physical labour, to a new role in the terminal, which will be more beneficial to their health.

Employees’ training needs are discussed and noted at the mandatory annual performance appraisal. It is not just technical training that is of great importance here. The key focus is also on personal development measures. Employees are offered numerous seminars and workshops on topics such as leadership, languages, IT, and health and safety, which are summarised in the annual training catalogue. At Vienna Airport a broad-based manager development programme was launched back in 2015. In 2018, management development was identified in 17 evaluation workshops (for 140 managers). In 2019, the management development programme was rolled out to the next level of key workers. In the operating departments, these are the managers who work directly with the operating employees. Around 100 key workers are currently receiving training.

To retain and even extend the high level of knowledge and skills is a key area for the next three years. In all, in 2019 Flughafen Wien AG spent € 1.4 million for further training measures. This is some € 450 per employee (based on an annual average of 3,172 employees at Flughafen Wien AG).

Training apprentices and trainees is very important at Flughafen Wien AG. On the basis of theoretical training in the vocational school and practical deployment in the company, apprentices and trainees receive additional assistance on the basis of numerous seminars. Alongside English classes and IT training, Flughafen Wien AG places great emphasis on the development and progression of social skills. The international scope of training at the airport is also evident in the exchange programmes. During internships in foreign countries, apprentices get the opportunity to learn about other companies and take part in international exchange programmes, which take them to Portsmouth or Belfast, for example. Malta will be added as another destination in 2020.

Malta Airport is also pursuing an extensive training programme. Alongside ongoing refresher courses, there are also technical courses and certification exams. In 2019, around 11,900 training hours were held, for an average of about 31 hours per employee. Training was performed primarily in the area of safety and vocational and personal further education, customer service, crisis management, fire protection, first aid and awareness raising. In addition, 58 new employees completed training on the job.

Moreover, in regular performance assessments, mutual feedback and individual development is the key focus to achieve ongoing performance improvement. The "Performance Management System" introduced in 2018 was continued in 2019 and is already providing positive results in all business areas.

### › Performance-related remuneration for management

The salary of the members of the Management Board and members of the first and second management levels have a performance-related component. The level of this variable remuneration is determined on the basis of qualitative and quantitative targets.

### › Employee foundation

More than 15 years ago, Flughafen Wien AG founded an independent employee foundation. It ensures that all employees have a direct stake in the success of Flughafen Wien AG. This foundation holds 10% of the shares in Flughafen Wien AG, distributing the dividends received by them to company employees. The executive bodies of the foundation are defined in the articles of association and operate entirely independently of Flughafen Wien AG. Dividend income of € 7.5 million was paid out in 2019 for the 2018 financial year. On average, this corresponds to around 82% of a monthly 2018 basic salary or basic wage per employee.

### › Labour trust

The Steyr labour trust provides goal-oriented support for the professional reintegration of employees who lose their jobs in economically difficult times or for health reasons. Flughafen Wien AG has been a member of this trust for many years, in keeping with its responsibility to former employees. In 2019, ten employees joined the foundation. This raises the total number of employees who have undergone training with this initiative to 111 as of 2019.

### › Pension provisions – company pension fund and benefit fund

For all employees of Flughafen Wien AG who joined before 1 November 2014 in addition to the statutory pension insurance and any private pension provision, the company transfers 2.5% of the monthly salary per employee to a company pension fund. Furthermore, each employee is given the option of making additional provision by transferring the same amount. If employees conclude additional accident or health insurance policies or make other pension provisions, they also receive an allowance. After a thorough evaluation, management and employee representatives decided to change company pension funds. Since 1 January 2018, it has been managed by Niederösterreichische Vorsorgekasse (NÖVK).

Employees of Malta Airport are granted defined benefit pension subsidies based on collective agreements.

### › Voluntary benefits

Flughafen Wien AG offers a variety of voluntary benefits to increase the motivation and strengthen employees' sense of identification with the company. Examples include free transport to work with the City Airport Train (CAT) and bus connections to Vienna and the neighbouring communities.

In addition, on the basis of the findings of the company-wide employee survey at the end of 2015 the provision of meals for employees was reorganised and financial support provided; other changes were made in 2018.

In the Health Center Vienna Airport opened in the 2018 financial year, Flughafen Wien AG provides comprehensive specialist care with appointments on short notice for employees.

### › Work and family

Family-friendly policies of the company are of crucial importance for an appropriate work-life balance. Day care facilities are available for the children of the employees of all companies at the Vienna site. The extended, flexible opening hours provide employees even in shift jobs with reliable supervision for their children once they start crawling. The airport day care centre has received numerous awards for its excellent services and high pedagogical standards.

Since 2012, Flughafen Wien AG has granted a so-called "Daddy's month" for employees. Within the first three months after the birth of his child, the employee has the right to take leave for up to 28 consecutive calendar days while still receiving 50% of their monthly pay. 66 fathers took advantage of this opportunity in 2019.

In 2018, Flughafen Wien AG was again awarded the federal "career and family" quality seal. The seal is given to companies with particularly family-friendly policies.

Many important measures from the audit were enhanced and continued in 2019.

### › Workplace health and safety – Preventive Services

The past year was characterised by complex challenges, the effects of which also influenced the number of reportable accidents.

This development was recognised in due time, and countermeasures were taken. Un-

fortunately, the impact of these countermeasures is held up by above-average and unexpectedly high growth in traffic and passenger numbers and the associated circumstances. In particular, the increased personnel requirements to be covered at short notice mean particular challenges for employee protection in terms of education and training for new employees.

The certified occupational health management programme, "GEMEINSAM GESUND", prioritised ergonomically designed working environments, with a focus on luggage manipulation and computer workstations.

Prevention work is a high priority. The training of new employees was enhanced and induction processes revised.

In 2019, projects were completed on topics such as safety shoes, sun protection and hand disinfection. Free vaccinations against influenza, tick-borne encephalitis and measles were offered throughout the Group.

Vienna site	2019	Change	2018	2017
Reportable accidents	164	25.2%	131	110
Per 1,000 employees	29.9	2.1%	29.3	25.2

Malta Airport supports health-promotion measures and, for example, offers employees free participation in gymnastics courses and mental health counselling. In addition, all employees are offered a grant of € 300 a year for various activities to promote their health, which 89% of employees have taken up.

## › Diversity

For a company providing services, diversity is a central issue. The importance of diversity at Vienna Airport can be seen by the fact that over 65 nationalities, belonging to 13 different religious faiths, are currently represented among the employees of Flughafen Wien AG and its subsidiaries. All service processes run smoothly in spite of this great cultural diversity thanks primarily to the comprehensive training measures that make it easier for employees to integrate and understand their duties.

## › Promotion of women

The proportion of women within the Flughafen Wien Group was approximately 27% in 2019. This low rate can be attributed to the proportion of specialist activities at Vienna Airport – two thirds of employees working at the airport perform heavy manual labour. In order to make Vienna Airport more attractive as an employer to women as well, specific measures have been implemented to support work-life balance and suitable career opportunities have been created.

It is a clear goal of the company to increase the share of women – especially in management positions. The share of women at Flughafen Wien AG is currently 12.6% across all four management levels. Equal opportunities and equal treatment at the workplace are a fundamental requirement in the Flughafen Wien Group. 30% of the shareholder representatives on the Supervisory Board of Flughafen Wien AG are female.

### › Flexible working time models

Flexible and individualised working time models meet the needs of employees to the best possible extent. Flexitime schemes are found, above all, in the company's commercial functions. Furthermore, the option was created for all employees to consume pay components (e.g. service bonuses) as time off. Part-time training, training leave models, sabbaticals and remote working are also offered.

### › Older employees

The raising of the effective retirement age requires employees to stay with the company for longer. In turn, this requires the implementation of extensive preparatory and organisational measures in advance, as many of our employees are constantly exposed to high stress. Appropriate programmes and accompanying measures, the facilitation of mobility within the company and the preferred offer of suitable jobs to this group of employees are being handled by the Career and Development Center. For example, the Center coordinated the internal transfer of 29 older employees from the apron, which entails hard physical labour, to a new role in the terminal, which will be more beneficial to their health.

### › People with special needs

Vienna Airport works intensively with nine charities, associations and institutions to continuously improve accessibility. Individual measures with regard to the focus areas of facilities, signage, lifts, stairs, parking and toilets were jointly decided upon, most of which have also already been implemented. The whole process is overseen by working groups with representatives from charity organisations.



## › Selected indicators

Employees at the Vienna site	2019	Change	2018
Number of employees (average, FTE)	4,983	11.3%	4,476
Thereof wage-earning employees	3,397	12.9%	3,010
Thereof salaried employees	1,586	8.2%	1,466
Number of employees (31 December, FTE)	5,341	17.3%	4,555
Thereof wage-earning employees	3,638	20.2%	3,025
Thereof salaried employees	1,703	11.3%	1,530
Number of employees (headcount)	6,805	14.2%	5,958
Apprentices (average)	52	8.3%	48
Average age in years	39.4	-0.5%	39.6
Length of service in years	8.5	-9.0%	9.3
Share of women in %	27	15.7%	23.3
Training expenses in T€	1,422	-19.9%	1,775.5
Reportable accidents	164	25.2%	131

Employees at the Malta site	2019	Change	2018
Number of employees (average)	379	11.4%	340
Number of employees (31 December)	386	8.1%	357
Average age in years <sup>1</sup>	39	0.1%	39
Length of service in years <sup>1</sup>	10.3	0.4%	10
Share of women in % <sup>1</sup>	35.5	n.a.	35.6
Training expenses in T€ <sup>1</sup>	259	47.4%	244
Reportable accidents <sup>1</sup>	10	-9.1%	11

1) Preliminary figures

### 3) Respect of human rights

The company is committed to observing and respecting human rights. Flughafen Wien AG and its affiliates do not have any business sites in countries with a poor understanding of human rights, but operate entirely within the European Union. As a provider of infrastructure and services, Flughafen Wien AG also obtains finished products from its suppliers and has no influence on their supply chain.

Alongside the corporate values, the Code of Conduct contains important principles for the interaction of all employees with internal and external partners. As the trust of customers, shareholders, employees and the public has a material impact on the performance of the Flughafen Wien Group, integrity is a key element within the corporation.

The corporate values of the Flughafen Wien Group are reflected in the daily work. Respect to all employees, customers and business partners requires open and unbiased communication across all levels, which is put into practice at FWAG in many types of events.

### 4) Combating corruption and bribery

The company actively communicates its corporate objectives to all employees by applying clear regulations and regular training. Teaching basic values such as morals, ethics and integrity in the company and treating each other with respect is of the greatest importance here. The relevant guidelines are provided by the Code of Conduct of Flughafen Wien AG. A whistleblower hotline has been available since autumn 2015.

In organisational terms, the Secretary General arranges the necessary support and sees to it that conduct is in compliance with the law. The head of the department is simultaneously the senior Group compliance officer. He also arranges training for the relevant staff and provides information on current new legal requirements, for example, in the area of anti-corruption law in internal workshops.

As a sectoral contracting entity, for its procurement Flughafen Wien AG in subject to some regulations of the Austrian Federal Public Procurement Act. This implements all precautions for avoiding incipient corruption. This is supported by the activities of corporate procurement and corporate controlling combined by the vigorous implementation of the two-person principle.

#### › Issuer compliance

The obligations of EU Market Abuse Regulation and the Stock Exchange Act on which it is based are implemented by Vienna Airport in an internal policy.

To prevent abuse or forwarding of insider information, internal non-disclosure areas have been established. This covers all employees and executive bodies of Flughafen Wien AG working in Austria and abroad, but also third-party service providers, who have potential access to inside information. A variety of organisational measures and control mechanisms have also been implemented to monitor these processes on a re-

gular basis. Thus each employee who works in a compliance-relevant area receives personal training on how to deal with confidential information.

In order to increase awareness for “issuer compliance” in the rest of the company, all employees are informed on this topic in the intranet and in articles of the in-house employee magazine.

Also at Malta Airport the local stock exchange regulations and European directives are implemented and monitored. For this there are internal guidelines which cover not only the legal requirements but also a general code of conduct.

## Disclosures required by section 243a of the Austrian Commercial Code

### › 1. Share capital and shares

The share capital of Flughafen Wien AG is fully paid in and amounts to € 152,670,000. Following the share split on 27 June 2016, it is divided into 84,000,000 bearer shares, which are securitised by a global certificate deposited with Oesterreichische Kontrollbank. All shares carry the same rights and obligations (“one share – one vote”).

Further details on the articles of association and the shares are available on the Flughafen Wien AG website at [www.viennaairport.com](http://www.viennaairport.com).

### › 2. Investments of over 10% in the company

Airports Group Europe S.à. r.l. holds 39.8% of the shares. The city of Vienna and the state of Lower Austria each hold 20.0% and Flughafen Wien Mitarbeiterbeteiligung Privatstiftung (the employee foundation) holds 10.0% of the share capital of Flughafen Wien AG. The company is not aware of any other shareholders with a stake of 10.0% or more in share capital.

### › 3. Syndication agreement

Two shareholders – the state of Lower Austria (via NÖ Landes-Beteiligungsholding GmbH) and the city of Vienna (via Wien Holding GmbH) – hold 40% of the company’s shares in a syndicate. The syndication agreement provides for joint exercise of voting rights in the Annual General Meeting and mutual acquisition rights in the event of paid transfer of syndicated investments to third parties. Any amendments to the syndication agreement, the dissolution of the syndicate and resolutions to admit a new partner to the syndicate require unanimous approval.

### › 4. Shares with special control rights

The company is not aware of any special control rights on the part of shareholders.

### › 5. Control of voting rights for the shares held by the employee foundation

The voting rights for the shares held by the Flughafen Wien employee foundation are exercised by the managing board of this entity. The appointment and dismissal of the foundation's Managing Board requires consent from the Advisory Board of Flughafen Wien Mitarbeiterbeteiligung Privatstiftung. The Advisory Board requires simple majority to do so. The Advisory Board is comprised of five members, with two members each delegated by employees and the employer. These four members unanimously elect a fifth person to serve as the chairman of the Advisory Board.

### › 6. Appointment and dismissal of members of the Management and Supervisory Board

In accordance with the Austrian Corporate Governance Code, the company's articles of association permit the appointment of a person to the Management Board for the last time in the calendar year in which the candidate reaches the age of 65. Election to the Supervisory Board is possible for the last time in the calendar year in which the candidate reaches the age of 70. There are no other provisions governing the appointment or dismissal of members of the Management Board or Supervisory Board or the amendment of the company's articles of association that are not derived directly from Austrian law.

### › 7. Share buyback and authorised capital

The Management Board of Flughafen Wien AG exercised the share buyback authorisation granted by the Annual General Meeting on 3 May 2019 to buy back up to 840,000 bearer shares, equating to up to 1% of the share capital, at a price of € 30.00 to € 38.00 in the period from 4 November 2019 to 30 June 2020, in accordance with section 65(1) no. 8 of the Austrian Stock Corporation Act. In the reporting year, 47,939 shares were acquired for € 1,805,277.50.

### › 8. Change of control

The agreement on the loan from the EIB (European Investment Bank) of € 400.0 million (current balance: € 300.0 million) is subject to a change of control clause. In the event of an actual, impending, or justifiably assumed change of control (in accordance with the following definition), these financial liabilities could be called prematurely and related collateral may be cancelled if there are reasons to assume the change will or could have a negative impact on the future fulfilment of the financial liability and Flughafen Wien AG does not take actions within a certain period of time to provide this contract partner with collateral that is deemed acceptable. A change of control is defined as an event that leads to (i) a direct or indirect reduction in the investment held jointly by the state of Lower Austria and the city of Vienna in Flughafen Wien AG to less than 40% of the total number of voting shares or (ii) a natural person or legal entity that currently does not exercise control over Flughafen Wien AG gains control over Flughafen Wien AG (e. g. either directly or indirectly, through the ownership of shares, economic circumstances or in another manner, and either alone or together with third parties (i) acquires more

than 50% of the voting shares in Flughafen Wien AG or (ii) the right to nominate the majority of members to the decision-making bodies of Flughafen Wien AG or exercises control over these persons.)

› **9. Compensation agreements in the event of a public takeover**

There are no agreements for compensation between the company and the members of its Management Board, Supervisory Board or employees that would take effect if a public takeover bid is made.

## Corporate Governance

In accordance with section 267b of the Austrian Commercial Code, the consolidated corporate governance report for the 2019 financial year is published on the Flughafen Wien AG website at [www.viennaairport.com](http://www.viennaairport.com).

# Supplementary report

## › Traffic in January 2020

Including the investments Malta Airport and Košice Airport, the Flughafen Wien Group experienced significant passenger growth of 14.0% in January 2020.

## › Traffic development at Vienna Airport

The number of passengers handled at Vienna Airport increased by 14.4% in January 2020 to 2,093,673. Vienna Airport reported a 13.3% increase in transfer passengers compared to January 2019 to 426,668 in January 2020. The number of local passengers rose by 14.9% in the same period to 1,663,652. Cargo volume declined slightly, by 4.1% to 20,356 tonnes handled. Aircraft movements were up by 7.4%, the maximum take-off weight increased by 7.3%.

## › Traffic development at Malta Airport and Košice Airport

Passenger volume grew as of January 2020 for Malta Airport by 14.2%. However, passenger volume was down by 13.4% for Košice Airport.

## › Vienna Airport 2020 fees

As at 1 January 2020, the fees at Vienna Airport were adjusted as follows based on the index formula defined by the Austrian Airport Fee Act:

› Landing fee, infrastructure fee airside, parking fee:	-0.830%
› Passenger fee, infrastructure fee landside, security fee:	-1.676%
› Fuelling infrastructure fee:	-1.268%

The PRM fee remained at € 0.46 per departing passenger.

The security fee for 2020 was € 8.32 per departing passenger taking account of the decrease under the price cap formula.

## › Austrian Supreme Administrative Court rejects the town of Parndorf's appeal

In February 2020, the Austrian Supreme Administrative Court, as the court of last instance, incontestably rejected the appeal lodged by the town of Parndorf against the positive decision to build the third runway. The town of Parndorf has therefore exhausted every legal remedy.

## Outlook

In January 2020, the Flughafen Wien Group still forecast passenger growth of between 3% and 4%, including the investments in Malta Airport and Košice Airport. In 2020, Group revenue was expected to increase to more than € 870 million, Group EBITDA to over € 395 million, and (Group) earnings after tax to at least € 180 million. Capital expenditure of around € 230 million was forecast, with net debt continuing to decline to less than € 100 million.

Because of the air traffic restrictions associated with the spread of coronavirus, there are uncertainties over the attainability of this earnings forecast. Measures are currently being developed to cushion these effects on the Flughafen Wien Group's earnings. As soon as events become more predictable, the Flughafen Wien Group will publish an outlook in line with the new situation.

Schwechat, 6 March 2020

### The Management Board



**Günther Ofner**  
Member of the Board, CFO



**Julian Jäger**  
Member of the Board, COO



**Consolidated Financial  
Statements 2019 of  
Flughafen Wien AG**



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# Consolidated Income Statement

from 1 January to 31 December 2019

in T€	Notes	2019	2018 <sup>1</sup>
<b>Revenue</b>	(1)	<b>857,617.1</b>	<b>799,661.3</b>
Other operating income	(2)	13,708.9	12,296.5
<b>Operating income</b>		<b>871,326.1</b>	<b>811,957.8</b>
Expenses for consumables and purchased services	(3)	-41,294.0	-42,144.0
Personnel expenses	(4)	-323,203.6	-301,487.5
Other operating expenses	(5)	-125,206.2	-120,386.6
Reversals of impairment/impairment on receivables	(5) (36)	22.3	-1,131.7
Pro rata results of companies recorded at equity	(6)	3,178.1	3,566.0
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>		<b>384,822.8</b>	<b>350,374.0</b>
Depreciation and amortisation	(7)	-130,702.7	-129,576.6
Impairment	(7)	-1,821.0	0.0
<b>Earnings before interest and taxes (EBIT)</b>		<b>252,299.1</b>	<b>220,797.5</b>
Income from investments, excluding companies recorded at equity	(8)	694.1	331.4
Interest income	(9)	2,229.6	2,046.8
Interest expense	(9)	-17,945.9	-15,859.3
Other financial result	(10)	585.5	956.0
<b>Financial results</b>		<b>-14,436.7</b>	<b>-12,525.2</b>
<b>Earnings before taxes (EBT)</b>		<b>237,862.4</b>	<b>208,272.3</b>
Income taxes	(11)	-62,161.7	-56,399.4
<b>Net profit for the period</b>		<b>175,700.7</b>	<b>151,872.8</b>
<b>Thereof attributable to:</b>			
Equity holders of the parent		158,857.5	137,262.4
Non-controlling interests		16,843.3	14,610.4
Number of shares outstanding (weighted average)	(12)	83,996,504	84,000,000
Earnings per share (in €, basic = diluted)		1.89	1.63

1) Application of IFRS 16 since 1 January 2019  
 No adjustment of previous year period.

# Consolidated Statement of Comprehensive Income

from 1 January to 31 December 2019

in T€	Notes	2019	2018 <sup>1</sup>
<b>Net profit for the period</b>		<b>175,700.7</b>	<b>151,872.8</b>
<b>Other comprehensive income from items that will not be reclassified to the Consolidated Income Statement in future periods</b>			
Revaluation from defined benefit plans	(25)	-8,592.5	-6,638.6
Change in fair value of equity investments	(25)	-640.0	313.1
Thereof deferred taxes	(31)	2,316.3	1,576.6
<b>Other financial result</b>		<b>-6,916.2</b>	<b>-4,748.9</b>
<b>Total</b>		<b>168,784.5</b>	<b>147,123.9</b>
<b>Thereof attributable to:</b>			
<b>Equity holders of the parent</b>		<b>152,010.7</b>	<b>132,497.2</b>
<b>Non-controlling interests</b>		<b>16,773.8</b>	<b>14,626.7</b>

1) Application of IFRS 16 since 1 January 2019  
No adjustment of previous year period.

# Consolidated Balance Sheet

As at 31 December 2019

in T€	Notes	31.12.2019	31.12.2018 <sup>1</sup>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	(13)	166,064.1	155,674.3
Property, plant and equipment	(14)	1,530,346.5	1,448,912.4
Investment property	(15)	178,729.5	161,498.8
Investments in companies recorded at equity	(16)	43,706.9	42,909.2
Other assets	(17)	80,723.5	148,235.8
		<b>1,999,570.6</b>	<b>1,957,230.5</b>
<b>Current assets</b>			
Inventories	(18)	6,201.5	6,110.6
Securities	(19)	58,709.9	28,124.4
Assets available for sale	(20)	0.0	684.5
Receivables, other assets and contract assets	(21)	151,375.2	135,852.5
Cash and cash equivalents	(22)	84,782.9	30,098.8
		<b>301,069.5</b>	<b>200,870.7</b>
<b>Total assets</b>		<b>2,300,640.1</b>	<b>2,158,101.2</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Share capital	(23)	152,670.0	152,670.0
Capital reserves	(24)	117,744.4	117,657.3
Other reserves	(25)	-10,699.4	-1,685.1
Retained earnings	(26)	1,016,561.2	932,188.6
Attributable to equity holders of the parent		1,276,276.3	1,200,830.9
Non-controlling interests	(27)	104,632.6	96,162.6
		<b>1,380,908.8</b>	<b>1,296,993.5</b>
<b>Non-current liabilities</b>			
Provisions	(28)	175,013.0	162,683.7
Financial liabilities	(29)	330,432.9	300,000.0
Other liabilities	(30)	28,576.2	39,529.8
Deferred tax liabilities	(31)	38,483.5	47,074.4
		<b>572,505.6</b>	<b>549,287.9</b>
<b>Current liabilities</b>			
Tax provisions	(32)	11,428.7	11,042.0
Other provisions	(32)	212,563.7	140,023.8
Financial liabilities	(29)	25,443.7	57,016.5
Trade payables	(33)	45,423.4	41,378.6
Other liabilities	(34)	52,366.1	62,359.0
		<b>347,225.8</b>	<b>311,819.9</b>
<b>Total equity and liabilities</b>		<b>2,300,640.1</b>	<b>2,158,101.2</b>

1) Application of IFRS 16 since 1 January 2019; No adjustment of previous year period.

# Consolidated Cash Flow Statement

from 1 January to 31 December 2019

in T€	Notes	2019	2018 <sup>1</sup>
Earnings before taxes (EBT)		237,862.4	208,272.3
+/- Depreciation and amortisation/reversals thereof	(7)	130,702.7	129,576.6
+ Impairment	(7)	1,821.0	0.0
+/- Fair value measurement of financial instruments	(10)	-585.5	-956.0
- Pro rata results of companies recorded at equity	(6)	-3,178.1	-3,566.0
+ Dividends from companies recorded at equity	(16)	2,093.9	1,643.9
+ Losses/- gains on the disposal of assets	(2) (5) (10)	-3,230.7	-3,491.0
- Reversal of investment subsidies from public funds	(2)	-172.9	-186.9
+/- Other non-cash transactions		56.4	-33.6
+ Interest and dividend result	(8) (9)	15,022.2	13,481.2
+ Dividends received	(35)	694.1	331.4
+ Interest received	(35)	2,336.0	1,682.7
- Interest paid	(35)	-15,860.1	-15,972.5
- Increase/+ decrease in inventories	(18)	-91.0	-131.1
- Increase/+ decrease in receivables	(17) (21)	-156.0	-10,790.3
+ Increase/- decrease in provisions	(28) (32)	76,181.6	35,132.4
+ Increase/- decrease in liabilities	(30) (33) (34) (35)	-625.8	-2,296.1
<b>Net cash flow from ordinary operating activities</b>		<b>442,870.4</b>	<b>352,696.9</b>
- Income taxes paid	(11) (31) (32)	-69,825.2	-61,542.2
<b>Net cash flow from operating activities</b>		<b>373,045.2</b>	<b>291,154.7</b>
Payments received on the disposal of assets (not including financial assets)		5,263.3	1,426.9
+ Payments received from the disposal of financial assets		39.8	139.5
Payments made for the purchase of assets (not including financial assets)	(13) (14) (15) (35)	-177,057.4	-144,845.2
- Payments made for the purchase of financial assets	(17)	-75.7	-241.4
+ Payments received of non-repayable grants		345.0	0.0
+ Payments received of current and non-current investments	(17) (21)	106,089.4	40,000.0
Payments made for current and non-current investments and securities	(17) (19) (21)	-110,718.2	-95,271.8
<b>Net cash flow from investing activities</b>		<b>-176,113.7</b>	<b>-198,791.9</b>
- Dividend payment to Flughafen Wien AG shareholders	(23)	-74,760.0	-57,120.0
- Dividend payment to non-controlling interests	(27)	-8,303.9	-6,970.3
- Acquisition of own shares	(25)	-1,805.3	0.0
+ Payments received from the borrowing of financial liabilities	(29)	38.5	32,016.4
- Payments made for the repayment of financial liabilities	(29)	-57,000.0	-78,110.3
- Payments made for the repayment of leasing liabilities	(29)	-423.6	0.0
<b>Net cash flow from financing activities</b>		<b>-142,254.2</b>	<b>-110,184.2</b>
<b>Change in cash and cash equivalents</b>		<b>54,677.4</b>	<b>-17,821.4</b>
+ Cash and cash equivalents from changes in the consolidated group		6.8	1.5
+ Cash and cash equivalents at the beginning of the period	(22)	30,098.8	47,918.7
<b>Cash and cash equivalents at the end of the period</b>		<b>84,782.9</b>	<b>30,098.8</b>

1) Application of IFRS 16 since 1 January 2019. No adjustment of previous year period. Further information is shown in note (35).

# Consolidated Statement of Changes in Equity

from 1 January to 31 December 2019

Attributable to equity holders							
in T€	Notes	Share capital	Capital reserves	Available for-sale reserve	Change in fair value of equity instruments reserve	Revaluation of intangible assets	
<b>As at 1.1.2018</b>		<b>152,670.0</b>	<b>117,657.3</b>	<b>1,645.3</b>	<b>0.0</b>	<b>17,839.1</b>	
First-time adoption of IFRS 9		0.0	0.0	-1,645.3	3,146.3	0.0	
<b>As at 1.1.2018 adjusted</b>		<b>152,670.0</b>	<b>117,657.3</b>	<b>0.0</b>	<b>3,146.3</b>	<b>17,839.1</b>	
Market valuation of securities	(25)				234.8		
Revaluation from defined benefit plans	(25)						
Other comprehensive income		0.0	0.0	0.0	234.8	0.0	
Net profit for the period							
<b>Comprehensive income</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>234.8</b>	<b>0.0</b>	
Reversal of revaluation surplus	(25)					-362.2	
Dividend payment	(23)						
<b>As at 31.12.2018</b>		<b>152,670.0</b>	<b>117,657.3</b>	<b>0.0</b>	<b>3,381.1</b>	<b>17,476.9</b>	
<b>As at 1.1.2019</b>		<b>152,670.0</b>	<b>117,657.3</b>	<b>0.0</b>	<b>3,381.1</b>	<b>17,476.9</b>	
Market valuation of equity investments	(25)				-480.0		
Revaluation from defined benefit plans	(25)						
Other comprehensive income		0.0	0.0	0.0	-480.0	0.0	
Net profit for the period							
<b>Comprehensive income</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-480.0</b>	<b>0.0</b>	
Reversal of revaluation surplus	(25)					-362.2	
Acquisition of own shares	(25)						
Allocation of capital reserves	(25)		87.1				
Dividend payment	(23)						
<b>As at 31.12.2019</b>		<b>152,670.0</b>	<b>117,744.4</b>	<b>0.0</b>	<b>2,901.1</b>	<b>17,114.7</b>	

of the parent

Revaluation from defined benefit plans	Currency translation reserve	Own shares	Total other reserves	Retained earnings	Total	Non-controlling interests	Total
-25,176.0	7,632.9	0.0	1,941.3	850,181.4	1,122,450.0	88,506.2	1,210,956.2
0.0	0.0		1,501.0	1,502.7	3,003.6	0.0	3,003.6
-25,176.0	7,632.9	0.0	3,442.3	851,684.0	1,125,453.6	88,506.2	1,213,959.9
			234.8		234.8	0.0	234.8
-5,000.0			-5,000.0		-5,000.0	16.3	-4,983.7
-5,000.0	0.0	0.0	-4,765.2	0.0	-4,765.2	16.3	-4,748.9
				137,262.4	137,262.4	14,610.4	151,872.8
-5,000.0	0.0	0.0	-4,765.2	137,262.4	132,497.2	14,626.7	147,123.9
			-362.2	362.2	0.0	0.0	0.0
				-57,120.0	-57,120.0	-6,970.3	-64,090.3
-30,176.0	7,632.9	0.0	-1,685.1	932,188.6	1,200,830.9	96,162.6	1,296,993.5
-30,176.0	7,632.9	0.0	-1,685.1	932,188.6	1,200,830.9	96,162.6	1,296,993.5
			-480.0		-480.0	0.0	-480.0
-6,366.8			-6,366.8		-6,366.8	-69.5	-6,436.2
-6,366.8	0.0	0.0	-6,846.8	0.0	-6,846.8	-69.5	-6,916.2
				158,857.5	158,857.5	16,843.3	175,700.7
-6,366.8	0.0	0.0	-6,846.8	158,857.5	152,010.7	16,773.8	168,784.5
			-362.2	362.2	0.0	0.0	0.0
		-1,805.3	-1,805.3		-1,805.3		-1,805.3
			0.0	-87.1			0.0
			0.0	-74,760.0	-74,760.0	-8,303.9	-83,063.9
-36,542.8	7,632.9	-1,805.3	-10,699.4	1,016,561.2	1,276,276.3	104,632.6	1,380,908.8



**Notes to the  
Consolidated Financial  
Statements for the  
Financial Year 2019**



# I. The Company

## › Information on the reporting company

Flughafen Wien Aktiengesellschaft (AG), the parent company of the Group, and its subsidiaries are service companies in the field of the construction and operation of civil airports and all related facilities. As a civil airport operator, Flughafen Wien AG manages Vienna Airport. The company's headquarters are located in Schwechat, Austria. Its address is Flughafen Wien AG, Postfach 1, A-1300 Wien-Flughafen, Austria. Flughafen Wien AG is listed in the register of companies of the Korneuburg Regional and Commercial Court under FN 42984 m.

## › Operating permits

Flughafen Wien AG has the following key operating permits:

On 27 March 1955, in accordance with section 7 of the Luftverkehrsgesetz (Austrian Air Traffic Act) of 21 August 1936, the Federal Ministry for Transport and State-owned Entities issued a permit to Flughafen Wien Betriebsgesellschaft m.b.H. to create and operate Vienna Airport for general traffic purposes and for runway 11/29.

On 15 September 1977, in accordance with section 78(2) of the Luftfahrtgesetz (LFG – Austrian Aviation Act) (Federal Gazette BGBl. no. 253/1957), the Federal Ministry for Transport issued an operating permit for instrument runway 16/34, including taxiways and lighting systems.

In 2017, Vienna Airport was certified by the Federal Ministry for Transport, Innovation and Technology in accordance with the requirements of EU Regulation 139/2014. On 14 December 2017, the certificate for this was issued until revoked. The EU certification of European airports serves to create and maintain a standard high level of security for civil aviation in Europe.

The subsidiary Malta International Airport p.l.c. (MIA) is responsible for the operation and development of Malta Airport. MIA received a 65 year concession to operate the airport from July 2002.

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## II. Basis of accounting

The consolidated financial statements of Flughafen Wien AG as at 31 December 2019 were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the additional disclosures required in the notes by section 245a of the Unternehmensgesetzbuch (UGB – Austrian Commercial Code).

The financial year is the calendar year. The structure of the statement of financial position distinguishes between non-current and current assets and liabilities, some of which are reported on in more detail by maturity in the notes. The income statement is prepared in accordance with the nature of expense method.

Details on accounting methods can be found in notes (44) – (48).

These consolidated financial statements are the first full financial statements in which IFRS 16 “Leases” was applied. The effects of the first-time application on the financial statements of the Flughafen Wien Group are shown in V. “Changes to significant accounting policies”.

## III. Functional presentation currency

The consolidated financial statements are prepared in euro. All amounts are reported in thousands of euro (T€) for the purposes of clarity. Arithmetic differences can occur when adding rounded amounts and percentages due to the use of computer-aided tools. The same applies to other information such as headcount, traffic data, etc.

## IV. Judgements and estimate uncertainty

The presentation of the Group’s asset, financial and earnings position in the consolidated financial statements requires judgements concerning measurement and accounting policies and the assumptions and estimates made by management. Actual results may differ from these estimates. The following estimates, related assumptions and uncertainties associated with the accounting policies applied by the Group are crucial for an understanding of the underlying risks of financial reporting and the possible effects on the consolidated financial statements in future financial years.

### › Value/impairment of assets

The impairment testing of concessions and rights (carrying amount: T€ 137,602.3, previous year: T€ 127,212.5) and goodwill (carrying amount: T€ 28,461.8, previous year: T€ 28,461.8), property, plant and equipment (carrying amount: T€ 1,530,346.5, previous year: T€ 1,448,912.4), investment property (carrying amount: T€ 178,729.5, previous year: T€ 161,498.8) and non-current other assets (carrying amount: T€ 124,430.5, previous year: T€ 191,145.0), including investments in companies recorded at equity (carrying amount: T€ 43,706.9, previous year: T€ 42,909.2) involves estimates regarding the cause,

timing and amount of impairment losses and their reversal. An impairment loss and its reversal can be caused by a number of factors, such as changes in the current competitive situation, expectations regarding passenger growth, a change in the cost of capital, changes in the future availability of financing, technological obsolescence, the termination of services, current replacement costs, the purchase prices paid for comparable transactions or other changes in the operating environment. The assessment of whether an asset is impaired or impairment is reversed depends to a high degree on the management's judgement and its evaluation of future development opportunities.

### › Useful lives and accrual basis of accounting

When testing the useful life of intangible assets, property, plant and equipment and investment property, estimates are made regarding the expected (remaining) useful life. The useful life can be shortened or extended in the annual review of the expected useful life.

Due to the ongoing construction projects and the associated audit requirements, estimates must be made regarding the accrual basis of accounting in connection with the determination of the costs of property, plant and equipment and investment property.

### › Allowances for doubtful accounts

The Flughafen Wien Group recognised valuation allowances for doubtful trade receivables and for other receivables to reflect expected losses arising from the unwillingness or inability of debtors to meet their payment obligations. The Flughafen Wien Group recognised Stage 2 valuation allowances ("lifetime expected credit loss") of T€ 229.4 (31 December 2018: T€ 211.1) and Stage 3 valuation allowances ("credit impairment") of T€ 7,222.7 (31 December 2018: T€ 7,416.2). In the measurement of valuation allowances due to expected credit losses for trade receivables and contract assets, key assumptions are made in the calculation of the weighted average loss rate. These are described under "Accounting policies" and relate among others to notes (21) and (36).

### › Employee-related provisions

The measurement of provisions for severance compensation, pensions and service anniversary bonuses with a combined carrying amount of T€ 152,599.7 (previous year: T€ 140,566.5) and for semi-retirement programmes with a carrying amount of T€ 21,417.4 (previous year: T€ 20,872.3) is based on assumptions regarding the discount rate, retirement age, life expectancy, turnover probabilities, future increases in wages, salaries and pensions, and probabilities of disability.

### › Other provisions

The provisions for pending legal proceedings and other outstanding obligations arising from settlement, arbitration or government proceedings total T€ 100.5 (previous year: T€ 2,550.7). The recognition and measurement of these provisions are significantly influenced by management estimates. The assessment of the probability that pending legal proceedings will be successful and lead to a liability as well as the quantification of >

the possible amount of a related payment obligation are dependent to a significant degree on an assessment of the respective situation. As a result of the uncertainties connected with this assessment, actual losses may differ from the original estimates and the amount of the provision.

### › **Deferred taxes**

Income taxes must be calculated for every tax jurisdiction in which the Group operates. The anticipated income tax must be calculated for each taxable entity. The temporary differences between the carrying amounts of certain items of the statement of financial position in the consolidated financial statements and in the tax accounts must be assessed. Deferred tax assets of T€ 31,322.7 (previous year: T€ 27,576.3) are recognised to the extent that it is probable that the Group will be able to utilise them in future. The use of deferred tax assets is dependent on the ability to generate sufficient income in the individual tax jurisdictions. Various factors are used to evaluate the probability of the future use of deferred tax assets, which can include past earnings, operating forecasts or tax planning strategies. If actual earnings differ from these estimates or the estimates must be adjusted in future periods, this can have a negative effect on the asset, financial and earnings position of the Group. The impairment of a deferred tax asset leads to derecognition of the relevant item in profit or loss.

### › **Tax audit**

The external tax audit of Austrian companies included in the consolidated financial statements for the years 2012 to 2016 (including corporate income tax and value added tax) and a review in accordance with section 144 of the Bundesabgabenordnung (BAO – Austrian Fiscal Code) for 2017 and 2018 were completed in the 2019 financial year and resulted in no material objections. The resulting obligations were reported in the 2019 consolidated financial statements.

### › **Service concession agreements**

The Malta Airport Group (sub-group of the Flughafen Wien Group) conducts its commercial and operational activities under a concession granted by the Maltese government in 2002. A detailed analysis found that the Malta Airport Group does not fall within the scope of IFRIC 12 due to the high degree of non-regulated activities.

### › **Determining fair value**

A number of accounting standards require fair values to be determined for financial and non-financial assets and liabilities. As far as possible, the Group uses data observable on the market to determine fair value. The measurement of fair value is shown under "Accounting policies" and relates among others to note (36).

## V. Changes to significant accounting policies

The Group applied IFRS 16 for the first time as at 1 January 2019. A range of other standards were also applicable for the first time, but these had no material effect on the Flughafen Wien Group's consolidated financial statements. An overview of the new standards can be found under accounting policies as well as in note (38), among others.

### › IFRS 16 Leases

The Flughafen Wien Group has been applying IFRS 16 Leases since 1 January 2019. With the introduction of IFRS 16, the distinction between finance leases and operating leases for lessees currently required under IAS 17 no longer applies.

The Flughafen Wien Group has applied IFRS 16 according to the modified retrospective method (simplified transition method), whereby the cumulative effect of the first-time application is recognised in retained earnings as at 1 January 2019. The comparative information for 2018 has therefore not been restated, i.e. it is presented as before in accordance with IAS 17 and the associated interpretations. Details on the changes to accounting policies are provided below. Furthermore, the disclosure requirements of IFRS 16 were generally not applied to the comparative information. Right-of-use assets for leases are measured at the amount of the lease liability on acquisition.

For all leases the lessee recognises a lease liability in its statement of financial position for the obligation to make future lease payments. At the same time, the lessee capitalises a right of use to the underlying asset. This is in the amount of the present value of the future lease payments plus directly attributable costs. As under the provisions of IAS 17 for finance leases, the lease liability is written down over the term of the lease. The right of use is amortised, which leads to higher expenses at the start of the lease term. Short-term leases and leased items of low value are excluded.

For lessors, however, the regulations of the new standard are similar to the current provisions of IAS 17. Leases will still be classified as either finance leases or operating leases. A lease is classified as a finance lease if all the risks and rewards of ownership are substantially transferred to the lessee; all other leases are operating leases. The criteria of IAS 17 have been adopted for classification under IFRS 16.

IFRS 16 also contains several other regulations on reporting, disclosures in the notes and sale-and-lease-back transactions.

### › The Flughafen Wien Group as lessor:

The Flughafen Wien Group leases properties in Austria and Malta to various customers. Rental agreements are concluded for defined periods. The conditions include both fixed rental payments and revenue-based rents. The application of IFRS 16 did not result in any changes for the Group with regard to accounting for leases as a lessor

**› The Flughafen Wien Group as lessee:**

The Flughafen Wien Group rents various land, properties and equipment. The leases are concluded with various terms ranging between one and 100 years.

The Flughafen Wien Group utilised the following exemptions in accordance with IFRS 16:

- › Short-term leases with a term < 12 months
- › Leases of "low-value assets" (< € 5,000)

Furthermore, leases that end in the 2019 financial year are not accounted for in accordance with IFRS 16 on the basis of the transition provisions. A single interest rate will be applied for similar leases (term, volume). The portfolio approach is not applied at present. The initial direct costs were excluded from the measurement of the right-of-use asset at the date of initial application.

Provisions for impending losses and other obligations in connection with operating leases were recognised as write-downs in the carrying amount when measuring the right-of-use asset at the date of transition. The first-time application of IFRS 16 resulted in the recognition of right-of-use assets in the amount of T€ 95,115.2 (thereof T€ 25,174.5 million already recognised in property, plant and equipment), which are recognised in intangible assets, in property, plant and equipment, and in investment property. The weighted average discount rate for the lease liability as at 1 January 2019 was 3.98%.

The Flughafen Wien Group has identified the following areas that were previously classified as operating leases and have been recognised as right-of-use assets since 1 January 2019:

- › Rent of a cargo property at the Vienna site
- › Rent of land at the Vienna site
- › Rent of land and airport-specific property at the Malta site (incl. aerodrome licence)
- › Rent of combination copiers
- › Rent of smoking booths

## › Effects on the financial statements

The following changes to the opening statement of financial position arose as at 1 January 2019 (in rounded figures):

in T€	Notes	1.1.2019	31.12.2018	Absolute change
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	(13)	166,421.3	155,674.3	10,747.0
Property, plant and equipment	(14)	1,507,764.6	1,448,912.4	58,852.2
Investment property	(15)	161,840.3	161,498.8	341.5
Other assets	(17)	117,465.2	148,235.8	-30,770.7
<b>Current assets</b>				
Receivables and other assets	(21)	134,903.3	135,852.5	-949.3
<b>Total assets</b>				<b>38,220.7</b>
<b>EQUITY &amp; LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial and lease liabilities	(29)	355,364.2	300,000.0	55,364.2
Other liabilities	(30)	30,411.7	39,529.8	-9,118.1
<b>Current liabilities</b>				
Other provisions	(32)	138,618.8	140,023.8	-1,405.0
Financial and lease liabilities	(29)	57,386.6	57,016.5	370.1
Other liabilities	(34)	55,368.6	62,359.0	-6,990.4
<b>Total equity and liabilities</b>				<b>38,220.7</b>

As at 31 December 2018, the Flughafen Wien Group had obligations for minimum lease payments from non-cancellable operating leases of T€ 143,116.6. These can be reconciled with the lease liabilities as at 1 January 2019 as follows:

in T€	
Future minimum lease payments from non-cancellable operating leases as at 31 December 2018	143,116.6
less discounting as at 1 January 2019	-87,382.3
<b>Lease liabilities as at 1 January 2019</b>	<b>55,734.3</b>

The application of IFRS 16 had the following effects on the income statement in the 2019 financial year. The total expenses for leases recognised in the 2019 financial year are shown in note (38).

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in T€	
Other operating expenses	3,712.6
Depreciation and amortisation	-1,703.5
Interest expense	-2,158.0
Tax expense	64.0
<b>Net profit for the period (reduction)</b>	<b>-84.9</b>

In net terms, there were no material effects on cash flow from operating activities, investing activities or cash flow from financing activities. Similarly, there are no material effects on earnings per share.



## VI. Notes to the Consolidated Income Statement

### › (1.1) Segment reporting

In accordance with IFRS 8, segment reporting is based on the Group's internal reporting. The operating segments of the Flughafen Wien Group include the business units of Flughafen Wien AG that form the basis for the company's organisation and the individual subsidiaries and investments in companies recorded at equity. These operating segments are aggregated into the following reporting segments: Airport, Handling & Security Services, Retail & Properties, Malta and Other Segments. The Group is managed based on reporting on profit and loss, capital expenditure and employee-related data for the respective divisions of Flughafen Wien AG, plus revenue, EBITDA, EBIT, planned capital expenditure and employee-related data for the individual subsidiaries. Furthermore, the different revenue flows are broken down further for each segment.

The segments of the Flughafen Wien Group are as follows:

#### **Airport**

The Operations business unit of Flughafen Wien AG and the subsidiaries that provide airport services in Austria are combined under the Airport reporting segment. The Operations business unit generally provides the traditional services performed by an airport operator. These services include the operation and maintenance of all aircraft movement areas and the terminals as well as the equipment and facilities for passenger and baggage handling. The fees for these services are, for the most part, subject to fee regulations. The Operations business unit also provides a wide range of services to support airport operations, to deal with emergencies and disruptions and to ensure security.

#### **Handling & Security Services**

The Handling & Security Services segment includes the Handling business unit of Flughafen Wien AG and the subsidiaries that provide services in this segment. The Handling & Security Services segment supplies a variety of services for the handling of aircraft and passengers on scheduled and charter flights. It is also responsible for handling general aviation aircraft and passengers. In addition, security controls for persons and hand luggage are performed by the Handling & Security Services segment.

#### **Retail & Properties**

The Retail & Properties segment covers the Property and Centre Management business units of Flughafen Wien AG and the subsidiaries that provide services under this segment.

The Retail & Properties segment provides various services to support airport operations, including centre management & hospitality (shopping, food & beverages), passenger services (VIP, lounges) and parking. Activities for the development and marketing of properties are also included in this segment.

#### **Malta**

The Malta segment includes Malta Airport (Malta International Airport p.l.c., MIA) and its direct investments (hereinafter referred to as the MIA Group). Malta Airport and its >

investments are responsible for the operation of Malta Airport. In addition to traditional aviation services, the companies of the MIA Group also generate revenue from parking and the rental of retail and office space. Handling is performed by two third-party companies under a concession agreement.

## **Other Segments**

The operating segments that are not independently reportable and cannot be aggregated with another reportable segment are combined into the reporting segment "Other Segments" in accordance with IFRS 8.16.

This includes various services provided by individual business units of Flughafen Wien AG or other subsidiaries: technical services and repairs, energy supply and waste disposal, telecommunications and information technology, electromechanical and building services, the construction and maintenance of infrastructure facilities, construction management and consulting.

This segment additionally includes the investments recorded at equity as well as investment holding companies with no operating activities that are not independently reportable.

## **Explanations of the amounts shown**

The accounting principles used to develop the segment data are the same as the accounting principles applied in preparing the IFRS consolidated financial statements. The criteria used by the Flughafen Wien Group to assess segment performance include EBITDA and EBIT (after the deduction of overheads). Depreciation and amortisation are reported separately as depreciation, amortisation and impairment losses (and reversals of impairment losses), and result from the assets allocated to the individual segments. The underlying prices for inter-segment revenue and services reflect market-based standard costs or rates, which are based on internal costs.

Other items such as financial results or tax expense attributable to the individual operating segments are not included under segment information because internal reporting only covers these positions down to and including EBIT, and these other positions are monitored centrally.

Segment assets and liabilities comprise all assets and liabilities that can be allocated to the operating business. In particular, segment assets include intangible assets, property, plant and equipment, trade receivables and other receivables, investments in companies recorded at equity and inventories. The Flughafen Wien Group does not report segment liabilities for each reportable operating segment as these liabilities are monitored centrally. Segment assets do not include the assets shown under "Other (not allocated)" in the reconciliation of segment assets to Group assets. The Group assets designated as not allocated essentially consist of other financial assets, current securities, receivables due from taxation authorities, other receivables and assets, prepaid expenses and cash and cash equivalents, except the assets of the MIA Group.

Segment investments (capital expenditure) include additions to intangible assets, property, plant and equipment and investment property, including invoice corrections.

The information provided by geographic area also includes information on the income generated with external customers and the amounts for non-current assets. The allocation of assets and income to the various geographical areas is based on the location of the unit (subsidiary) that generated the income or owns the assets. >

The number of employees at the segment level is based on the average number of employees for the financial year, weighted by the level of employment.

### **Changes in the 2019 financial year:**

The segment reporting was adapted to the new reporting structure. Passenger services (lounges, VIP services) are now bundled and assigned to the Retail & Properties segment. The comparative information was restated accordingly (IFRS 8.29).

FWAG Entwicklungsgebiet West GmbH (EGW) acquires, develops and lets properties and real estate of all kinds. The company was allocated to the Retail & Properties segment as a consolidated subsidiary.

VIE Shops Entwicklungs- und Betriebsges.m.b.H (SHOP) plans, develops and markets businesses. The company was allocated to the Retail & Properties segment as a consolidated subsidiary.

"GetService"-Flughafen-Sicherheits- und Servicedienst GmbH (GET2) provides security, personnel leasing, cleaning and snow removal services. The company was allocated to the Other segment as a consolidated subsidiary.

### **Changes in the 2018 financial year:**

In addition to security services, GetService Dienstleistungsgesellschaft m.b.H. (GETS) also performs other services in connection with airport operations and was assigned to the Handling & Security Services segment as a consolidated subsidiary.

VIE Airport Health Center GmbH (VHC) offers healthcare services and was assigned to the Retail & Properties segment as a consolidated subsidiary.

The segment reporting was adapted to the new internal reporting structure. Buildings that are used almost exclusively by a single business unit are now assigned to this unit. The comparative information was restated accordingly (IFRS 8.29).

**› Segment results 2019**

in T€	Airport	Handling & Security Services	Retail & Properties	Malta	Other Segments	Group
External segment revenue	411,746.3	166,299.6	162,597.5	100,312.3	16,661.5	857,617.1
Thereof revenue from contracts with customers	387,810.2	162,129.0	69,605.8	79,569.1	16,656.1	
Internal segment revenue	33,927.3	82,204.6	14,381.3	0.0	122,346.7	
Segment revenue	445,673.6	248,504.3	176,978.8	100,312.3	139,008.1	
Other external operating income	1,680.7	122.6	3,815.9	0.0	409.9	6,029.2
Internal other operating income <sup>1</sup>	4,873.0	363.9	1,320.6	0.0	1,122.3	7,679.8
Operating income	452,227.3	248,990.8	182,115.3	100,312.3	140,540.3	
Consumables and other purchased services	4,293.2	8,469.2	1,833.5	3,102.8	23,595.3	41,294.0
Personnel expenses	50,205.8	180,883.9	14,141.6	10,727.0	67,245.1	323,203.6
Other expenses and valuation allowances	46,627.5	10,073.4	17,619.8	22,996.5	27,866.7	125,183.9
Thereof valuation allowance on receivables <sup>2</sup>	-104.0	-30.1	-36.0	166.6	-19.0	-22.3
Pro rata results of companies recorded at equity					3,178.1	3,178.1
Internal expense	163,453.1	33,811.7	45,245.9	0.0	10,349.3	
<b>Segment EBITDA</b>	<b>187,647.7</b>	<b>15,752.6</b>	<b>103,274.6</b>	<b>63,486.0</b>	<b>14,662.0</b>	<b>384,822.8</b>
Impairment	1,821.0	0.0	0.0	0.0	0.0	1,821.0
Depreciation and amortisation	81,868.8	8,492.0	17,663.1	11,052.1	11,626.8	130,702.7
Segment depreciation and amortisation	83,689.8	8,492.0	17,663.1	11,052.1	11,626.8	132,523.7
<b>Segment EBIT</b>	<b>103,958.0</b>	<b>7,260.6</b>	<b>85,611.4</b>	<b>52,433.9</b>	<b>3,035.2</b>	<b>252,299.1</b>
Segment investments <sup>3</sup>	87,233.5	10,542.3	38,836.8	19,869.9	15,309.0	171,791.5
Segment assets	1,132,436.8	79,379.4	332,181.4	373,244.9	113,450.3	2,030,692.8
Thereof carrying amount of companies recorded at equity					43,706.9	
Other (not allocated)						269,947.4
<b>Group assets</b>						<b>2,300,640.1</b>
Segment employees (average including administration)	562	3,281	145	379	1,019	5,385

1) Relates to own work capitalised

2) Excluding derecognition of defaulted receivables

3) Including invoice corrections, excluding financial assets

› Segment results 2018<sup>1</sup>

in T€	Airport	Handling & Security Services	Retail & Properties	Malta	Other Segments	Group
External segment revenue	381,654.8	163,311.9	146,369.8	92,161.8	16,163.0	799,661.3
Thereof revenue from contracts with customers	360,710.9	159,072.7	60,963.1	73,285.4	16,156.5	
Internal segment revenue	30,880.9	71,887.4	13,690.6	0.0	103,627.0	
Segment revenue	412,535.7	235,199.3	160,060.5	92,161.8	119,790.0	
Other external operating income	799.1	782.1	4,565.8	0.0	645.8	6,792.9
Internal other operating income <sup>2</sup>	2,684.1	125.3	1,252.8	0.0	1,441.4	5,503.6
Operating income	416,019.0	236,106.7	165,879.1	92,161.8	121,877.2	
Consumables and other purchased services	4,126.8	8,788.2	1,918.6	3,206.9	24,103.5	42,144.0
Personnel expenses	44,686.2	179,379.5	11,711.9	9,859.9	55,850.0	301,487.5
Other expenses and valuation allowances	43,372.4	8,250.7	19,486.8	25,870.8	24,537.6	121,518.3
Thereof valuation allowance on receivables <sup>3</sup>	857.3	155.2	47.8	18.2	53.3	1,131.7
Pro rata results of companies recorded at equity					3,566.0	3,566.0
Internal expense	140,544.8	28,977.3	42,315.2	0.0	8,248.7	
<b>Segment EBITDA</b>	<b>183,288.7</b>	<b>10,711.0</b>	<b>90,446.7</b>	<b>53,224.2</b>	<b>12,703.5</b>	<b>350,374.0</b>
Depreciation and amortisation	83,517.9	8,473.2	17,340.0	9,177.6	11,067.9	129,576.6
Segment depreciation and amortisation	83,517.9	8,473.2	17,340.0	9,177.6	11,067.9	129,576.6
<b>Segment EBIT</b>	<b>99,770.8</b>	<b>2,237.8</b>	<b>73,106.6</b>	<b>44,046.6</b>	<b>1,635.6</b>	<b>220,797.5</b>
Segment investments <sup>4</sup>	94,249.4	10,379.0	42,220.9	8,449.0	10,419.7	165,718.0
Segment assets	1,129,219.1	78,689.3	315,829.2	310,855.2	102,386.6	1,936,979.5
Thereof carrying amount of companies recorded at equity					42,909.2	
Other (not allocated)						221,121.7
<b>Group assets</b>						<b>2,158,101.2</b>
Segment employees (average including administration)	536	3,091	133	340	729	4,830

1) Adjusted to the new reporting structure (IFRS 8.29)

2) Relates to own work capitalised

3) Excluding derecognition of defaulted receivables

4) Including invoice corrections, excluding financial assets

&gt;

## Reconciliation of segment assets to group assets

in T€	31.12.2019	31.12.2018 <sup>1</sup>
<b>Assets by segment</b>		
Airport	1,132,436.8	1,129,219.1
Handling & Security Services	79,379.4	78,689.3
Retail & Properties	332,181.4	315,829.2
Malta	373,244.9	310,855.2
Other Segments	113,450.3	102,386.6
<b>Total assets in reportable segments</b>	<b>2,030,692.8</b>	<b>1,936,979.5</b>
<b>Assets not allocated to a specific segment<sup>2</sup></b>		
Other non-current assets	80,722.3	117,464.0
Securities	58,709.9	28,124.4
Receivables from taxation authorities	6,202.0	8,001.9
Other current receivables and assets	14,947.8	56,213.4
Prepaid expenses	52,757.4	1,472.5
Cash and cash equivalents	56,608.0	9,845.6
<b>Total not allocated</b>	<b>269,947.4</b>	<b>221,121.7</b>
<b>Group assets</b>	<b>2,300,640.1</b>	<b>2,158,101.2</b>

1) Adjusted to the new reporting structure (IFRS 8.29)

2) Not including assets of the MIA Group

## Disclosures for 2019 by region

in T€	Austria	Malta	Slovakia	Group
External revenue	757,304.9	100,312.3	0.0	857,617.1
Non-current assets	1,648,751.6	315,097.9	35,721.1	1,999,570.6

## Disclosures for 2018 by region

in T€	Austria	Malta	Slovakia	Group
External revenue	707,499.6	92,161.8	0.0	799,661.3
Non-current assets	1,652,679.8	269,069.3	35,481.4	1,957,230.5

The assets of the Slovakia region include the investment held by the fully consolidated subsidiary. The investments at Košice Airport account for investment income from companies recorded at equity of € 1.7 million in the 2019 financial year (previous year: € 1.7 million).

## Information on key customers

The Flughafen Wien Group generated revenue from its main customer in the Lufthansa Group (Austrian Airlines, Eurowings, Germanwings, Brussels, Lufthansa, Swiss) of € 317.8 million (previous year: € 319.9 million). Income was generated with this main customer in all segments.

### › (1.2) Revenue and revenue from contracts with customers

The Flughafen Wien Group essentially generates revenue from aviation and non-aviation operations. Aviation operations generate revenue from the Airport's typical business activities, such as traffic fees, ground handling services and concessions.

The Flughafen Wien Group's non-aviation operations comprise rentals (including revenue based on sales) and other revenue. Revenue is reported net of VAT and other taxes that are collected from customers and passed on to taxation authorities.

The revenue from contracts with customers is described in detail under "Accounting policies".

### › Breakdown of revenue into revenue from contracts with customers and other revenue

2019 in T€	Airport	Handling & Security Services	Retail & Properties	Malta	Other Segments	Group
Revenue from contracts with customers	387,810.2	162,129.0	69,605.8	79,569.1	16,656.1	715,770.2
Other revenue	23,936.1	4,170.6	92,991.7	20,743.2	5.4	141,846.9
<b>External segment revenues</b>	<b>411,746.3</b>	<b>166,299.6</b>	<b>162,597.5</b>	<b>100,312.3</b>	<b>16,661.5</b>	<b>857,617.1</b>

2018 <sup>1</sup> in T€	Airport	Handling & Security Services	Retail & Properties	Malta	Other Segments	Group
Revenue from contracts with customers	360,710.9	159,072.7	60,963.1	73,285.4	16,156.5	670,188.6
Other revenue	20,943.9	4,239.2	85,406.8	18,876.4	6.5	129,472.8
<b>External segment revenues</b>	<b>381,654.8</b>	<b>163,311.9</b>	<b>146,369.8</b>	<b>92,161.8</b>	<b>16,163.0</b>	<b>799,661.3</b>

1) Adjusted to the new reporting structure (IFRS 8.29)

The Flughafen Wien Group generates revenue from contracts with customers (this mainly relates to the revenue from aviation operations and other revenue from non-aviation operations described above) and other revenue. Other revenue relates to rental income from investment property (see also note (15)) and other revenue from letting.

**› Breakdown of revenue into aviation and non-aviation**

2019 in T€	Airport	Handling & Security Services	Retail & Properties	Malta	Other Segments	Group
Aviation	400,557.1	154,075.8	0.0	70,790.6	0.0	625,423.5
Non-Aviation	11,189.1	12,223.8	162,597.5	29,521.7	16,661.5	232,193.6
<b>External segment revenues</b>	<b>411,746.3</b>	<b>166,299.6</b>	<b>162,597.5</b>	<b>100,312.3</b>	<b>16,661.5</b>	<b>857,617.1</b>

2018 <sup>1</sup> in T€	Airport	Handling & Security Services	Retail & Properties	Malta	Other Segments	Group
Aviation	371,561.5	151,916.0	0.0	64,364.1	0.0	587,841.6
Non-Aviation	10,093.4	11,395.9	146,369.8	27,797.7	16,163.0	211,819.8
<b>External segment revenues</b>	<b>381,654.8</b>	<b>163,311.9</b>	<b>146,369.8</b>	<b>92,161.8</b>	<b>16,163.0</b>	<b>799,661.3</b>

1) Adjusted to the new reporting structure (IFRS 8.29)

**› Breakdown of revenue by geographical area**

2019 in T€	Airport	Handling & Security Services	Retail & Properties	Malta	Other Segments	Group
Austria	411,746.3	166,299.6	162,597.5	0.0	16,661.5	757,304.9
Malta	0.0	0.0	0.0	100,312.3	0.0	100,312.3
<b>External segment revenues</b>	<b>411,746.3</b>	<b>166,299.6</b>	<b>162,597.5</b>	<b>100,312.3</b>	<b>16,661.5</b>	<b>857,617.1</b>

2018 <sup>1</sup> in T€	Airport	Handling & Security Services	Retail & Properties	Malta	Other Segments	Group
Austria	381,654.8	163,311.9	146,369.8	0.0	16,163.0	707,499.6
Malta	0.0	0.0	0.0	92,161.8	0.0	92,161.8
<b>External segment revenue</b>	<b>381,654.8</b>	<b>163,311.9</b>	<b>146,369.8</b>	<b>92,161.8</b>	<b>16,163.0</b>	<b>799,661.3</b>

1) Adjusted to the new reporting structure (IFRS 8.29)



The revenue flows per segment are detailed below:

#### › Revenue in the Airport segment

in € Mio.	2019	C. in %	2018 <sup>1</sup>
Aircraft-related fees	78.1	11.2	70.2
Passenger-related fees	277.8	5.8	262.7
Infrastructure revenue & services	55.8	14.6	48.7
<b>Airport segment revenue (external)</b>	<b>411.7</b>	<b>7.9</b>	<b>381.7</b>
Thereof aviation	400.6		371.6
Thereof non-aviation	11.2		10.1

1) Adjusted to the new reporting structure (IFRS 8.29)

#### › Revenue in the Handling & Security Services segment

in € Mio.	2019	C. in %	2018 <sup>1</sup>
Apron handling	99.2	-0.3	99.6
Cargo handling	34.2	0.2	34.1
Security services	5.8	11.2	5.2
Traffic handling	18.4	17.4	15.7
General aviation, other	8.7	-0.5	8.8
<b>Handling &amp; Security Services segment revenue (external)</b>	<b>166.3</b>	<b>1.8</b>	<b>163.3</b>
Thereof aviation	154.1		151.9
Thereof non-aviation	12.2		11.4

1) Adjusted to the new reporting structure (IFRS 8.29)

#### › Revenue in the Retail & Properties segment

in € Mio.	2019	C. in %	2018 <sup>1</sup>
Parking	50.1	11.9	44.8
Rentals	27.8	4.3	26.7
Shopping, food and beverage services	84.6	13.0	74.9
<b>Retail &amp; Properties segment revenue (external)</b>	<b>162.6</b>	<b>11.1</b>	<b>146.4</b>
Thereof aviation	0.0		0.0
Thereof non-aviation	162.6		146.4

1) Adjusted to the new reporting structure (IFRS 8.29)

#### › Revenue in the Malta segment

in € Mio.	2019	C. in %	2018
Airport	70.8	8.1	65.5
Retail & Properties	29.2	10.8	26.3
Other	0.4	9.6	0.3
<b>Malta segment revenue (external)</b>	<b>100.3</b>	<b>8.8</b>	<b>92.2</b>
Thereof aviation	70.8		63.4
Thereof non-aviation	29.5		27.8

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### Revenue in Other Segments

in € Mio.	2019	C. in %	2018
Energy supply and waste disposal	8.9	6.0	8.4
Telecommunications and IT	3.0	1.1	3.0
Materials management	1.5	-5.0	1.6
Electrical engineering, security equipment, workshops (VAT)	1.0	-17.6	1.2
Facility management, building maintenance	0.5	-34.8	0.8
Visitair World	0.6	-3.8	0.6
"GetService"-Flughafen-Sicherheits- und Servicedienst GmbH	0.8	n.a.	0.0
Other	0.4	-32.9	0.7
<b>Other Segments revenue (external)</b>	<b>16.7</b>	<b>3.1</b>	<b>16.2</b>
Thereof aviation	0.0		0.0
Thereof non-aviation	16.7		16.2

### Contract balances

The following table provides information about receivables from contracts with customers:

in T€	Notes	31.12.2019	31.12.2018
Receivables from contracts with customers included in trade and other receivables	(21)	63,633.1	61,105.4

## Performance obligations

Revenue is measured on the basis of the consideration stipulated in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

The table below provides information about the nature and timing of the fulfilment of performance obligations from contracts with customers, including significant payment terms. The associated revenue recognition principles and the accounting methods are shown under "Accounting policies".

Type of product/service	Nature and timing of the fulfilment of performance obligations, including significant payment terms	Revenue recognition in accordance with IFRS 15 <sup>1</sup>
Traffic fees (subject to approval)	Invoices for traffic fee services are issued every two weeks and are usually payable within 8 to 30 days.	The revenue is recognised immediately as the service is rendered or, if the invoice has not yet been issued, deferred accordingly.
Ground handling services (not subject to approval)	Invoices for ground handling services are issued every two weeks and are usually payable within 8 to 30 days.	The revenue is recognised immediately as the service is rendered or, if the invoice has not yet been issued, deferred accordingly.
Concession revenue	Invoices for concession revenue are issued every month and are usually payable within 30 days.	The revenue is recognised immediately as the service is rendered or, if the invoice has not yet been issued, deferred accordingly.
<b>Other revenue from:</b>		
Lounges	Invoices for lounge services are issued every month and are usually payable within 14 days or immediately in cash on occurrence.	The revenue is recognised immediately as the service is rendered or, if the invoice has not yet been issued, deferred accordingly.
Security Energy supply and waste disposal IT services Electrical engineering Workshops Materials management Facility management Building maintenance	Invoices for these miscellaneous other services are issued every month and are usually payable within 14 days. When products are sold (e.g. by the workshops), the customers obtain control immediately when the goods are taken from the warehouse.	The revenue is recognised immediately as the service is rendered or, if the invoice has not yet been issued, deferred accordingly. Revenue from the sale of goods is recognised when the goods are issued to the customer.

1) The breakdown of the transaction price into performance obligations is shown under "Accounting policies"

› (2) Other operating income

in T€	2019	2018
Own work capitalised	7,679.8	5,503.6
Income from the disposal of property, plant and equipment and asset available for sale	3,468.8	3,650.2
Income from the reversal of investment subsidies (government grants)	172.9	186.9
Granting of rights	1,285.6	1,277.7
Income from insurance	505.5	159.3
Other	596.4	1,518.8
	<b>13,708.9</b>	<b>12,296.5</b>

› (3) Expenses for consumables and purchased services

in T€	2019	2018
Consumables	21,546.3	20,131.0
Energy	16,384.5	18,796.6
Purchased services	3,363.2	3,216.4
	<b>41,294.0</b>	<b>42,144.0</b>

› (4) Personnel expenses

in T€	2019	2018
Wages	129,566.3	123,029.1
Salaries	111,479.0	104,323.5
Expenses for severance compensation	13,512.4	9,216.3
Thereof contributions to severance fund	2,605.9	2,357.0
Expenses for pensions	3,053.7	3,058.8
Thereof contributions to pension funds	2,733.4	2,736.7
Expenses for legally required duties and contributions	62,631.3	59,456.5
Other personnel expenses	2,960.8	2,403.4
	<b>323,203.6</b>	<b>301,487.5</b>

## › (5) Other operating expenses and reversals of impairment/impairment on receivables

### Other operating expenses

in T€	2019	2018
Other taxes (not including income taxes)	644.7	673.4
Maintenance	42,178.7	37,257.7
Third-party services	27,479.1	20,205.7
Third-party services from Group companies <sup>1</sup>	4,672.5	14,812.0
Consulting expenses	5,902.4	7,112.7
Marketing and market communication	16,941.2	15,427.2
Postage and telecommunication expenses	1,578.2	1,499.7
Rental and lease payments <sup>2</sup>	2,705.8	4,766.7
Insurance	2,677.3	2,455.0
Travel and training	3,239.0	3,091.9
Loss events	997.2	1,032.3
Bad debt losses <sup>3</sup>	32.7	44.1
Losses on the disposal of property, plant and equipment	238.1	159.1
Exchange rate differences, bank charges	693.4	591.5
Miscellaneous operating expenses	15,226.1	11,257.6
	<b>125,206.2</b>	<b>120,386.6</b>

1) Full consolidation of Get2 from 1 May 2019

2) First-time application of IFRS 16. The comparative information was not restated.

3) Full derecognition of receivables

Maintenance expenses cover the upkeep of buildings and equipment and the maintenance of IT equipment, runways, aprons, taxiways and car parks.

Third-party services essentially consist of costs for the baggage reconciliation system and baggage-related services, fees for waste water and garbage disposal, cleaning services, IT services and temporary personnel for the subsidiary Vienna Airport Technik GmbH and Malta International Airport p.l.c.

Consulting expenses include fees paid to lawyers and notaries, tax advisors and the auditors of the annual financial statements in addition to miscellaneous consulting fees.

The expenses for marketing and market communications mainly result from marketing measures, cooperation's with airlines and conventional public relations activities.

The rental and lease payments relate to expenses for short-term leases, expenses for leases of low-value assets and expenses that do not fall under IFRS 16. These expenses are broken down in detail in note (38).

The auditor provided the following services in the past financial year:

in T€	2019	2018
Audits of financial statements	215.1	245.9
Other assurance services	11.3	11.3
Other services	23.0	48.5
	249.3	305.7

#### › Reversals of impairment/impairment on receivables

in T€	2019	2018
Reversals of impairment/impairment on receivables	-22.3	1,131.7
	-22.3	1,131.7

Further information is shown in note (36).

#### › (6) Income from investments recorded at equity

On account of their operational nature, the results of the companies recorded at equity in the consolidated financial statements of the Flughafen Wien Group are reported within operating EBIT.

in T€	2019	2018
Pro rata results of companies recorded at equity	3,178.1	3,566.0
	3,178.1	3,566.0

As in the previous year, the cumulative total of unrecognised losses is T€ 0.0.

A summary of financial information on associated companies and joint ventures is provided in Appendix 2 "Investments".

#### › (7) Depreciation, amortisation and impairment

in T€	2019	2018 <sup>1</sup>
<b>Amortisation of intangible assets</b>		
Depreciation and amortisation	5,589.6	4,816.4
<b>Depreciation of property, plant and equipment</b>		
Depreciation and amortisation	119,300.1	118,789.0
<b>Depreciation on investment property</b>		
Depreciation and amortisation	5,813.0	5,971.2
<b>Total depreciation and amortisation</b>	<b>130,702.7</b>	<b>129,576.6</b>
<b>Impairment on property, plant and equipment</b>		
Impairment on "Vöslau Airfield" CGU	1,821.0	0.0
<b>Total impairment</b>	<b>1,821.0</b>	<b>0.0</b>

1) First-time application of IFRS 16. The comparative information was not restated.

In the **2019 financial year**, depreciation and amortisation includes depreciation and amortisation of right-of-use assets amounting to T€ 2,778.2. The comparative information was not restated due to the first-time application of IFRS 16 according to the modified retrospective method. Further information can be found in note (38).

The impairment tests performed in the **2019 financial year** resulted in impairment losses in the Vöslau Airfield cash-generating unit totalling T€ 1,821.0. The recoverable amount for the affected cash-generating unit was calculated based on the fair value less costs to sell and amounts to T€ 2,796.2. This impairment results from the current estimate of the medium-term development of the market, cost and price. The impairment of the "Vöslau Airfield" cash-generating unit is allocated to the Airport segment.

### Measurement method and inputs

The fair value was calculated based on a measurement model using unobservable inputs (level 3). The model is based on the present value of the net cash flows generated by the assets of the cash-generating unit on the basis of market expectations and includes the expected traffic development at the site and the capacity utilisation and recoverable rental income for the aircraft hangar and properties allocated to the cash-generating unit. The expected net cash flows are discounted with a WACC ("weighted average cost of capital") of a peer group of the Flughafen Wien Group. The net cash flows reflect the amounts in the 2020 budget.

### Significant unobservable inputs for the "Vöslau Airfield" CGU:

- › Annual price increases for letting of hangar and office space at the level of the expected consumer price index of 1.7% to 1.8%
- › Capacity utilisation in hangar and lettable office space 100%
- › Compound annual growth rate (CAGR) of aircraft movements of 2.0%
- › Growth rate of 0.0% for perpetual yield
- › Tax rate of 25.0%
- › After-tax WACC of 5.3%

The following changes in the unobservable inputs would lead to a material increase (decrease) in fair value:

- › Increasing (decreasing) rental income per square metre
- › Higher (lower) occupancy rate
- › Decrease (increase) in the discount rate (WACC)
- › Change in traffic growth (aircraft movements)
- › Higher (lower) growth rate for the perpetual yield

In the **2018 financial year**, no indications of impairment or reversal of impairment were identified. The annual impairment test (goodwill) resulted in no recognition of impairment.

### › (8) Income from investments, excluding companies recorded at equity

in T€	2019	2018
Income from non-consolidated affiliates	439.6	0.0
Income from securities and investments in other companies (FVOCI <sup>1</sup> )	254.5	331.4
	<b>694.1</b>	<b>331.4</b>

Definition of measurement categories:

1) FVOCI = fair value through other comprehensive income

### › (9) Interest income/expense

in T€	2019	2018
Interest and similar income	2,229.6	2,046.8
Interest and similar expenses	-17,945.9	-15,859.3
	<b>-15,716.3</b>	<b>-13,812.5</b>

Interest and similar expenses include interest expenses from lease liabilities T€ 2,158.1. The comparative information was not restated due to the first-time application of IFRS 16 according to the modified retrospective method. Further information can be found in note (38).

### › (10) Other financial result

in T€	2019	2018
Measurement of debt instrument (FVPL <sup>1</sup> )	585.5	956.0
	<b>585.5</b>	<b>956.0</b>

Definition of measurement categories:

1) FVPL = fair value through profit and loss

### › (11) Income taxes

in T€	2019	2018
Current income tax expense	68,434.8	61,187.0
Change in deferred taxes	-6,273.1	-4,787.5
	<b>62,161.7</b>	<b>56,399.4</b>

The tax expense of T€ 62,161.7 for 2019 (previous year: T€ 56,399.4) is T€ 2,696.1 (previous year: T€ 4,331.4) higher than the calculated tax expense of T€ 59,465.6 (previous year: T€ 52,068.1) that would result from the application of the corporate tax rate (25%) to profit before income taxes of T€ 237,862.4 (previous year: T€ 208,272.3).



The difference between the calculated tax rate and the effective tax rate reported in the financial statements is explained by the following table:

### › Tax reconciliation

in T€	2019	2018
Profit before taxes	237,862.4	208,272.3
Calculated income tax	59,465.6	52,068.1
Adjustments for foreign tax rates	5,169.5	4,404.4
Investments recorded at equity	-794.5	-891.4
Income from investments (tax-free)	-63.6	-82.8
Recognition/utilisation of deferred tax assets on loss carryforwards	97.8	-313.9
Other and permanent differences	-6.8	-127.2
<b>Income tax expense for the period</b>	<b>63,868.0</b>	<b>55,057.0</b>
Aperiodic tax expense	-1,706.3	1,342.4
<b>Reported income tax expense</b>	<b>62,161.7</b>	<b>56,399.4</b>
Effective tax rate	26.1%	27.1%

The differences between the carrying amounts in the tax and IFRS accounts and the loss carryforwards as at the end of the reporting period affect the deferred tax liabilities reported in the statement of financial position. For further information see note (31).

Flughafen Wien AG has been the Group parent of a tax group in accordance with section 9 of the Körperschaftsteuergesetz (KStG – Austrian Corporate Income Tax Act) since 2005. In this function, the Group parent apportions and charges or (in case of loss) credits the applicable share of taxes to the member companies of the Group.

### › (12) Earnings per share

The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholders and a weighted average of shares outstanding. The diluted earnings per share take into account the average shares outstanding after adjustment for all dilutive effects of potential voting rights.

In the 2019 financial year, the weighted average number of shares outstanding was 83,996,504 (previous year: 84,000,000). This results in earnings per share (basic = diluted) of € 1.89 for the 2019 financial year and € 1.63 for the previous year.

## VII. Notes to the Consolidated Statement of Financial Position

### Non-current assets

#### > (13) Intangible assets

##### > Development from 1.1. to 31.12.2019

in T€	Concessions and rights	Goodwill for "Real Estate Parking"	Goodwill for "Malta"	Total
Net carrying amount as at 1.1.2019	127,212.5	54.2	28,407.6	155,674.3
IFRS 16 adjustments	10,747.0	0.0	0.0	10,747.0
Restated net carrying amount as at 1.1.2019	137,959.5	54.2	28,407.6	166,421.3
Additions	3,263.4	0.0	0.0	3,263.4
Transfers	1,981.0	0.0	0.0	1,981.0
Derecognition	-11.9	0.0	0.0	-11.9
Depreciation and amortisation	-5,589.6	0.0	0.0	-5,589.6
<b>Net carrying amount as at 31.12.2019</b>	<b>137,602.3</b>	<b>54.2</b>	<b>28,407.6</b>	<b>166,064.1</b>

##### As at 31.12.2019

Cost	212,251.7	54.2	28,407.6	240,713.5
Accumulated depreciation	-74,649.4	0.0	0.0	-74,649.4
<b>Net carrying amount</b>	<b>137,602.3</b>	<b>54.2</b>	<b>28,407.6</b>	<b>166,064.1</b>

##### > Development from 1.1. to 31.12.2018<sup>1</sup>

in T€	Concessions and rights	Goodwill for "Real Estate Parking"	Goodwill for "Malta"	Total
Net carrying amount as at 1.1.2018	128,144.5	54.2	28,407.6	156,606.3
Additions	2,612.2	0.0	0.0	2,612.2
Transfers	1,302.1	0.0	0.0	1,302.1
Derecognition	-30.0	0.0	0.0	-30.0
Depreciation and amortisation	-4,816.4	0.0	0.0	-4,816.4
<b>Net carrying amount as at 31.12.2018</b>	<b>127,212.5</b>	<b>54.2</b>	<b>28,407.6</b>	<b>155,674.3</b>

##### As at 31.12.2018

Cost	197,021.8	54.2	28,407.6	225,483.6
Accumulated depreciation	-69,809.3	0.0	0.0	-69,809.3
<b>Net carrying amount</b>	<b>127,212.5</b>	<b>54.2</b>	<b>28,407.6</b>	<b>155,674.3</b>

1) First-time application of IFRS 16. The comparative information was not restated.

The item "Concessions and rights" includes a concession to operate Malta Airport with a carrying amount of T€ 115,281.6 (previous year: T€ 117,721.4) and a remaining term of around 47 years as at 31 December 2019. In addition, right-of-use assets (IFRS 16) relating to this concession are included with a carrying amount of T€ 10,525.4 as at 31 December 2019. The development of right-of-use assets is shown in note (38).

The material additions and transfers for the financial year relate to purchased software. Expenses of T€ 1,698.4 (previous year: T€ 1,372.3) for the research and development of individual modules of the airport operations software programme were recognised as expenses in the 2019 financial year.

### **Impairment testing of cash-generating units with goodwill**

An impairment test was performed in the current financial year for a cash-generating unit containing goodwill.

Goodwill of T€ 28,407.6 (previous year: T€ 28,407.6) has been assigned to the "Malta" cash-generating unit.

### **Measurement method and inputs**

The recoverable amount of the "Malta" cash-generating unit is based on its fair value less costs to sell, which was estimated using discounted cash flows. Based on the inputs in the measurement methods used, the measurement was classified as a level 3 fair value. The forecast net cash flows are discounted using weighted average cost of capital (WACC) of the Flughafen Wien Group's peer group, taking into account the sovereign risk premium for Malta. The net cash flows reflect the amounts in the 2020 budget (previous year: 2019 budget) and Group controlling forecasts.

Significant inputs for the "Malta" CGU:

- › Growth rate of 0.5% for rough planning period (to 2067) (previous year: 0.5%)
- › Tax rate of 35% (previous year: 35%)
- › After-tax WACC of 5.5% (previous year: 5.3%)

The calculation of the fair value is based on specific cash flow forecasts for five years (detailed planning period) and a further series of payments based on the last year of the detailed planning period with an annual growth rate of 0.5% (previous year: 0.5%) until the end of the concession in July 2067 (rough planning period).

The planned EBITDA is estimated on the basis of general market expectations regarding the future development of aviation in general and traffic development at Malta Airport in particular.

The growth forecast for revenue takes into account the volume and price development of past years and the expected market and price growth momentum for the next five years.

The following changes in the significant inputs would lead to an increase (decrease) in fair value:

- › Decrease (increase) in the discount rate (WACC)
- › Higher (lower) growth rate in the rough planning period

>

The estimated recoverable income of the “Malta” cash-generating unit exceeds its carrying amount by approximately € 266 million (previous year: € 330 million).

A change in the discount rate (WACC) used for the calculation of fair value less costs of disposal ranging between 5.5% plus 1% and 5.5% minus 1% or in the growth rate in the rough planning period ranging between 0.5% plus 1% and 0.5% minus 1%, which the management considers possible, would have the following effects on the amount by which the carrying amount is exceeded:

**› Sensitivities of fair value less costs of disposal minus carrying amount for various manifestations of the planning parameters WACC and growth rate in the rough planning period**

		2019	Growth rate p.a.		
WACC	In € million	-0.50%	0.50%	1.50%	
	4.50%	286	385	514	
	5.50%	191	266	362	
	6.50%	117	174	246	

		2018	Growth rate p.a.		
WACC	In € million	-0.50%	0.50%	1.50%	
	4.30%	352	454	585	
	5.30%	253	330	428	
	6.30%	176	235	309	

## › (14) Property, plant and equipment

### › Development from 1.1. to 31.12.2019

in T€	Land and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Prepayments and assets under construction	Total
Net carrying amount as at 1.1.2019	1,002,693.8	262,507.0	103,002.1	80,709.5	1,448,912.4
IFRS 16 adjustments	58,289.7	0.0	562.6	0.0	58,852.2
Restated net carrying amount as at 1.1.2019	1,060,983.5	262,507.0	103,564.7	80,709.5	1,507,764.6
Changes in the consolidated group	0.0	0.0	1,183.2	0.0	1,183.2
Additions <sup>1</sup>	27,558.7	26,432.6	34,174.4	54,987.7	143,153.5
Transfers	4,206.4	2,907.5	797.3	-7,208.5	702.7
Derecognition	-1,088.5	-160.9	-86.9	0.0	-1,336.3
Depreciation and amortisation	-61,018.6	-34,155.2	-24,126.3	0.0	-119,300.1
Impairment	0.0	-1,821.0	0.0	0.0	-1,821.0
<b>Net carrying amount as at 31.12.2019</b>	<b>1,030,641.6</b>	<b>255,709.8</b>	<b>115,506.3</b>	<b>128,488.7</b>	<b>1,530,346.5</b>
<b>As at 31.12.2019</b>					
Cost	1,842,680.9	928,165.8	357,266.6	128,488.7	3,256,602.0
Accumulated depreciation	-812,039.4	-672,455.9	-241,760.2	0.0	-1,726,255.5
<b>Net carrying amount</b>	<b>1,030,641.6</b>	<b>255,709.8</b>	<b>115,506.3</b>	<b>128,488.7</b>	<b>1,530,346.5</b>

1) The additions include invoice corrections of € 0.2 million which are accounted for as negative additions.

Property, plant and equipment includes right-of-use assets of T€ 81,539.2 in connection with lease assets that do not meet the definition of investment property. The development is shown in note (38).

**› Development from 1.1. to 31.12.2018<sup>1</sup>**

in T€	Land and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Prepayments and assets under construction	Total
Net carrying amount as at 1.1.2018	1,051,502.0	282,128.4	91,855.2	15,886.4	1,441,371.9
Changes in the consolidated group	0.0	0.0	66.0	0.0	66.0
Additions <sup>2</sup>	11,298.0	12,770.6	33,207.6	72,397.3	129,673.5
Transfers <sup>3</sup>	1,988.5	2,478.6	590.0	-7,574.1	-2,517.1
Derecognition	-727.4	-0.8	-164.7	0.0	-893.0
Depreciation and amortisation	-61,367.3	-34,869.8	-22,551.9	0.0	-118,789.0
<b>Net carrying amount as at 31.12.2018</b>	<b>1,002,693.8</b>	<b>262,507.0</b>	<b>103,002.1</b>	<b>80,709.5</b>	<b>1,448,912.4</b>
<b>As at 31.12.2018</b>					
Cost	1,770,997.5	903,055.5	335,213.3	80,709.5	3,089,975.9
Accumulated depreciation	-768,303.8	-640,548.6	-232,211.2	0.0	-1,641,063.5
<b>Net carrying amount</b>	<b>1,002,693.8</b>	<b>262,507.0</b>	<b>103,002.1</b>	<b>80,709.5</b>	<b>1,448,912.4</b>

1) First-time application of IFRS 16. The comparative information was not restated.

2) The additions include invoice corrections of € 0.1 million which are accounted for as negative additions.

3) The transfers also include reclassifications to/from assets available for sale.

Please see note (7) for information on impairment losses recognised in the 2019 financial year.

No borrowing costs were capitalised in the 2019 financial year (previous year: T€ 0.0).

The following table shows the biggest additions to property, plant and equipment, intangible assets and investment property in the 2019 and 2018 financial years:

**› 2019 financial year:**

<b>› Airport segment in T€</b>	<b>2019</b>
Terminal alteration	37,714.5
West Apron	12,286.3
Hangar 8 and 9	11,366.6
Land	5,655.7
Taxiways	5,285.4
Schengen bus gates	2,821.8
Runway sweepers	1,603.2

<b>› Handling &amp; Security Services segment in T€</b>	<b>2019</b>
Cars, buses, vans, delivery trucks	2,704.2
Work stairs and engine starter units	1,907.3
Aircraft and electric towing vehicles	1,382.5
De-icing equipment	965.2
Conveying systems	818.1

<b>› Retail &amp; Properties segment in T€</b>	<b>2019</b>
Office Park 4	24,732.8
Helicopter hangar	2,725.8
Land	2,390.2
Car park skywalk	1,174.0

<b>› Malta segment in T€</b>	<b>2019</b>
Car park	6,851.0
HBS CT scanners	2,371.8
Taxiways	1,282.9

<b>› Other Segments in T€</b>	<b>2019</b>
IT hardware	6,098.4
Software	2,395.0
HNS equipment	1,421.4
Installation ducts	1,030.4

**› 2018 financial year:**

<b>› Airport segment in T€</b>	<b>2018</b>
Third runway (incl. payment obligation arising from the environmental fund – Vienna Airport service agreement from the mediation process)	55,837.9
Terminal alteration	8,856.3
Taxiways	4,725.9
Fire brigade vehicles	3,871.4
Hangar 8 and 9	1,867.8
High-performance runway snow cutter blower	1,787.3
Traffic construction	1,554.7

<b>› Handling &amp; Security Services segment in T€</b>	<b>2018</b>
Work stairs and engine starter units	2,773.7
Aircraft, diesel and electric towing vehicles	2,076.5
Cars, buses, vans, delivery trucks	1,726.6
Lifting and loading vehicles	1,509.3
Special vehicles	1,199.9

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<b>› Retail &amp; Properties segment in T€</b>	<b>2018</b>
Office Park 4	32,308.5
Medical Center tenant improvement	1,846.1
Pharma logistics hall	1,691.0
Land	1,526.5
<b>› Malta segment in T€</b>	<b>2018</b>
Terminal	1,424.4
Apron	1,026.9
Car park	974.4
Taxiway Delta	812.5
<b>› Other Segments in T€</b>	<b>2018</b>
IT hardware	2,680.0
Emergency power systems	1,344.1
Oracle Unifier	924.4
mach2cdm expansions	894.8
Software	888.1

## › (15) Investment property

### › Development from 1.1. to 31.12.2019

in T€	Investment property	Prepayments and assets under construction	Total
Net carrying amount as at 1.1.2019	126,484.1	35,014.7	161,498.8
IFRS 16 adjustments	341.5	0.0	341.5
Restated net carrying amount as at 1.1.2019	126,825.5	35,014.7	161,840.3
Additions	501.0	24,873.6	25,374.6
Transfers	-2,672.4	0.0	-2,672.4
Depreciation and amortisation	-5,813.0	0.0	-5,813.0
<b>Net carrying amount as at 31.12.2019</b>	<b>118,841.2</b>	<b>59,888.3</b>	<b>178,729.5</b>
<b>As at 31.12.2019</b>			
Cost	204,042.1	59,888.3	263,930.4
Accumulated depreciation	-85,200.9	0.0	-85,200.9
<b>Net carrying amount</b>	<b>118,841.2</b>	<b>59,888.3</b>	<b>178,729.5</b>



**› Development from 1.1. to 31.12.2018<sup>1</sup>**

in T€	Investment property	Prepayments and assets under construction	Total
Net carrying amount as at 1.1.2018	130,157.4	2,662.1	132,819.5
Additions	1,079.7	32,352.6	33,432.3
Transfers	1,270.9	0.0	1,270.9
Derecognition	-52.6	0.0	-52.6
Depreciation and amortisation	-5,971.2	0.0	-5,971.2
<b>Net carrying amount as at 31.12.2018</b>	<b>126,484.1</b>	<b>35,014.7</b>	<b>161,498.8</b>
<b>As at 31.12.2018</b>			
Cost	210,652.0	35,014.7	245,666.7
Accumulated depreciation	-84,167.9	0.0	-84,167.9
<b>Net carrying amount</b>	<b>126,484.1</b>	<b>35,014.7</b>	<b>161,498.8</b>

1) First-time application of IFRS 16. The comparative information was not restated.

Investment property consists of buildings and land that are mainly held to generate rental income:

in T€	2019	2018
Rental income	17,523.0	16,824.1
Operating expenses for rented properties	6,911.5	7,404.3
Operating expenses for vacant properties	186.4	260.4

The investment property includes right-of-use assets (IFRS 16) with a carrying amount of T€ 334.5 as at 31 December 2019. The development is shown in note (38).

**Fair value**

The fair value of investment property was T€ 214,275.4 as at the end of the reporting period (previous year: T€ 178,156.7).

**Measurement method and inputs**

The fair value was calculated based on a measurement model using unobservable inputs (level 3). The model is based on the present value of the net cash flows generated by the properties on the basis of market expectations and includes the expected increase in rents, relocations, occupancy rates and all other costs attributable to these assets. The expected net cash flows are discounted with a WACC of a peer group of the Flughafen Wien Group. The net cash flows reflect the amounts in the 2020 budget (previous year: 2019 budget) and long-term Group controlling forecasts.

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Significant unobservable inputs:

- › Rent increases by type of property of 0.0% to 2.0% (previous year: 0.0% to 2.0%)
- › Occupancy rates for 2020 of 0.0% to 100%, weighted average: 95% (previous year: 33% to 100%, weighted average: 93%)
- › Growth rate of 0.0% for perpetual yield (previous year: 0.0%)
- › Tax rates of 25.0% to 35.0% (previous year: 25.0% to 35.0%)
- › After-tax WACC of 3.4% to 4.7% (previous year: 4.5% to 5.1%)

The following changes in the unobservable inputs would lead to a material increase (decrease) in fair value:

- › Increasing (decreasing) rental income per square metre
- › Higher (lower) occupancy rate
- › Decrease (increase) in the discount rate (WACC)
- › Higher (lower) growth rate for the perpetual yield

## › (16) Investments in companies recorded at equity

### › Development from 1.1. to 31.12.

in T€	2019	2018
Net carrying amount as at 1.1.	42,909.2	40,987.2
Pro rata profit for the period	3,178.1	3,566.0
Changes in the consolidated group	-286.5	0.0
Dividend payment	-2,093.9	-1,643.9
<b>Net carrying amount as at 31.12.</b>	<b>43,706.9</b>	<b>42,909.2</b>

A summary of financial information on associated companies and joint ventures is provided in Appendix 2 "Investments". For details please see note (6).

**> (17) Other assets**

in T€	31.12.2019	31.12.2018
Loans and receivables (AC <sup>1</sup> )	908.3	938.0
Thereof loans granted to employees	175.9	179.8
Thereof other loans and receivables	732.4	758.2
Receivables from investments and time deposits (AC <sup>1</sup> )	75,220.0	111,289.1
Equity instruments (FVOCI <sup>2</sup> )	4,595.3	5,238.1
Thereof shares in non-consolidated affiliates	1.2	66.2
Thereof other investments	65.9	4.2
Thereof securities	4,528.2	5,167.7
Prepaid expenses <sup>3</sup>	0.0	30,770.7
	<b>80,723.5</b>	<b>148,235.8</b>

Definition of measurement categories:

1) AC = amortised cost

2) FVOCI = fair value through other comprehensive income

3) Not a financial instrument

**Loans and receivables** include a loan of T€ 112.5 (previous year: T€ 131.7) to Société Internationale Télécommunications Aéronautiques SC, loans granted to employees of T€ 175.9 (previous year: T€ 179.8), a receivable of T€ 69.9 (previous year: T€ 76.5) relating to an investment subsidy from the Austrian Government Environmental Fund, and another loan to the Works Council of Flughafen Wien AG of T€ 550.0 (previous year: T€ 550.0).

There are **receivables from investments and time deposits** of T€ 75,220.0 (previous year: T€ 111,289.1). The average interest rate for the time deposits is 0.31% (previous year: 0.26%).

The **equity instruments** consist of strategic securities (e.g. in CESEAG AG) that have been held for a longer period of time of T€ 4,528.2 (previous year: T€ 5,167.7) and shares in non-consolidated affiliates and other investments of T€ 67.1 (previous year: T€ 70.4) that are not included in the consolidated financial statements on account of their current immateriality.

**Shares in non-consolidated affiliates (2019):**

- ▶ Kirkop PV Farm Limited

The following company was fully consolidated from 2019 (not consolidated up to 2018):

- ▶ VIE Shops Entwicklungs- und Betriebsges.m.b.H

Further details can be found in note (40).

In the previous year, the **prepaid expenses** item related to a rent prepayment for a temporary right of use to land ("temporary emphyteusis"). This prepayment is distributed over the term, which is between 58 and 65 years (see "XI. Accounting policies"). As part of the transition to IFRS 16, this item was reported in property, plant and equipment. The effects of the first-time application of IFRS 16 on the statement of financial position and the income statement are shown in V. "Changes to significant accounting policies".

As at 31 December 2019, time deposits of T€ 0.0 (previous year: T€ 106,000.0) were pledged to banks.

## Current assets

### > (18) Inventories

in T€	31.12.2019	31.12.2018
Consumables and supplies	6,201.5	6,110.6
	<b>6,201.5</b>	<b>6,110.6</b>

In particular, consumables and supplies consist of de-icing materials, fuel, spare parts and other materials used in airport operations. As in the previous year, there were no inventories measured at net realisable value as at the end of the reporting period.

### > (19) Securities

in T€	31.12.2019	31.12.2018
Funds (FVPL <sup>2</sup> )	30,826.5	0.0
Debt instrument (AC <sup>1</sup> )	4,982.7	4,982.7
Debt instrument (FVPL <sup>2</sup> )	22,900.7	23,141.7
	<b>58,709.9</b>	<b>28,124.4</b>

Definition of measurement categories:

1) AC = amortised cost

2) FVPL = fair value through profit and loss

The debt instrument (FVPL) is a tier 2 capital obligation.

### > (20) Assets available for sale

in T€	31.12.2019	31.12.2018
Assets available for sale	0.0	684.5
	<b>0.0</b>	<b>684.5</b>

No assets were classified as available for sale as at 31 December 2019.

Land with a carrying amount of T€ 684.5 was reported under “Assets available for sale” in accordance with IFRS 5 as at 31 December 2018. The land relates to planned disposals for a commercial and industrial park in the surrounding area and is assigned to Retail & Properties.

The assets are reported at the lower of carrying amount and fair value less costs to sell. No impairment losses were incurred. Accounting in accordance with IFRS 5 did not lead to any recognition of gains or losses as at 31 December 2018.

## › (21) Receivables and other assets

in T€	31.12.2019	31.12.2018
Net trade receivables (AC <sup>1</sup> )	68,134.8	65,397.6
Receivables from investments recorded at equity (AC <sup>1</sup> )	297.4	663.7
Other receivables and assets (AC <sup>1</sup> )	14,455.6	11,392.0
Receivables from investments and time deposits (AC <sup>1</sup> )	55,738.5	45,000.0
Prepaid incentive (AC <sup>1</sup> )	2,787.5	2,062.5
Receivables from taxation authorities <sup>2</sup>	6,202.0	8,001.9
Prepaid expenses <sup>2</sup>	3,759.3	3,334.8
	<b>151,375.2</b>	<b>135,852.5</b>

Definition of measurement categories:

1) AC = amortised cost

2) Not a financial instrument

The payment terms for trade receivables generally range from 8 to 30 days and are classified as current. Details on the Group's impairment methods are shown in the accounting policies, the development of valuation allowances in note (36).

The receivables due from taxation authorities represent advance payments on corporate income taxes and VAT tax credits that were offset against liabilities arising from payroll-related taxes.

The other receivables and assets include short-term investments (time deposits) with a commitment period of more than three months in the amount of T€ 55,738.5 (previous year: T€ 45,000.0). The average interest rate for the investment is 0.30% (previous year: 0.25%). The time deposits include investments in foreign currency of T\$ 829.4 (previous year: T\$ 0.0).

## › (22) Cash and cash equivalents

in T€	31.12.2019	31.12.2018
Cash	338.5	295.0
Checks	6.5	2.4
Bank balances	84,438.0	29,801.4
	<b>84,782.9</b>	<b>30,098.8</b>

>

All short-term investments had a maximum commitment period of three months at the time the investment was made. The average interest rate on Austrian bank balances was 0.00% as at 31 December 2019 (previous year: 0.00%). The carrying amounts of cash and cash equivalents approximate their fair value.

Cash and cash equivalents include investments in foreign currency of T\$ 0.0 (previous year: T\$ 709.2).

## Equity

### › (23) Share capital

The share capital of Flughafen Wien AG is fully paid in and amounts to T€ 152,670.0. It is divided into 84,000,000 (previous year: 84,000,000) no-par-value bearer shares with voting and profit-sharing rights, which are securitised by a global certificate deposited with Oesterreichische Kontrollbank. All shares carry the same rights and obligations ("one share – one vote"). There were 83,952,061 (previous year: 84,000,000) shares outstanding as at 31 December 2019. On 31 December 2019, the Flughafen Wien Group held 47,939 of the company's own shares.

Earnings per share as shown in the income statement are calculated by dividing the share of net profit for the period attributable to the shareholders of the parent company by the weighted average number of shares outstanding for the financial year. There are no option rights for the issue of new shares. Basic earnings per share are therefore equal to diluted earnings per share.

The proposed dividend is dependent on the approval of the Annual General Meeting, and was therefore not recognised as a liability in the consolidated financial statements. The proposed dividend for the 2019 financial year amounts to € 1.13 (previous year: € 0.89) per share. If the number of shares outstanding stays the same, this would result in a distribution of T€ 94,865.8.\*

\*) Notice for the publication of the Annual Financials Statements and Consolidated Financial Statements: Please note the current proposal for the distribution of profits by the Board and the Report of the Supervisory Board, which contain the call for the profit to be carried forward.

### › (24) Capital reserves

Capital reserves comprise a T€ 92,221.8 premium generated by the stock issue in the 1992 financial year, a T€ 25,435.5 premium from the share capital increase in the 1995 reporting year, and an addition of T€ 87.1 in the 2019 financial year due to the purchase of own shares. The capital reserves are the same as those in the separate financial statements of Flughafen Wien AG.

## › (25) Other reserves

The component items of other reserves are described below. The development of these reserves is shown in the statement of changes in equity:

- a) Change in fair value of equity instruments reserve (FVOCI): The Group recognises changes in the fair value of certain investments in equity instruments in other comprehensive income, as described in XI. Accounting policies. These changes are accumulated in the FVOCI reserve in equity. The Group transfers amounts from this reserve to retained earnings when the corresponding equity instruments are derecognised.
- b) Revaluation of intangible assets: Revaluation surplus from the pro rata increase by the hidden reserves of the existing shares held in MMLC and the MIA Group at the time of first-time consolidation (2006) in accordance with IFRS 3.59 (2004).
- c) Revaluations from defined benefit plans: Actuarial gains and losses on the provisions for severance compensation and pensions, which result from experience-based adjustments or changes in actuarial assumptions, are recognised directly in other comprehensive income during the period incurred.
- d) Currency translation reserve: This reserve covers all differences resulting from the translation of the annual financial statements of foreign subsidiaries from their functional currency to the Group's reporting currency.
- e) Reserve for own shares: The reserve for the company's own shares comprises the acquisition costs of the company's own shares held by the Group. On 31 December 2019, the Flughafen Wien Group held 47,939 of the company's shares.

## › (26) Retained earnings

Retained earnings comprise the profits generated by the Group after the deduction of dividends. The maximum amount available for distribution to the shareholders of the parent company is the amount reported as "Net retained profits" in the separate financial statements of Flughafen Wien AG prepared in accordance with Austrian generally accepted accounting principles as at 31 December 2019.

## › (27) Non-controlling interests

Non-controlling interests represent shares held by third parties in the equity of consolidated subsidiaries.

The non-controlling interests in Malta Mediterranean Link Consortium Limited (MMLC) amount to 4.15% (previous year: 4.15%) as at the end of the reporting period, and indirectly to 51.56% in Malta International Airport p.l.c. and its subsidiaries (MIA Group) (previous year: indirectly 51.56%).

The non-controlling interests in the Slovakian subsidiary BTS Holding a.s. are the shares held by the co-shareholder Raiffeisen-Invest-Gesellschaft m.b.H.

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The development of non-controlling interests is shown in the statement of changes in equity.

For details of material non-controlling interests, see Appendix 3.

## Non-current liabilities

### › (28) Non-current provisions

in T€	31.12.2019	31.12.2018
Severance compensation	98,701.0	91,405.9
Pensions	17,327.4	17,175.0
Service anniversary bonuses	36,571.3	31,985.6
Semi-retirement programmes	21,417.4	20,872.3
Miscellaneous provisions	995.9	1,245.0
	<b>175,013.0</b>	<b>162,683.7</b>

### Defined benefit severance compensation plans for Austrian Group companies

Legal regulations and collective bargaining agreements grant employees who joined the company before 1 January 2003 a lump-sum payment on termination or retirement. The amount of this severance compensation is based on the length of service with the company and the amount of the compensation at the end of employment.

Employees who joined the company after 31 December 2002 no longer have a direct claim to legal severance compensation from their employer. For these employment contracts, severance compensation obligations are met through regular payments to an employee benefit fund. This severance compensation model only requires the employer to make regular contributions. Collective bargaining agreements also exist for these employees (wage-earning employees: entry by 30 June 2014, salaried employees: entry by 31 October 2014), for which provisions have been recognised.

This defined benefit plan exposes the Flughafen Wien Group to actuarial risks, e.g. interest rate risks.

### Actuarial assumptions

Information on the actuarial assumptions can be found under "XI. Accounting policies".



**› Development of the provision for severance compensation**

in T€	2019	2018
Provision recognised as at 1.1. = present value (DBO) of obligations	91,405.9	85,877.3
Changes in the consolidated group	139.9	39.0
Net expense recognised in profit or loss	6,012.5	5,784.6
Actuarial gains (-)/losses (+) recognised in other comprehensive income	7,543.5	5,672.0
Thereof from financial assumptions	6,735.1	3,498.2
Thereof from demographic assumptions	0.0	133.3
Thereof from experience-based assumptions	808.4	2,040.4
Severance compensation payments	-6,400.8	-5,966.9
Provision recognised as at 31.12. = present value (DBO) of obligations	98,701.0	91,405.9

The cumulative actuarial differences (after deduction of deferred taxes) on the provisions for severance compensation that were recognised in other comprehensive income amounted to T€ -34,426.9 as at the end of the reporting period (previous year: T€ -28,769.3).

**Personnel expenses include the following:**

in T€	2019	2018
Service cost	4,840.9	4,679.4
Interest expense	1,171.6	1,105.2
Severance compensation expense recognised as personnel expenses <sup>1</sup>	6,012.5	5,784.6

1) Not including voluntary severance payments

The expected payments for severance compensation obligations in the coming financial year total T€ 6,496.3 (previous year: T€ 6,537.0).

**Maturity profile of commitments**

As at 31 December 2019, the weighted average remaining term of the defined benefit obligation was 10.4 years (previous year: 10.0 years).

**Sensitivity analyses**

The following actuarial assumptions used to calculate the defined benefit obligation are considered material. Changes in these assumptions would have the following effect on the obligation:

Change in the defined benefit obligation (DBO) from severance compensation in T€	Increase (+ 1%)	Decrease (-1%)
Discount rate	-9,397.5	11,082.5
Future wage and salary increases	10,094.5	-8,790.0

## Defined benefit pension plans

### Defined benefit pension plans for Austrian Group companies

Flughafen Wien AG has concluded individual agreements for the payment of supplementary defined pension benefits to former managers. These commitments were not covered by plan assets as at the end of the reporting period (or the end of the previous year).

Employees who joined the company before 1 September 1986 had a claim to defined benefit pension subsidies based on works agreements. These payments were dependent on the length of employment and final compensation. In autumn 2001 active employees were given the option of receiving a one-time settlement payment equal to 100% of the provision for pensions as at 31 December 2000, as calculated in accordance with Austrian commercial law, and transferring to a contribution-based pension fund model with no requirement for subsequent contributions on the part of the employer. A total of 588 employees accepted this offer at the beginning of 2002. Retired employees who did not accept the settlement offered in 2001 still have a claim to pension payments.

### Defined benefit pension plans for Maltese Group companies

On the basis of the Pensions Ordinance (Cap 93), Malta Airport grants pension subsidies to individual active employees who joined the public sector before 15 January 1979 and who were taken on by the company. As in the previous year, there are no plan assets for this obligation as at the end of the reporting period.

Employees of Malta Airport are also granted defined benefit pension subsidies based on collective agreements.

These defined benefit plans expose the Flughafen Wien Group to actuarial risks, e.g. longevity or interest rate risks.

### Actuarial assumptions

Information on the actuarial assumptions can be found under "XI. Accounting policies".

### Defined contribution pension plans for Austrian Group companies

For employees who joined the company between 1 September 1986 and 1 November 2014, Flughafen Wien AG has concluded a works agreement for retirement, invalidity and survivors' pensions through a contract with a pension fund (defined contribution plan).

The company makes payments equal to 2.5% of monthly wages and salaries for all employees covered by the works pension agreement as long as their employment relationship remains in effect. In addition, employees can make additional contributions to the fund. Employees' claims to retirement and survivors' pensions arising from contributions made by the employer are transferred to the pension fund five years after the start of contribution payments. These amounts become vested after a further five years.

A defined contribution pension plan was not set up for employees who joined the company after 1 November 2014. No further contributions to pension funds are made for these employees.

**› Development of the provision for pensions**

in T€	2019	2018
Provision recognised as at 1.1. = present value (DBO) of obligations	17,175.0	17,328.9
Net expense recognised in profit or loss	278.7	242.0
Actuarial gains (-)/losses (+) recognised in other comprehensive income	1,049.1	966.6
Thereof from financial assumptions	951.6	-47.8
Thereof from demographic assumptions	0.0	923.0
Thereof from experience-based assumptions	97.5	91.4
Pension payments	-1,175.4	-1,362.5
<b>Provision recognised as at 31.12. = present value (DBO) of obligations</b>	<b>17,327.4</b>	<b>17,175.0</b>

The cumulative actuarial differences (after deduction of deferred taxes) on pension provisions that were recognised in other comprehensive income amounted to T€ -2,835.9 as at the end of the reporting period (previous year: T€ -2,056.9).

**Personnel expenses include the following:**

in T€	2019	2018
Service cost	108.9	76.1
Interest expense	169.8	165.9
<b>Pension expenses recognised as personnel expenses<sup>1</sup></b>	<b>278.7</b>	<b>242.0</b>

1) Not including contributions to pension funds or other pension expenses

The expected payments for pension obligations in the coming financial year total T€ 1,019.3 (previous year: T€ 1,026.6).

**Maturity profile of commitments**

As at 31 December 2019, the weighted average remaining term of the defined benefit obligation was 10.8 years (previous year: 12.7 years).

**Sensitivity analyses**

The following actuarial assumptions used to calculate the defined benefit obligation are considered material. Changes in these assumptions would have the following effect on the obligation:

Change in the defined benefit obligation (DBO) from pensions in T€	Increase (+1%)	Decrease (-1%)
Discount rate	-1,263.4	1,432.1
Increase in pensions during payment phase	1,172.3	-1,036.8

&gt;

## Provisions for anniversary bonuses for Austrian Group companies

Employees at the Vienna Airport site are entitled to receive special long-service bonuses. The specific entitlement criteria and amount of the bonus are regulated by the collective bargaining agreements for the employees of public airports in Austria.

### › Development of the provision for service anniversary bonuses

in T€	2019	2018
Provision recognised as at 1.1. = present value (DBO) of obligations	31,985.6	27,722.1
Changes in the consolidated group	0.0	11.2
Net expense recognised in profit or loss	5,726.7	5,046.4
Service anniversary payments	-1,140.9	-794.1
<b>Provision recognised as at 31.12. = present value (DBO) of obligations</b>	<b>36,571.3</b>	<b>31,985.6</b>

### Personnel expenses include the following:

in T€	2019	2018
Service cost	2,165.1	1,886.2
Interest expense	407.2	354.0
Actuarial gains (-)/losses (+) recognised in profit or loss	3,154.4	2,806.1
<b>Service anniversary bonuses recognised as personnel expenses</b>	<b>5,726.7</b>	<b>5,046.4</b>

## Provisions for semi-retirement programmes for Austrian Group companies

Provisions were recognised for the expenses arising from the obligation to make supplementary payments (so-called "wage/salary equalisation") to employees working under semi-retirement programmes and the costs for additional work in excess of the agreed part-time employment. Equalisation payments are recognised as other long-term employee benefits and therefore distributed/incurred pro rata over the active working phase, taking into account an actual average minimum length of service (salaried employees: 24 years; wage-earning employees: 15 years).

### › Development of the provision for semi-retirement programmes

in T€	2019	2018
Provision recognised as at 1.1. = present value (DBO) of obligations	20,872.3	20,565.3
Net expense recognised in profit or loss	6,201.0	5,749.5
Payments for semi-retirement programmes	-5,655.9	-5,442.5
<b>Provision recognised as at 31.12. = present value (DBO) of obligations</b>	<b>21,417.4</b>	<b>20,872.3</b>

**Personnel expenses include the following:**

in T€	2019	2018
Service cost	4,625.0	3,993.7
Interest expense	53.3	52.7
Actuarial gains (-)/losses (+) recognised in profit or loss	1,522.7	1,703.1
Semi-retirement expenses recognised as personnel expenses	6,201.0	5,749.5

**Miscellaneous provisions**

in T€	1.1.2019	Transfer <sup>1</sup>	Addition	31.12.2019
Miscellaneous provisions	1,245.0	-1,245.0	995.9	995.9

1) Transfer between current and non-current provisions

in T€	1.1.2018	Transfer <sup>1</sup>	Addition	31.12.2018
Miscellaneous provisions	1,609.4	364.4	0.0	1,245.0

1) Transfer between current and non-current provisions

**> (29) Non-current and current financial liabilities**

in T€	31.12.2019	31.12.2018 <sup>2</sup>
Current lease liabilities (AC <sup>1</sup> )	388.7	
Current financial liabilities (AC <sup>1</sup> )	25,055.0	57,016.5
Current financial and lease liabilities	25,443.7	57,016.5
Non-current lease liabilities (AC <sup>1</sup> )	55,432.9	
Non-current financial liabilities (AC <sup>1</sup> )	275,000.0	300,000.0
Non-current financial and lease liabilities	330,432.9	300,000.0
<b>Financial liabilities</b>	<b>355,876.6</b>	<b>357,016.5</b>

Definition of measurement categories:

1) AC = amortised cost

2) First-time application of IFRS 16. Prior-year period was not restated.

Current financial liabilities include cash advances of € 0.0 million (previous year: € 32.0 million).

**The remaining terms of the financial liabilities are as follows:**

in T€	31.12.2019	31.12.2018
Up to one year	25,055.0	57,016.5
Over one year and up to five years	100,000.0	100,000.0
Over five years	175,000.0	200,000.0
	<b>300,055.0</b>	<b>357,016.5</b>

>

**Financial liabilities developed as follows:**

in T€	Non-current financial liabilities	Current financial liabilities	Total
As at 1.1.2019	300,000.0	57,016.5	357,016.5
Addition <sup>1</sup>	0.0	38.5	38.5
Repayments	0.0	-57,000.0	-57,000.0
Reclassification	-25,000.0	25,000.0	0.0
As at 31.12.2019	275,000.0	25,055.0	300,055.0

1) Primarily relates to current bank overdrafts

in T€	Non-current financial liabilities	Current financial liabilities	Total
As at 1.1.2018	356,147.6	46,962.7	403,110.4
Addition <sup>1</sup>	0.0	32,016.4	32,016.4
Repayments	-31,147.6	-46,962.7	-78,110.3
Reclassification	-25,000.0	25,000.0	0.0
As at 31.12.2018	300,000.0	57,016.5	357,016.5

1) Primarily relates to current cash advances

All financial liabilities were concluded in euro. The average interest rate on financial liabilities is 4.65% (previous year: 4.21%).

Information on collateral can be found in notes (17) and (36).

**› Lease liabilities developed as follows:**

in T€	Non-current lease liabilities	Current lease liabilities	Total
As at 1.1.2019	55,364.2	370.1	55,734.3
Valuation effects	510.9	0.0	510.9
Repayments	-53.5	-370.1	-423.6
Reclassification	-388.7	388.7	0.0
As at 31.12.2019	55,432.9	388.7	55,821.6

The average interest rate on lease liabilities is 3.98%.

The effects of the first-time application of IFRS 16 on the opening statement of financial position are shown in V. "Changes to significant accounting policies".

### › (30) Other non-current liabilities

in T€	31.12.2019	31.12.2018
Other financial liabilities (AC <sup>1</sup> )	0.0	9,118.1
Deferred income <sup>2</sup>	28,110.8	30,076.4
Investment subsidies <sup>2</sup>	465.4	335.2
	<b>28,576.2</b>	<b>39,529.8</b>

Definition of measurement categories:

- 1) AC = amortised cost,
- 2) Not a financial instrument

In the previous year, the other financial liabilities related to rent expenses recognised on a straight-line basis over the term of the lease. The changes due to the first-time application of IFRS 16 are shown in V. "Changes to significant accounting policies".

Deferred income includes rental prepayments by Austro Control GmbH for the air traffic control tower completed in 2005 and other prepayments received for existing properties. The lease for the air traffic control tower has a term of 33 years ending in April 2038.

Flughafen Wien AG received non-repayable investment subsidies from public authorities in the period from 1977 to 1985. Flughafen Wien AG also received investment subsidies from the European Union in 1997, 1998 and 1999. The investment allowances received from the Republic of Austria from 2002 to 2004 are accounted for as government grants and recognised in profit or loss over the useful life of the relevant item of property, plant and equipment.

### › (31) Deferred taxes

in T€	31.12.2019	31.12.2018
<b>Deferred tax assets</b>		
Intangible assets and property, plant and equipment	3,479.3	2,528.4
Provisions for severance compensation	12,596.3	11,150.4
Provisions for pensions	2,786.7	2,737.3
Provisions for service anniversary bonuses	4,861.0	3,975.1
Tax loss carryforwards	508.2	606.0
Other liabilities	5,307.5	4,954.8
Other provisions	538.0	542.1
Other assets/liabilities	1,245.8	1,082.3
	<b>31,322.7</b>	<b>27,576.3</b>
<b>Deferred tax liabilities</b>		
Intangible assets and property, plant and equipment	67,306.0	72,169.2
Debt and equity instruments	1,610.6	1,600.3
Other assets/liabilities	889.7	881.3
	<b>69,806.3</b>	<b>74,650.7</b>
<b>Total net deferred taxes</b>	<b>-38,483.6</b>	<b>-47,074.4</b>

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The following tables show the development and allocation of the total change in deferred taxes to components recognised in profit or loss and components recognised in other comprehensive income:

#### › Development of deferred tax assets

in T€	2019	2018
As at 1.1.	27,576.3	25,412.2
Changes in the consolidated group	0.0	33.6
Changes recognised in profit and loss	1,590.1	475.6
Changes recognised in other comprehensive income: Revaluation from defined benefit plans	2,156.3	1,654.9
As at 31.12.	31,322.7	27,576.3

#### › Development of deferred tax liabilities

in T€	2019	2018
As at 1.1.	74,650.7	78,893.3
Changes in the consolidated group	-1.4	-8.9
Changes recognised in profit and loss	-4,683.1	-4,311.9
Changes recognised in other comprehensive income:	-160.0	78.3
Thereof equity instruments (FVOCI)	-160.0	78.3
As at 31.12.	69,806.3	74,650.7

The calculation of the current and deferred taxes was based on the applicable corporate income tax rate of 25% for the Austrian companies and 35% for Malta. The deferred tax assets and deferred tax liabilities held by the Austrian companies were netted out. The calculation of taxes in foreign countries is based on the applicable tax rates (35.0% for Malta and 21.0% for Slovakia).

The change in equity relates to gains and losses from financial instruments recognised in other comprehensive income and the remeasurement of defined benefit plans.

Deferred taxes were not recognised for investments recorded at equity or shares in subsidiaries and joint ventures. Temporary differences of T€ 5,405.9 (previous year: T€ 4,608.2) relate to investments and joint ventures recorded at equity, which would lead to deferred tax liabilities of T€ 1,351.5 (previous year: T€ 1,152.1).

Deferred tax assets of T€ 569.3 had not been recognised as at 31 December 2019 (previous year: T€ 882.8). These amounts are for deferred tax assets on loss carryforwards.



## Current liabilities

### > (32) Current provisions

in T€	31.12.2019	31.12.2018
Unused vacation	14,497.9	12,658.2
Other claims by employees	14,676.2	15,746.4
Income taxes	11,428.7	11,042.0
Goods and services not yet invoiced	83,102.9	59,162.5
Outstanding discounts	84,054.8	37,052.8
Miscellaneous provisions	16,232.0	15,403.8
	<b>223,992.5</b>	<b>151,065.8</b>

### > Development from 1.1. to 31.12.2019

in T€	1.1.2019	Consolidated group	Utilisation	Reversal	Addition <sup>1</sup>	31.12.2019
Unused vacation	12,658.2	1,061.4	-453.2	-576.7	1,808.2	14,497.9
Other claims by employees	15,746.4	217.9	-10,134.7	-5,586.3	14,432.9	14,676.2
Income taxes	11,042.0	0.0	-10,021.4	-1,013.4	11,421.5	11,428.7
Goods and services not yet invoiced	59,162.5	-0.3	-51,281.5	-1,132.2	76,354.4	83,102.9
Outstanding discounts	37,052.8	0.0	-36,840.6	-212.2	84,054.8	84,054.8
Miscellaneous provisions	15,403.8	0.0	-5,825.0	-3,039.4	9,692.6	16,232.0
	<b>151,065.8</b>	<b>1,279.0</b>	<b>-114,556.4</b>	<b>-11,560.2</b>	<b>197,764.3</b>	<b>223,992.5</b>

1) Including transfers

The provisions for other claims by employees mainly consist of accrued overtime pay, other remuneration and performance bonuses.

The provisions for outstanding discounts relate to discounts to which the airlines are entitled and cover the period until the end of the reporting period.

Miscellaneous current provisions essentially consist of provisions for damages, legal proceedings and other obligations.

**› (33) Trade payables**

in T€	31.12.2019	31.12.2018
To third parties (AC <sup>1</sup> )	45,355.4	39,671.8
To non-consolidated affiliates (AC <sup>1</sup> )	0.1	13.8
To companies recorded at equity (AC <sup>1</sup> )	68.0	1,693.0
	<b>45,423.4</b>	<b>41,378.6</b>

Definition of measurement categories:

1) AC = amortised cost

**› (34) Other current liabilities**

in T€	31.12.2019	31.12.2018
Amounts due to companies recorded at equity	8,639.8	9,003.8
Customers with credit balances	1,605.3	1,853.8
Miscellaneous liabilities	19,754.9	31,505.8
Accrued wages	10,100.3	8,135.7
<b>Subtotal financial liabilities (AC<sup>1</sup>)</b>	<b>40,100.4</b>	<b>50,499.1</b>
Other tax liabilities <sup>2</sup>	1,063.9	1,013.5
Other deferred income <sup>2</sup>	2,943.7	3,054.9
Other social security liabilities <sup>2</sup>	8,029.4	7,604.5
Investment subsidies <sup>2</sup>	228.8	186.9
	<b>52,366.1</b>	<b>62,359.0</b>

Definition of measurement categories:

1) AC = amortised cost

2) Not a financial instrument

Miscellaneous liabilities include outstanding payment obligations arising from the environmental fund – Vienna Airport service agreement from the mediation process of T€ 6,088.7 (previous year: T€ 16,779.4).

The other deferred income essentially consists of the current portion of rental prepayments by Austro Control GmbH for the air traffic control tower.

## VIII. Consolidated Cash Flow Statement

### › (35) Consolidated Cash Flow Statement

The Consolidated Cash Flow Statement was prepared using the indirect method. Information on the components of cash and cash equivalents is provided under note (22).

Interest payments and dividends received are included under cash flow from operating activities. The dividend paid by Flughafen Wien AG is included under cash flow from financing activities.

Purchases of (investment in) intangible assets, property, plant and equipment (including investment property) and financial assets in prior years that did not lead to cash outflows in the financial year (previous year: did not lead to cash outflows) resulted in the addition of T€ 5,776.8 (previous year: T€ 20,872.8) from payments made for purchases of non-current assets (previous year: deduction).

## IX. Financial instruments and risk management

### › (36) Additional disclosures on financial instruments

The Group applies the simplified approach in accordance with IFRS 9 in order to measure expected credit losses, so lifetime expected credit losses (Stage 2) are used for all trade receivables, receivables from associates, other receivables and contract assets. The method is described under XI. "Accounting policies". On this basis, the valuation allowance for receivables and contract assets as at 31 December 2019 was calculated as follows:

31.12.2019 in T€	Weighted loss	Gross receivable <sup>1</sup>	Valuation allowance	Credit impaired <sup>2</sup>
No default	0.20%	71,560.1	141.2	Yes & no
Up to 1 month	0.74%	12,052.5	89.5	No
Up to 3 months	0.86%	1,459.8	12.6	No
Up to 6 months	1.22%	340.8	4.1	No
Up to 12 months	2.35%	247.3	5.8	Yes & no
Over 12 months	96.41%	7,467.0	7,198.7	Yes
<b>Total</b>		<b>93,127.3</b>	<b>7,452.0</b>	

1) Gross trade receivables (AC), gross receivables from associates (AC), and other receivables (AC) not including time deposits

2) Stage 3 lifetime expected credit losses (valuation allowance) in the event of credit impairment

31.12.2018 in T€	Weighted loss	Gross receivable <sup>1</sup>	Valuation allowance	Credit impaired <sup>2</sup>
No default	0.47%	66,477.3	309.4	Yes & no
Up to 1 month	0.70%	8,822.0	61.9	No
Up to 3 months	0.76%	3,339.8	25.2	No
Up to 6 months	0.95%	942.7	8.9	Yes & no
Up to 12 months	86.67%	395.6	342.8	Yes & no
Over 12 months	96.00%	7,165.8	6,879.1	Yes
<b>Total</b>		<b>87,143.1</b>	<b>7,627.3</b>	

1) Gross trade receivables (AC), gross receivables from associates (AC), contract assets (AC) and other receivables (AC) not including time deposits

2) Stage 3 lifetime expected credit losses (valuation allowance) in the event of credit impairment

Receivables are credit-impaired if there is no longer a reasonable expectation of recovery. Indicators that there is no longer a reasonable expectation of recovery include a debtor's failure to commit to a repayment plan vis-à-vis the Group and the failure to make contractual payments for a period of more than 90 days of default.

in T€	2019			Total
	12-month ECL	Lifetime ECL <sup>1</sup>	Credit impairment <sup>2</sup>	
	Stage 1	Stage 2	Stage 3	
<b>As at 1 January</b>	<b>0.0</b>	<b>211.1</b>	<b>7,416.2</b>	<b>7,627.3</b>
Changes in the consolidated group			1.2	1.2
Allocation		37.3	199.4	236.7
Consumption			-154.1	-154.1
Reversal			-259.0	-259.0
Transfer to lifetime ECL	0.0	0.0		0.0
Transfer to lifetime ECL – Credit impaired <sup>3</sup>		-19.0	19.0	0.0
<b>As at 31 December</b>	<b>0.0</b>	<b>229.4</b>	<b>7,222.7</b>	<b>7,452.0</b>

1) Stage 2 lifetime expected credit losses (valuation allowance)

2) Stage 3 lifetime expected credit losses (valuation allowance) in the event of credit impairment

3) Transfer to lifetime expected credit losses – credit impaired

The credit-impaired receivables in the 2019 financial year are still subject to collection measures.

in T€	2018			Total
	12-month ECL	Lifetime ECL <sup>1</sup>	Credit impairment <sup>2</sup>	
	Stage 1	Stage 2	Stage 3	
<b>As at 1 January (IAS 39)</b>				<b>6,574.2</b>
Adjustment due to first-time application of IFRS 9				142.7
<b>As at 1 January (IFRS 9)</b>	<b>0.0</b>	<b>158.0</b>	<b>6,558.8</b>	<b>6,716.9</b>
Allocation		71.2	1,115.6	1,186.8
Consumption			-221.2	-221.2
Reversal			-55.1	-55.1
Transfer to lifetime ECL	0.0	0.0		0.0
Transfer to lifetime ECL – Credit impaired <sup>3</sup>		-18.1	18.1	0.0
<b>As at 31 December</b>	<b>0.0</b>	<b>211.1</b>	<b>7,416.2</b>	<b>7,627.3</b>

1) Stage 2 lifetime expected credit losses (valuation allowance)

2) Stage 3 lifetime expected credit losses (valuation allowance) in the event of credit impairment

3) Transfer to lifetime expected credit losses – credit impaired

Of the above impairment losses of T€ 7,452.0 (previous year: T€ 7,627.3), T€ 1,845.2 (previous year: T€ 1,942.1) relates to receivables from contracts with customers and T€ 5,606.8 (previous year: T€ 5,685.2) to receivables that do not come from contracts with customers.

## Debt instruments not related to receivables

All debt instruments measured at amortised cost are deemed to have “low credit risk”, so the valuation allowance to be recognised is limited to the 12-month expected credit losses. The management considers the criterion of low credit risk, e.g. for listed promissory notes and time deposits, to be met if there is an investment grade rating from at least one of the major rating agencies. Other instruments are deemed to have low credit risk if the risk of non-fulfilment is low and the issuer is at all times able meet its contractual payment obligations in the near term. The method is described under XI. “Accounting policies”.

The other financial assets measured at amortised cost comprise time deposits, current securities and originated loans.

The calculation of the 12-month credit losses (all debt instruments are currently in Stage 1) gave an amount for these debt instruments that was not recognised in profit or loss on account of its immateriality.

The Flughafen Wien Group currently holds no debt instruments that are measured at fair value through other comprehensive income.

## Cash and cash equivalents

The Flughafen Wien Group only maintains bank balances at banks with a good investment grade. The calculation of the 12-month credit losses gave an amount for cash and cash equivalents that was not recognised in profit or loss on account of its immateriality.

## Financial liabilities – term structure

The following tables show the contractually agreed conditions and (discounted) interest and principal payments on the primary financial liabilities held by the Flughafen Wien Group:

2019 in T€	Currency	Carrying amount 31.12.2019	Gross Cashflows 31.12.2019	< 1 year	Cashflows 1–5 years	> 5 years	Interest rate <sup>1</sup>
Fixed-interest financial liabilities	EUR	300,000.0	383,833.1	38,392.7	141,917.6	203,522.8	4.65%
Other financial liabilities	EUR	55.0	55.0	55.0	0.0	0.0	0.00%
Leasing-liabilities		55,821.6	141,077.6	2,105.6	8,390.2	130,581.8	3.98%
Trade payables	EUR	45,423.4	45,423.4	45,423.4			
Other liabilities	EUR	40,100.4	40,100.4	38,900.4	1,200.0	0.0	
<b>Total</b>		<b>441,400.4</b>	<b>610,489.4</b>	<b>124,877.1</b>	<b>151,507.8</b>	<b>334,104.6</b>	

1) Weighted average as at the end of the reporting period, including any guarantee fees

2018 in T€	Currency	Carrying amount 31.12.2018	Gross Cashflows 31.12.2018	< 1 year	Cashflows 1–5 years	> 5 years	Interest rate <sup>1</sup>
Fixed-interest financial liabilities	EUR	325,000.0	422,920.7	39,469.2	146,364.1	237,087.4	4.62%
Other financial liabilities	EUR	32,016.5	32,016.5	32,016.5			0.00%
Trade payables	EUR	41,378.6	41,378.6	41,378.6			
Other liabilities	EUR	59,617.3	59,617.3	50,499.1		9,118.1	
<b>Total</b>		<b>458,012.4</b>	<b>555,933.0</b>	<b>163,363.5</b>	<b>146,364.1</b>	<b>246,205.5</b>	

1) Weighted average as at the end of the reporting period, including any guarantee fees

T€ 300,000.0 (previous year: T€ 325,000.0) of bank loans are secured by guarantees in accordance with the respective contracts. These guarantors receive a fee for these commitments. The credit agreement with the European Investment Bank (EIB) of T€ 400,000 (current balance: T€ 300,000.0) defines terms for the liability of qualified guarantors.

This listing includes all instruments that were in the portfolio on 31 December 2019 and for which payments were already contractually agreed. Variable rate interest payments on financial instruments were based on interest rates last set before 31 December 2019. Financial liabilities repayable at any time are always assigned to the earliest time band.

Financial liabilities in the amount of T€ 0.0 (previous year: T€ 0.0) are secured by shares (in subsidiaries).

## Carrying amounts, amounts recognised and fair values by measurement category

Management assumes that – with the exception of the items listed below – the carrying amounts of financial assets and financial liabilities reported at amortised cost essentially reflect fair value.

Trade receivables, originated loans and other receivables predominantly have short remaining terms and are therefore essentially at fair value. Trade payables and other liabilities also have predominantly short remaining terms, hence the amounts recognised for these items are approximately their fair value.

The fair value of the fair value through profit and loss (FVPL) fund is based on listed funds (level 1). The debt instruments in the FVPL category relate to a tier 2 capital obligation (level 2). The equity instruments are investments and securities that are assigned to level 3 in the absence of an active market or quoted price. These are held by the Flughafen Wien Group for a longer period of time for strategic reasons. These equity instruments are measured through other comprehensive income (OCI).

The fair values of financial liabilities to banks (bank loans) and other financial liabilities are calculated using the present value of the payments connected with these liabilities in accordance with the yield curve applicable to their respective remaining terms and an appropriate credit spread (level 2).

No items were reclassified between levels 1 and 2 in the reporting period.

### Measurement method and inputs:

The table below shows the measurement methods used to determine fair values as well as the significant unobservable inputs.

Financial instrument	Level	Measurement method	Input factors
Funds	1	Market value	Market price
Debt instruments (securities)	2	Market value	Price derived from market price
Equity instruments (securities)	3	Net present value approach	Equity costs, future profit distribution
Equity instruments (investments)	3	Net present value approach	Cost as a best estimate (on account of immateriality)

Level 3 equity instruments (securities) are measured according to a net present value approach. The measurement model considers the present value of the expected dividends discounted by a risk-adjusted discount rate.

The significant unobservable inputs for level 3 equity instruments (securities) are as follows:

- › Expected future cash flows from dividends 31 December 2019: around T€ 360 p.a. (previous year: T€ 420 p.a.)
- › Risk-adjusted discount rate 31 December 2019: 8.29% (previous year: 8.29%)

The dividends received from these equity instruments in the current financial year total T€ 254.5 (previous year: T€ 331.4).

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The estimated level 3 fair value would increase (decrease) as follows if the discount rate were to be adjusted by +/- 0.25%:

in T€	Sensitivity	
	Carrying amount in event of	
	reduction of discount rate	rise in discount rate
Discount rate +/-0.25%	4,735.3	4,465.8

Level 3 - Measurement of financial instruments:

in T€	
Carrying amount as at 1.1.2019	5,238.1
Change in the consolidated group	-65.0
Additions	62.2
Net gain on remeasurement (recognised in other comprehensive income in other reserves)	-640.0
<b>Carrying amount as at 31.12.2019</b>	<b>4,595.3</b>

The following tables show the carrying amounts and fair values of financial assets and liabilities, broken down by measurement category. The information on the fair value of financial assets and liabilities that are not recognised at fair value is for information purposes only. As the items "Receivables and other assets" and "Other liabilities" contain both non-financial assets and non-financial liabilities, the line "Non-financial instruments" has been added in order to ensure the reconciliation of the carrying amounts to the corresponding statement of financial position item.





ASSETS		Carrying amounts		
		Non-current assets	Current assets	
Amounts in T€	Measurement category	Other financial assets	Securities	Receivables and other assets
<b>31 December 2019</b>				
<b>Financial assets carried at fair value</b>				
Funds	FVPL		30,826.5	
Debt instruments (securities)	FVPL		22,900.7	
Equity instruments (investments, securities)	FVOCI	4,595.3		
<b>Financial assets not recognised at fair value</b>				
Trade receivables <sup>1</sup>	AC			68,134.8
Receivables due from associated companies <sup>1</sup>	AC			297.4
Receivables and contract assets <sup>1</sup>	AC			17,243.1
Investments (time deposits)	AC	75,220.0		55,738.5
Originated loans <sup>1</sup>	AC	908.3		
Debt instruments (securities) <sup>1</sup>	AC		4,982.7	
Cash and cash equivalents <sup>1</sup>	AC			
<b>Non-financial instruments</b>				
Other receivables and accruals	n. a.	0.0		9,961.3
<b>Total</b>		<b>80,723.5</b>	<b>58,709.9</b>	<b>151,375.2</b>

1) Fair value equals amortised cost

<b>31 December 2018</b>				
<b>Financial assets carried at fair value</b>				
Funds	FVPL	0.0		
Debt instruments (securities)	FVPL		23,141.7	
Equity instruments (investments, securities)	FVOCI	5,238.1		
<b>Financial assets not recognised at fair value</b>				
Trade receivables <sup>1</sup>	AC			65,397.6
Receivables due from associated companies <sup>1</sup>	AC			663.7
Receivables and contract assets <sup>1</sup>	AC			13,454.5
Investments (time deposits)	AC	111,289.1		45,000.0
Originated loans <sup>1</sup>	AC	938.0		
Debt instruments (securities) <sup>1</sup>	AC		4,982.7	
Cash and cash equivalents <sup>1</sup>	AC			
<b>Non-financial instruments</b>				
Other receivables and accruals	n. a.	30,770.7		11,336.7
<b>Total</b>		<b>148,235.8</b>	<b>28,124.4</b>	<b>135,852.5</b>

1) Fair value equals amortised cost

Cash and cash equivalents	Fair value					Measurement category under IFRS 9
	Total	Level 1	Level 2	Level 3	Total	
	30,826.5	30,826.5			30,826.5	Fair value through profit and loss (P&L)
	22,900.7		22,900.7		22,900.7	Fair value through profit and loss (P&L)
	4,595.3			4,595.3	4,595.3	Fair value through other comprehensive income (OCI)
	68,134.8					Amortised cost
	297.4					Amortised cost
	17,243.1					Amortised cost
	130,958.5					Amortised cost
	908.3					Amortised cost
	4,982.7					Amortised cost
84,782.9	84,782.9					Nominal value = fair value
	9,961.3					
84,782.9	375,591.5					

						Measurement category under IFRS 9
	0.0	0.0			0.0	Fair value through profit and loss (P&L)
	23,141.7		23,141.7		23,141.7	Fair value through profit and loss (P&L)
	5,238.1			5,238.1	5,238.1	Fair value through other comprehensive income (OCI)
	65,397.6					Amortised cost
	663.7					Amortised cost
	13,454.5					Amortised cost
	156,289.1					Amortised cost
	938.0					Amortised cost
	4,982.7					Amortised cost
30,098.8	30,098.8					Nominal value = fair value
	42,107.4					
30,098.8	342,311.5					

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EQUITY & LIABILITIES		Carrying amount			
		Non-current liabilities		Current liabilities	
Amounts in T€	Measurement category	Financial liabilities	Other liabilities	Financial liabilities	Trade payables
<b>31 December 2019</b>					
Financial liabilities recognised at fair value					
n. a.					
Financial liabilities not recognised at fair value					
Trade payables <sup>1</sup>	AC				45,423.4
Financial liabilities <sup>1</sup>	AC	275,000.0		25,055.0	
Leasing liabilities <sup>2</sup>	AC	55,432.9		388.7	
Other liabilities <sup>1</sup>	AC		0.0		
<b>Non-financial instruments</b>					
Other liabilities and accruals	n. a.		28,576.2		
<b>Total</b>		<b>330,432.9</b>	<b>28,576.2</b>	<b>25,443.7</b>	<b>45,423.4</b>

1) Fair value equals amortised cost

2) The declaration of the fair value of leasing liabilities is not necessary according to IFRS 7.29 (d)

EQUITY & LIABILITIES		Carrying amount			
		Non-current liabilities		Current liabilities	
Amounts in T€	Measurement category	Financial liabilities	Other liabilities	Financial liabilities	Trade payables
<b>31 December 2018<sup>2</sup></b>					
Financial liabilities recognised at fair value					
n. a.					
Financial liabilities not recognised at fair value					
Trade payables <sup>1</sup>	AC				41,378.6
Financial liabilities <sup>1</sup>	AC	300,000.0		57,016.5	
Other liabilities <sup>1</sup>	AC		9,118.1		
<b>Non-financial instruments</b>					
Other liabilities and accruals	n.a.		30,411.7		
<b>Total</b>		<b>300,000.0</b>	<b>39,529.8</b>	<b>57,016.5</b>	<b>41,378.6</b>

1) Fair value equals amortised cost

2) Application of IFRS 16 since 1 January 2019; No adjustment of previous year period.

Definition of measurement categories

FVPL = fair value through profit and loss

FVOCI = fair value through other comprehensive income

AC = amortised cost

		Fair value				
Other liabilities	Total	Level 1	Level 2	Level 3	Total	Measurement category under IFRS 9
	45,423.4					Amortised cost
	300,055.0		359,273.6		359,273.6	Amortised cost
	55,821.6					Amortised cost
40,100.4	40,100.4					Amortised cost
12,265.8	40,842.0					
52,366.1	482,242.4					

		Fair value				
Other liabilities	Total	Level 1	Level 2	Level 3	Total	Measurement category under IFRS 9
	41,378.6					Amortised cost
	357,016.5		387,146.3		387,146.3	Amortised cost
50,499.1	59,617.3					Amortised cost
11,859.8	42,271.5					
62,359.0	500,283.9					

## Net results by measurement category

	From interest/ dividends income	From interest expense	
<b>2019 in T€</b>			
Cash and cash equivalents	1.2		
Financial assets measured at fair value (FVOCI and FVPL)	1,634.5		
Thereof from funds	0.0		
Thereof debt instruments (securities)	1,380.0		
Thereof equity instruments (investments, securities)	254.5		
Other financial assets	439.6		
Financial assets at amortised cost (AC)	848.4		
Financial liabilities at amortised cost (AC)		-17,945.9	
<b>Total</b>	<b>2,923.7</b>	<b>-17,945.9</b>	

Explanation: The expenses for valuation allowances include defaults of T€ 32.7. Interest expenses from financial liabilities also include interest from leases.

	From interest/ dividends income	From interest expense	
<b>2018 in T€</b>			
Cash and cash equivalents	1.3	-0.1	
Financial assets measured at fair value (FVOCI and FVPL)	1,711.4		
Thereof from funds			
Thereof debt instruments (securities)	1,380.0		
Thereof equity instruments (investments, securities)	331.4		
Financial assets at amortised cost (AC)	665.5		
Financial liabilities at amortised cost (AC)	0.0	-15,859.2	
<b>Total</b>	<b>2,378.2</b>	<b>-15,859.3</b>	

Explanation: The expenses for valuation allowances include defaults of T€ 44.1

From subsequent measurement					From disposal	Net result 2019
At fair value through profit or loss	At fair value through other comprehensive income	Foreign currency translation	Valuation allowance			
		-6.9			-6.9	
588.5	-640.0				-51.5	
826.5						
-238.0						
	-640.0				0.0	
		8.7	-10.3		-1.6	
		-0.7	0.0		-0.7	
588.5	-640.0	1.2	-10.3	0.0	-60.7	

From subsequent measurement					From disposal	Net result 2018
At fair value through profit or loss	At fair value through other comprehensive income	Foreign currency translation	Valuation allowance			
		0.9			0.9	
956.0	313.1				1,269.1	
-7.0						
963.0						
0.0	313.1					
		-2.8	-1,175.8		-1,178.5	
		-1.3			-1.3	
956.0	313.1	-3.1	-1,175.8	0.0	90.2	

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The interest and dividends from financial assets measured at amortised cost (AC) or at fair value either through other comprehensive income (FVOCI) or through profit or loss (FVPL) are recognised in interest income/expense. The Flughafen Wien Group recognises the other components of net results under other financial results, with the exception of the valuation allowances on trade and other receivables.

Net interest expenses from financial liabilities measured at amortised cost (AC) of T€ 17,945.9 (previous year: T€ 15,859.2) essentially include interest expense from bank loans. This item also includes the interest on and discounted from other financial liabilities.

The changes in value of equity instruments measured at fair value through other comprehensive income (FVOCI) relate among other things to CEESEG AG. Value measurements of minus T€ 640.0 (previous year: plus T€ 313.1) were recognised in the financial year, or T€ 480.0 (previous year: T€ 234.8) net of deferred taxes.

Further information can be found in XI. "Accounting policies" and V. "Changes to significant accounting policies".

## › (37) Risk management

### Financial risks

The financial assets, liabilities and planned transactions of the Flughafen Wien Group are exposed to a variety of market risks that include the risks resulting from changes in interest rates, exchange rates and stock market prices. The goal of financial risk management is to limit these market risks through the continuous optimisation of operating and financial activities. The measures to achieve these objectives are contingent on the expected risk, and include the selected use of derivative and non-derivative hedging instruments. Only those risks that could influence the Group's cash flows are hedged. Derivative financial instruments are exclusively used for hedging purposes, and never for trading or other speculative reasons. In order to minimise credit risk, hedges are concluded only with leading financial institutions that have a first-class credit rating.

The basic principles of the Group's financial policy are defined each year by the Management Board and monitored by the Supervisory Board. The Group treasury department is responsible for the implementation of financial policy and ongoing risk management. Certain transactions require the prior approval of the business unit manager and, if specific limits are exceeded, the approval of the Management Board, which is provided with regular information on the scope and volume of the Group's current risk exposure. The treasury department views the effective management of liquidity risk and market risk as one of its primary duties.

### Liquidity risk

The objective of liquidity management is to ensure that the Group is able to meet its payment obligations at all times. Liquidity management is based on short-term and long-term liquidity forecasts, which are subject to variance analyses and adjusted if necessary. The Group's business units provide the treasury department with information that is used to develop a liquidity profile. This active management of cash flows is used to optimise net financing costs. Certain components of financial investments are held



in the form of rights (investment funds, bonds) and time deposits that serve as a liquidity reserve and can be sold at any time.

Additional quantitative information is provided under note (36).

### **Credit risk**

The Flughafen Wien Group is exposed to risks arising from its business operations and the risk of default that is connected with certain investment and financing activities. In the investment and financing area, transactions are concluded almost exclusively with partners that have a good or very good credit rating (S&P, Moody's). Contract partners that are not rated by these agencies must have an excellent credit standing. The Group only acquires shares in investment funds that are directed by recognised international asset management companies. In the operating business, outstanding receivables are monitored continuously and on a centralised basis. The risk resulting from default is minimised by short payment periods, agreements for the provision of collateral such as deposits or bank guarantees, and the increased use of direct debit and automatic collection procedures. The Group uses an impairment matrix in order to determine the expected credit losses of the receivables. The credit risk associated with receivables can be considered low as the majority of receivables are due and payable within a short period of time and are based on long-term relationships with customers.

The carrying amount of financial assets represents the maximum default and credit risk as there were no material agreements (e.g. settlement agreements) as at the end of the reporting period that would reduce the maximum risk of default.

Precise disclosures on the revenue concentration risk are included in note (1).

Additional quantitative information is provided under note (36). Information on other financial obligations and risks is included in note (39).

### **Interest rate risk**

Interest rate risk represents the risk that the fair value or the future payment flows generated by a financial instrument could fluctuate because of changes in market interest rate levels. Interest rate risk includes the present value risk on fixed-interest financial instruments and the risk associated with cash flows from variable interest financial instruments, and relates above all to long-term financial instruments. These longer terms are less important in the operating area, but can be material for financial assets, securities and financial liabilities.

The Flughafen Wien Group is exposed to interest rate risk mainly in the euro zone.

In order to present market risks, IFRS 7 requires the disclosure of sensitivity analyses that demonstrate the effects of hypothetical changes in relevant risk variables on earnings and equity. The Flughafen Wien Group is not only exposed to interest rate risks, but also to foreign exchange risks and price risks arising from investments in other companies. The periodic effects are determined by evaluating the hypothetical changes in risk variables on financial instruments as at the end of the reporting period. This procedure assumes that the amount determined as at this date is representative for the year as a whole.

Interest rate risks are presented in the form of sensitivity analyses as required by IFRS 7. These analyses show the effects of changes in interest rates on interest pay-

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ments, interest income and expenses and other components of earnings and equity. The interest rate sensitivity analyses are based on the following assumptions:

- › Changes in the interest rates of primary financial instruments with fixed interest rates only affect earnings that are measured at fair value. Therefore, fixed-interest financial instruments carried at amortised cost are not exposed to interest rate risk as defined in IFRS 7.
- › Changes in the interest rates of primary variable rate financial instruments affect earnings and are included in the sensitivity calculations for earnings

At the end of the 2019 financial year, as in the previous year, the Flughafen Wien Group had no variable interest financial instruments.

The sensitivities of securities measured at fair value are not reported because the hypothetical effect is immaterial.

### **Foreign exchange risk**

Foreign exchange risks arise in connection with financial instruments that are denominated in a currency other than the functional currency of the Group company in which they are measured. For the purposes of IFRS, there is no foreign exchange risk on financial instruments that are denominated in the functional currency. Differences resulting from the translation of financial statements from a foreign currency into the Group currency are not affected by the provisions of IFRS 7.

The Flughafen Wien Group is exposed to foreign exchange risks in connection with investments, financing measures and operating activities. Foreign exchange risks in the investment area primarily arise in connection with the purchase and sale of investments in foreign companies. As at the end of the reporting period, the Group was not exposed to any material risks from transactions (regarding investment area) denominated in a foreign currency.

The individual Group companies conduct their business activities almost entirely in their respective functional currency (euro), which is also the reporting currency of the Flughafen Wien Group. For this reason, the Group's foreign exchange risk in the operating area is considered to be low.

In accordance with IFRS 7, foreign exchange risks are presented in the form of a sensitivity analysis. The relevant risk variables are all non-functional currencies in which the Group holds financial instruments. The foreign exchange sensitivity analyses are based on the following assumptions:

Material primary monetary financial instruments – which include receivables, interest-bearing securities and debt instruments, cash and cash equivalents and interest-bearing liabilities – are primarily denominated in functional currency. Changes in foreign exchange rates therefore essentially have no effect on earnings or equity.

Interest income from and expenses for financial instruments are also primarily recognised in functional currency. As a result, changes in the foreign exchange rates relating to these items have no effect on earnings or equity.

The risks to the Flughafen Wien Group arising from changes in foreign exchange rates were therefore considered to be immaterial as at the end of the reporting period.

### Other price risks

In connection with the presentation of market risks, IFRS 7 also requires the disclosure of information on the effects of hypothetical changes in risk variables on the price of financial instruments. The relevant risk variables include, above all, stock market prices or indexes. The quantitative effects of such changes are shown in note (36).

### Capital management

Financial management in the Flughafen Wien Group is designed to support a sustainable increase in the value of the company and also maintain a capital structure that will ensure an excellent credit rating.

Gearing represents an indicator for financial management. It is defined as the ratio of net debt (non-current and current financial liabilities less cash and cash equivalents and current securities, non-current and current investments and current securities) to equity as shown in the Consolidated Statement of Financial Position. The main instruments used for managing gearing are an increase or decrease in financial liabilities and the strengthening of the equity base through the retention of earnings or the adjustment of dividend payments. Management has not defined a specific target for gearing, but it should not exceed 60% over the medium-term. This goal remains unchanged from the previous year. The following table shows the development of gearing:

in T€	2019	1.1.2019 <sup>1</sup>
Financial liabilities	355,876.6	412,750.8
Cash and cash equivalents	-84,782.9	-30,098.8
Current and non-current investments <sup>2</sup>	-130,958.5	-156,289.1
Current securities	-58,709.9	-28,124.4
<b>Net debt</b>	<b>81,425.2</b>	<b>198,238.6</b>
Carrying amount of equity	1,380,908.8	1,296,993.5
<b>Gearing</b>	<b>5.9%</b>	<b>15.3%</b>

1) First-time application of IFRS 16. The comparative figure has been restated.

2) Current and non-current investments are other investments and time deposits

Gearing declined year-on-year, above all due to the repayment of financial liabilities.

The ratio of net debt to EBITDA is also used to manage the financial structure. The company's medium-term goal is to limit the net debt/EBITDA ratio to a maximum of 2.5. In the financial year, the ratio was 0.2 (previous year: 0.4).

Neither Flughafen Wien AG nor its subsidiaries are subject to minimum capital requirements defined by external sources.

## X. Other disclosures

### › (38) Leases

#### (38 A) Flughafen Wien as a lessor:

#### Operating leases

The following table shows the future lease payments arising from non-cancellable leases in which the Flughafen Wien Group is the lessor. They primarily relate to the rental of operating and commercial buildings at the Vienna Airport and Malta Airport sites (including investment property).

#### › 2019 – operating leases in accordance with IFRS 16

in T€	2019
Lease payments recognised as income in the reporting period	141,846.9
Thereof conditional payments from revenue-based rents	52,109.3
<b>Future minimum lease payments:</b>	
Less than one year	114,634.0
One to two years	94,495.8
Two to three years	86,133.9
Three to four years	41,817.3
Four to five years	35,102.3
Over five years	334,039.7

The following assets are included in property, plant and equipment and relate to operating leases as lessor. These assets are reconciled as follows (IFRS 16.95):

in T€	Land and buildings	Technical equipment and machinery	Total
<b>Net carrying amount as at 1.1.2019</b>	<b>110,769.1</b>	<b>213.7</b>	<b>110,982.7</b>
IFRS 16 adjustment	9,268.8		9,268.8
<b>Restated net carrying amount as at 1.1.2019</b>	<b>120,037.9</b>	<b>213.7</b>	<b>120,251.5</b>
Additions	581.3	0.0	581.3
Derecognition	0.0		0.0
Transfers	70.8		70.8
Depreciation and amortisation	-6,197.7	-33.5	-6,231.2
<b>Net carrying amount as at 31.12.2019</b>	<b>114,492.3</b>	<b>180.1</b>	<b>114,672.5</b>
<b>As at 31.12.2019</b>			
Cost	177,044.6	519.6	177,564.2
Accumulated depreciation	-62,552.2	-339.5	-62,891.7
<b>Net carrying amount</b>	<b>114,492.3</b>	<b>180.1</b>	<b>114,672.5</b>

## Comparative information as per IAS 17:

### › 2018 – operating leases in accordance with IAS 17

in T€	2018
Lease payments recognised as income in the reporting period <sup>1</sup>	129,472.8
Thereof conditional payments from revenue-based rents	43,690.0
<b>Future minimum lease payments:</b>	
Up to one year	114,993.6
Over one and up to five years	237,817.5
Over five years	209,370.0
1) Restated	

## Finance leases

In the 2019 consolidated financial statements of the lessor (Flughafen Wien Group), as in the previous financial year, rental agreements relating to properties essential to flight operations (hangars, flight operation buildings and workshops) are recognised as finance leases.

At the time the contract was concluded, a rent prepayment was received and the beneficial ownership transferred to the lessee (finance lease). The rent prepayment was entirely offset against the lease receivable.

### › (38 B) Flughafen Wien as a lessee

The Flughafen Wien Group rents various land, properties and equipment. The leases are concluded with various terms ranging between one and 100 years and relate primarily to:

- › Rent of a cargo property at the Vienna site
- › Rent of land at the Vienna site
- › Rent of land and airport-specific property at the Malta site (incl. aerodrome licence)
- › Rent of combination copiers
- › Rent of smoking booths

## Right-of-use assets

### › Right-of-use assets recognised as intangible assets

in T€	Concessions and rights	Total
<b>Development from 1.1. to 31.12.2019</b>		
Net carrying amount as at 1.1.2019	0.0	0.0
IFRS 16 adjustments	10,747.0	10,747.0
Restated net carrying amount as at 1.1.2019	10,747.0	10,747.0
Depreciation and amortisation	-221.6	-221.6
<b>Net carrying amount as at 31.12.2019</b>	<b>10,525.4</b>	<b>10,525.4</b>

As at 31 December 2019, intangible assets included right-of-use assets of T€ 10,525.4. See note (13) for more information.

### › Right-of-use assets recognised as property, plant and equipment

in T€	Land and buildings	Other equipment, operating and office equipment	Total
<b>Development from 1.1. to 31.12.2019</b>			
Net carrying amount as at 1.1.2019	25,174.5	0.0	25,174.5
IFRS 16 adjustments	58,289.7	562.6	58,852.2
Restated net carrying amount as at 1.1.2019	83,464.2	562.6	84,026.8
Additions	0.0	62.1	62.1
Depreciation and amortisation	-2,339.2	-210.4	-2,549.6
<b>Net carrying amount as at 31.12.2019</b>	<b>81,125.0</b>	<b>414.2</b>	<b>81,539.2</b>

Property, plant and equipment includes a right-of-use asset ("temporary emphyteusis") relating to the base rent at Malta Airport. The payments from these leases are payable to the government of Malta. The terms of these leases range between 58 and 65 years. The lease payments are periodically adjusted according to an index. The right-of-use is depreciated on a straight-line basis over the term of the lease.

### › Right-of-use assets recognised as investment property

in T€	Investment property	Total
<b>Development from 1.1. to 31.12.2019</b>		
Net carrying amount as at 1.1.2019	0.0	0.0
IFRS 16 adjustments	341.5	341.5
Restated net carrying amount as at 1.1.2019	341.5	341.5
Depreciation and amortisation	-7.0	-7.0
<b>Net carrying amount as at 31.12.2019</b>	<b>334.5</b>	<b>334.5</b>

## Amounts recognised in the income statement

### › 2019 – leases in accordance with IFRS 16

Depreciation and amortisation from leases	2,778.2
Interest expenses from lease liabilities	2,158.0
Expenses from short-term leases	741.7
Expenses for leases for low-value assets	578.7
Expenses that do not fall under IFRS 16 fallen and are disclosed in note (5) under rental and lease payments	1,385.3

## Amounts recognised in the cash flow statement

### › 2019 – leases in accordance with IFRS 16

Total cash outflow for leases	2,142.2
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## Comparative information as per IAS 17:

### › 2018 – operating leases in accordance with IAS 17

Lease payments recognised as expenses in the reporting period	3,181.8
<b>Future minimum lease payments:</b>	
Up to one year	2,095.0
Over one and up to five years	8,358.4
Over five years	132,663.3

## › (39) Other obligations and risks

Flughafen Wien AG is required to assume the costs of the “Flughafen Wien Mitarbeiter-Beteiligung-Privatstiftung” (the employee foundation), which essentially consist of corporate income tax and administrative costs, in the form of subsequent contributions.

In accordance with section 7(4) of the charter of the Schwechat Waste Water Association dated 10 December 2003, Flughafen Wien AG is liable as a member of this organisation for T€ 555.8 in loans relating to the construction and expansion of the sewage treatment facilities (previous year: T€ 672.3).

As at the end of the reporting period Malta International Airport p.l.c. had a legal dispute with the Maltese government (amount in dispute: around € 5.1 million; previous year: around € 5.1 million) and receivables from individual employees. The Flughafen Wien Group believes that all claims are unfounded.

If the construction of the third runway is approved, a payment obligation, derived from traffic figures, arising from the environmental fund – Vienna Airport service agreement from the mediation process will be triggered in connection with the environmental fund within eight weeks of the notification of construction commencement. A figure of approx. € 20.0 million (previous year: approx. € 7.9 million) is derived for this obligation on the basis of the traffic figures determined as at 31 December 2019.

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Information on commitments for pension and pension subsidy payments is provided under note (28).

As at the end of the reporting period, obligations for the purchase of intangible assets amounted to € 0.1 million (previous year: € 0.4 million) and obligations for the purchase of property, plant and equipment to € 74.9 million (previous year: € 32.2 million).

### › (40) Composition of the consolidated group

The consolidated financial statements include all subsidiaries, joint ventures and associated companies, with the exception of two subsidiaries (previous year: four).

As in the previous year, the two subsidiaries were not included in the consolidated financial statements because their economic significance and influence on the asset, financial and earnings position of the Group are immaterial to a true and fair view of the asset, financial and earnings position of the Flughafen Wien Group. The consolidated revenue of these companies amounted to less than 1.0% of consolidated revenue for the financial year (previous year: less than 1.0%). The internal materiality thresholds were defined to ensure that only individually immaterial subsidiaries are not included in consolidation.

#### The group of companies included in consolidation changed as follows in the 2019 financial year

	Domestic	International	Total
<b>Flughafen Wien AG</b>	1	0	1
<b>Subsidiaries</b>			
31.12.2018	23	13	36
Change in consolidation method	1		1
Merger		-1	-1
Addition to the consolidated group	2		2
<b>31.12.2019</b>	<b>26</b>	<b>12</b>	<b>38</b>
<b>Companies recorded at equity</b>			
<b>Joint venture</b>			
31.12.2018	2	1	3
Change in consolidation method	-1		-1
<b>31.12.2019</b>	<b>1</b>	<b>1</b>	<b>2</b>
<b>Associated companies</b>			
<b>31.12.2018 = 31.12.2019</b>	<b>1</b>	<b>0</b>	<b>1</b>
Consolidated group as at 31.12.2018	27	14	41
<b>Consolidated group as at 31.12.2019</b>	<b>29</b>	<b>13</b>	<b>42</b>



City Air Terminal Betriebsgesellschaft m.b.H. and Letisko Košice – Airport Košice, a.s. are included in the consolidated financial statements at equity even though Flughafen Wien AG directly or indirectly controls the majority of voting rights. These companies are considered to be under joint control because key decisions on corporate policies are made in cooperation with the co-shareholders.

The companies included in the consolidated financial statements and the respective consolidation methods are listed in appendix 1 to the notes. The disclosures on subsidiaries, joint ventures, associates and non-controlling interests can be found in appendices 2 and 3 to the notes and the corresponding sections of the notes.

### Changes in the consolidated group in 2019

First-time consolidation	As at	Type of consolidation	Share of capital	Note
"GetService"-Flughafen-Sicherheits- und Servicedienst GmbH	1.5.2019	Full consolidation	51%	Change in consolidation
VIE Shops Entwicklungs- und Betriebsges.m.b.H <sup>1</sup>	1.8.2019	Full consolidation	100%	Change in consolidation
FWAG Entwicklungsgebiet West GmbH	1.8.2019	Full consolidation	100%	Newly founded

1) Added to full consolidation on account of their increased importance to the operations of the Flughafen Wien Group.

The company "GetService"-Flughafen-Sicherheits- und Servicedienst GmbH (GET2), in which the Flughafen Wien Group holds 51% shares, was recorded at-equity in the consolidated financial statements until 30 April 2019, as key decisions for the company under joint control had to be made in cooperation with the co-shareholders. Following contract amendments effective from 1 May 2019 the Flughafen Wien Group obtained control over GET2, as the key decisions can now be made by the Flughafen Wien Group. Moreover an agreement (put option) for the sale of the investment to the Flughafen Wien Group was concluded with the co-shareholder. Therefore a business combination according the IFRS 3 was concluded based on these contract changes. Therefore the company recognised assets, liabilities and provision, which formed the basis for the at-equity consolidation. The put obligation was measured based on the exercise price.

in T€	1.5.2019
Property, plant and equipment	1,183.2
Receivables and other current assets (thereof fully consolidated companies of the Flughafen Wien Group € 3.8 million)	3,975.1
<b>Total assets</b>	<b>5,158.3</b>
Non-current provisions	139.9
Current provisions	1,279.0
Trade payables and other liabilities (thereof fully consolidated companies of the Flughafen Wien Group € 0.9 million)	3,177.6
<b>Total liabilities</b>	<b>4,596.6</b>
<b>Total identifiable net assets acquired</b>	<b>561.7</b>

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If the full consolidation had occurred on 1 January 2019, consolidated revenue would have changed by around € 0.2 million and the consolidated profit of the period would have changed by € 0.2 million. No material costs incurred in connection with the business combination.

“GetService“-Flughafen-Sicherheits- und Servicedienst GmbH (GET2) was assigned to “Other Segments”.

VIE Shops Entwicklungs- und Betriebsges.m.b.H (SHOP) was added to the consolidated group as at 1 August 2019 on account of its increased importance to the operations of the Flughafen Wien Group. Up to 31 July 2019, this company was not included in the consolidated financial statements on account of its immateriality. The company is allocated to the Retail & Properties segment.

The subsidiary FWAG Entwicklungsgebiet West GmbH (EGW) headquartered at Vienna Airport was founded by the subsidiary VIE Shops Entwicklungs- und Betriebsges.m.b.H and fully consolidated by way of certificate of incorporation of 8 August 2018. The subsidiary is allocated to the Retail & Properties segment.

In the 2019 financial year, MMLC Holdings Malta Limited (MMLCH) was merged with VIE (Malta) limited with retroactive effect as at 1 January 2019.

### Changes in the consolidated group in 2018

First-time consolidation	As at	Type of consolidation	Share of capital	Note
GetService Dienstleistungsgesellschaft m.b.H.	1.1.2018	Full consolidation	100%	Addition <sup>1</sup>
VIE Airport Health Center GmbH	1.1.2018	Full consolidation	100%	Addition <sup>1</sup>

The companies GetService Dienstleistungsgesellschaft m.b.H. (GETS) and VIE Airport Health Center GmbH (VHC) were added to the consolidated group in 2018 on account of their increased importance to the operations of the Flughafen Wien Group. By 31 December 2017, these two companies were not included in the consolidated financial statements on account of their immateriality.

In addition to security services, GetService Dienstleistungsgesellschaft m.b.H. (GETS) also performs other services in connection with airport operations and was assigned to the Handling & Security Services segment as a consolidated subsidiary.

VIE Airport Health Center GmbH (VHC) offers healthcare services and was assigned to the Retail & Properties segment as a consolidated subsidiary.

### › (41) Related party disclosures

Related companies include non-consolidated affiliates of the Flughafen Wien Group, associated companies, the shareholders of Flughafen Wien AG (the state of Lower Austria and the city of Vienna each hold 20% of shares and Airports Group Europe S.à.r.l. holds 39.80%) and their material subsidiaries in addition to the members of management in key positions. The Flughafen Wien Group maintains business relations with companies in which the state of Lower Austria and the city of Vienna hold direct or indirect investments; these entities are also classified as related companies in the sense of IAS 24. Transactions with these companies are carried out at arm’s length. The transac-

tions performed with these entities in the sense of IAS 24 were everyday transactions relating to operating activities and were immaterial as a whole. Purchases are made at ordinary market prices less standard volume rebates or other rebates granted on the basis of the business relationship.

The business relationships between Flughafen Wien AG and non-consolidated affiliates are immaterial. Information on the receivables from and liabilities to related entities can be found under the note to the relevant line item. The services provided by non-consolidated affiliates led to expenses of T€ 0.0 in the financial year (previous year: T€ 0.0). The services provided by "GetService"-Flughafen-Sicherheits- und Servicedienst GmbH (GET2) led to expenses of T€ 4,672.5 in the first four months of the financial year (previous year: T€ 14,812.0; the company is fully consolidated from 1 May 2019, see note (40)).

In the 2019 financial year, the Flughafen Wien Group generated revenue of T€ 1,531.8 (previous year: T€ 1,495.6) from the joint venture City Air Terminal Betriebsgesellschaft m.b.H., T€ 163.3 (previous year: T€ 602.2) from the joint venture "GetService"-Flughafen-Sicherheits- und Servicedienst GmbH (GET2) in the first four months (the company is fully consolidated from 1 May 2019, see note (40)) and T€ 668.0 (previous year: T€ 657.4) from the associate SCA Schedule Coordination Austria GmbH. Revenue generated from City Air Terminal Betriebsgesellschaft m.b.H essentially relates to services of Flughafen Wien AG and its subsidiaries that are needed for railway operations (baggage handling, security services, station operations, IT services, etc.). Revenue from the associated company SCA Schedule Coordination Austria GmbH relates to offsetting by Flughafen Wien AG for personnel services, IT services and other services. Revenue from the GET2 joint venture essentially relates to services for Flughafen Wien AG.

Total loans and receivables from joint ventures recorded at equity amounted to T€ 274.2 (previous year: T€ 639.8) on 31 December 2019, while total loans and receivables from associated companies recorded at equity amounted to T€ 23.3 (previous year: T€ 23.9).

As at the same date, liabilities to the joint ventures recorded at equity amounted to T€ 8,705.7 (previous year: T€ 10,691.8), while liabilities to associated companies recorded at equity amounted to T€ 2.1 (previous year: T€ 5.0).

#### **Natural related parties:**

No material transactions were conducted between the Flughafen Wien Group and persons in key management positions or their close family members. Relations with executive bodies of the company are described under note (42).

### **› (42) Disclosures on executive bodies and employees**

The following table shows the average number of employees in the Flughafen Wien Group (not including Management Board members or managers):

	2019	2018
Wage-earning employees	3,397	3,010
Salaried employees	1,988	1,820
	<b>5,385</b>	<b>4,830</b>

The members of the management Board of Flughafen Wien AG received the following remuneration for their work in the 2019 and 2018 financial years:

› **Management Board remuneration in 2019 (payments)**

in T€	Fixed compensation 2019	Performance-based compensation	Non-cash remuneration 2019	Total remuneration 2019
Dr. Günther Ofner	348.4	343.4	8.6	700.4
Mag. Julian Jäger	348.4	343.4	8.6	700.4
	696.8	686.8	17.3	1,400.9

› **Management Board remuneration in 2018 (payments)**

in T€	Fixed compensation 2018	Performance-based compensation for 2017	Non-cash remuneration 2018	Total remuneration 2018
Dr. Günther Ofner	338.2	164.5	8.6	511.4
Mag. Julian Jäger	338.2	164.5	8.9	511.7
	676.5	329.0	17.6	1,023.1

The remuneration system for the members of the Management Board and first and second level of management is comprised of fixed and performance-based components. The performance-based compensation paid out in 2019 was for bonuses for the 2018 financial year and a long-term bonus. In 2018, the performance-based compensation paid out represents bonuses for the 2017 financial year. There are no stock option plans for management.

The company makes payments equalling 15% of their respective salary into a pension fund on behalf of Julian Jäger and Günther Ofner. The contribution for each member of the Management Board regarding the 2019 financial year amounted to T€ 103.8 (previous year: T€ 75.4).

For other employees, exceptional performance and the achievement of agreed targets are rewarded in the form of bonuses.

Remuneration paid to former members of the Management Board amounted to T€ 464.9 in the reporting year (previous year: T€ 452.9).

**Expenses for persons in key management positions**

Key management includes Management Board, the authorised signatories of Flughafen Wien AG, the management of MIA and the members of the Supervisory Board of Flughafen Wien AG. The following table shows the remuneration paid to these persons, including the changes in provisions:

**› Expenses in the 2019 financial year**

in T€	Supervisory Board	Management Board	Key employees
Short-term benefits	175.2	1,410.8	3,495.2
Post-employment benefits (contributions to pension funds)	0.0	207.5	57.0
Other long-term benefits	0.0	0.0	23.7
Termination benefits	0.0	0.0	99.1
<b>Total</b>	<b>175.2</b>	<b>1,618.4</b>	<b>3,675.0</b>

**› Expenses in the 2018 financial year**

in T€	Supervisory Board	Management Board	Key employees
Short-term benefits	179.1	1,145.0	3,288.4
Post-employment benefits (contributions to pension funds)	0.0	150.8	40.1
Other long-term benefits	0.0	0.0	23.9
Termination benefits	0.0	0.0	130.9
<b>Total</b>	<b>179.1</b>	<b>1,295.8</b>	<b>3,483.3</b>

Payments of T€ 177.6 were made to the members of the Supervisory Board in the reporting year (previous year: T€ 180.4).

**› (43) Significant events after the reporting period****General**

No events occurring after the reporting period relevant to measurement or recognition on 31 December 2019 – such as pending legal proceedings, claims for damages, or other obligations or impending losses that would have to be reported or disclosed in accordance with IAS 10 – were known or they were already included in these consolidated financial statements.

**COVID-19 (coronavirus)**

The COVID-19 (coronavirus) disease, which started in China, has been having a negative impact on international aviation since the beginning of 2020. In response, numerous airlines have suspended their flights to Asian and Italian destinations. Similarly, some airlines have heavily reduced or entirely cancelled their flights to Israel, Iran and destinations in the Far East. Our home carrier Austrian Airlines is one of these. All in all, the direct effects on Vienna Airport can be considered significant, particularly because key customers of the Flughafen Wien Group have been affected by drastic cuts in capacity and lost income. The extent of the impact is directly related to the duration of the wave of infections.

Because of the air traffic restrictions associated with the spread of COVID-19, there are uncertainties over the attainability of the 2020 earnings forecast (outlook in the group management report). Measures are currently being developed to cushion these effects on the Flughafen Wien Group's earnings. As soon as events become more predictable, the Flughafen Wien Group will publish an outlook in line with the new situation. >

# XI. Accounting policies

## › (44) Measurement

The consolidated financial statements are generally prepared at amortised cost. An exception to this is made for derivative financial instruments, financial assets measured at fair value (FVPL or FVOCI) and deferred taxes. A note to this effect can be found in the respective accounting policies.

The consolidated financial statements are prepared using management judgements and estimates that can affect the consolidated financial statements. Judgements and estimates with a material impact are presented separately under "Judgements and estimate uncertainty".

The financial statements of Flughafen Wien AG and its subsidiaries are consolidated on the basis of uniform accounting policies. The annual financial statements of all the companies included in consolidation are prepared as at the same date as the consolidated financial statements.

## › (45) Principles of consolidation

### Subsidiaries

The consolidated financial statements contain the financial statements for the parent company and for the companies it controls. The Group specifically controls an investee when, and only when, it presents all the following characteristics:

- › it has control over the investee (i.e. the Group is able, based on current legislation, to control those activities of the investee that have a significant influence on its returns) and
- › is exposed to risks from or has rights to variable returns from its involvement with the investee and
- › has ability to utilise its control so as to influence the amount of returns from the investee.

If the Group does not have a majority of the voting rights or comparable rights in an investment, it takes into account all relevant issues and circumstances when assessing whether it has control of this investee. These include:

- › A contractual agreement with the other voters
- › Rights resulting from other contractual agreements
- › The Group's voting rights and potential voting rights

If indications arise from the issues and circumstances that one or more of the three control elements have changed, the Group must check again as to whether it controls an investee. The consolidation of a subsidiary starts on the day on which the Group gains control over the subsidiary. It ends when the Group loses control over the subsidiary.

The accounting policies of subsidiaries were changed, where necessary, and adapted to local accounting principles to ensure the application of uniform policies throughout the Group.

All intercompany balances, business transactions and income and expenses are eliminated. Any gains or losses resulting from intercompany transactions that are included in the carrying amount of assets such as inventories or non-current assets are also eliminated.

Changes in the investment that do not lead to a loss of control over the subsidiary are accounted for as transactions with shareholders of the parent company. If the acquisition of a non-controlling interest results in a difference between the return compensation and the respective share of the carrying amount of the net assets in the subsidiary, this difference is recognised directly in equity. Gains or losses on the sale of non-controlling interests are also recognised directly in equity.

In accordance with IFRS, acquired subsidiaries are accounted for using the acquisition method. The cost of the acquisition represents the fair value of the assets surrendered and equity instruments issued plus any liabilities arising or assumed as at the transaction date. It also includes the fair value of reported assets or liabilities resulting from contingent consideration agreement. Acquisition-related costs are recognised as expenses. On first-time consolidation, the identifiable assets, liabilities and contingent liabilities resulting from a business combination are measured at fair value as at the acquisition date.

Goodwill represents the excess of the fair value of consideration, the value of any non-controlling interest in the acquired company and the fair value of any previously held equity interests as at the acquisition date over the Group's share of net assets measured at fair value. Non-controlling interests are measured as at the purchase date at the proportionate share of the acquirer's identifiable net assets. If an acquisition takes place below market value – i.e. the acquisition cost is lower than the net assets of the acquired company measured at fair value – this negative amount is reviewed again and subsequently recognised in the Consolidated Income Statement.

Non-controlling interests are reported separately under equity on the Consolidated Statement of Financial Position.

## **Associated companies and joint ventures**

An associated company is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control of those policies.

A joint venture is a joint arrangement in which the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations that are used to determine significant influence or joint control are comparable to those that are required to determine control over subsidiaries.

The Group's investments in associated companies and joint ventures are recorded at equity.

Under the equity method, interests in associated companies and joint ventures are reported at cost on first-time recognition using the equity method. This carrying amount is subsequently increased or decreased by the share of profit or loss attributable to the Flughafen Wien Group and by any distributions, capital contributions or capital withdrawals. Goodwill related to an associated company or joint venture is included in the carrying amount of the investment and is not amortised. In the periods following the first-time recognition of a business combination, any differences between the carrying amount and the fair value of assets and liabilities are remeasured, amortised or reversed in accordance with the treatment of the corresponding items. If the application of IAS 39 indicates that an investment could be impaired, the full carrying amount is tested for impairment.

## › (46) Accounting policies

### Foreign currency translation

The reporting currency and functional currency of all Group companies is the euro.

Foreign currency transactions in the individual company financial statements are translated into the functional currency at the exchange rate in effect on the date of the transaction. Monetary items in foreign currency are translated at the exchange rate in effect as at the end of the reporting period. Differences arising from foreign currency translation are recognised in profit or loss as a net amount.

### Intangible assets

Intangible assets with a finite useful life are measured at cost and amortised on a straight-line basis over a useful life of four to twenty years. The useful life of the Malta Airport concession is 61 years (as is the term of the concession, beginning from date of first-time consolidation in 2006). If there are indications of impairment and the recoverable amount – the higher of fair value less costs to sell and the value in use of the asset – is less than the carrying amount, an impairment loss is recognised.

Internally generated intangible assets are measured at cost when the relevant criteria are met and amortised over their useful life. The useful life of these assets is eight years.

Borrowing costs and development expenses are capitalised when the relevant criteria are met and subsequently amortised over the useful life of the asset.

Intangible assets with indefinite useful lives are measured at cost. These assets are not amortised, and are instead tested for impairment each year and written down to their recoverable amount if necessary. If the reasons for a previously recognised impairment loss cease to exist, the carrying amount of the relevant asset is increased accordingly; this procedure is not applied to previously impaired goodwill.

Goodwill is not amortised, and is instead tested for impairment by determining the recoverable amount of the cash-generating unit (CGU) to which it was allocated (“impairment only approach”).



## Property, plant and equipment

Property, plant and equipment are measured at cost less straight-line depreciation. The cost of internally generated assets comprises direct costs and an appropriate share of material and production overheads plus production-based administrative expenses. Cost includes the purchase price plus any direct costs that are required to bring the asset to the intended location and operating condition. Borrowing costs that are directly related to the acquisition, construction or production of qualifying assets are capitalised as part of cost. In cases where major components of property, plant or equipment must be replaced at regular intervals, the Group recognises these components as separate assets with a specific useful life and depreciates them accordingly. The cost of major inspections is recognised in the carrying amount of the item of property, plant and equipment if the recognition criteria are met. All other maintenance and service costs are expensed as incurred. The depreciation period reflects the expected useful life and is regularly checked.

Depreciation is based on the following Group-wide useful lives:

	Years
Operational buildings	33.3-50
Right-of-use asset ("temporary emphyteusis")	58-65
Terminal 3 components:	
Building shell	50
Facade	25
Interior furnishings	20
Technical equipment	25
Other buildings	10-50
Take-off and landing runways, taxiways, aprons	20-60
Technical noise protection	20
Other facilities	7-20
Technical equipment and machinery	5-20
Motor vehicles	2-10
Other equipment, operating and office equipment	2-15

## Investment property

Investment property comprises all property that is held to generate rental income or for capital appreciation, and is not used in the operating area. It also includes land held for a future use that cannot be determined at the present time. If the property is used in part for business operations, the relevant share is allocated to this category of use. Investment property is carried at depreciated cost. Borrowing costs are capitalised as part of cost. Depreciation is calculated over a period of 10 to 40 years based on the straight-line method. The fair value of investment property is determined independently of measurement based at amortised cost. As there are no active market prices for the Vienna Airport site, its fair value is determined using assumed market data. The fair value is calculated internally by applying the capitalised income method as at the end of the reporting period. Additional information on measurement methods and key parameters can be found under note (15).

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### **Assets available for sale**

Non-current assets or disposal groups that comprise assets and liabilities are classified as available for sale or held for distribution if it is highly likely that they will be realised predominantly by sale or distribution and not by continued use.

These assets or disposal groups are generally reported at the lower of carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is initially allocated to goodwill and then to the remaining assets and liabilities on a pro rata basis – with the exception that no loss is allocated to inventories, financial assets, deferred tax assets or investment property, which are still measured according to the Group's other accounting policies. Impairment losses on first-time classification as available for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

As soon as they are classified as available for sale or held for distribution, intangible assets and property, plant and equipment are no longer depreciated or amortised and each investee is no longer recorded at equity.

### **Impairment and reversals thereof on intangible assets, property, plant and equipment and investment property**

Intangible assets, property, plant and equipment and investment property that show signs of impairment are tested by comparing the respective carrying amount with the recoverable amount. If it is not possible to assign future cash flows that are independent of other assets to the assets, the impairment test is performed on the next higher group of assets (cash-generating unit). If the recoverable amount is less than the carrying amount, an impairment loss is recognised to reduce the asset or cash-generating unit to this lower amount. In cases where the reasons for previously recognised impairment losses cease to exist, the impairment loss is accordingly reversed.

The recoverable amount of the cash-generating unit (CGU) represents the higher of the value in use or fair value less the cost of disposal. The value in use is calculated according to the discounted cash flow (DCF) method, which involves the preparation of cash flow forecasts for the expected useful life of the asset or cash-generating unit. The discount rate used for the calculation reflects the risk associated with the asset or cash-generating unit. If market prices or other level 1 inputs are not available, the fair value is also calculated using a discounted cash flow method, though taking into account market expectations regarding the expected cash flows and interest rate.

The individual assets of the Flughafen Wien Group are aggregated with other assets until a group is identified that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. This type of group is designated as a cash-generating unit (CGU). The Flughafen Wien Group follows the concept of mutual (complementary) production or technical service relationships or legal dependence between individual assets to assess the independence of cash inflows. However, it also takes into account the manner in which the investment decisions are made (e.g. extension of a terminal). However, if the products of a group of assets can be sold on an active market, this forms a CGU even if the products are used by other units of the company either in whole or in part.

## Leases

The Group has applied IFRS 16 according to the modified retrospective approach and has therefore not restated the comparative information, instead continuing to present it in accordance with IAS 17 and IFRIC 4. The details of the accounting policies in accordance with IAS 17 and IFRIC 4 are presented separately.

### Method used from 1 January 2019

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group bases its assessment of whether the contract contains the right to control an identified asset on the definition of a lease in accordance with IFRS 16.

This method is applied to contracts concluded on or after 1 January 2019.

### The Group as a lessee

At the commencement date or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract on the basis of the relative stand-alone prices. For property leases, however, the Group has elected not to separate the non-lease components, and instead to account for lease and non-lease components as a single lease component.

At the commencement date, the Group recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost, equalling the initial measurement of the lease liability, adjusted for payments made at or before the commencement date, plus any initial direct costs and an estimate of costs for dismantling and removing the underlying asset or restoring the underlying asset or the site on which it is located, less any lease incentives received.

Subsequently, the right-of-use asset is depreciated on a straight-line basis from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In this event, the right-of-use asset is depreciated over the useful life of the underlying asset, which is determined according to the rules for property, plant and equipment. In addition, the right-of-use asset is continuously adjusted for impairment losses, if necessary, and for certain remeasurements of the lease liability.

The lease liability is measured for the first time at the present value of the lease payments not yet paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the Group's incremental borrowing rate. Normally, the Group uses its incremental borrowing rate as the discount rate.

To calculate its incremental borrowing rate, the Group obtains interest rates from various external financial sources and makes certain adjustments to reflect the lease terms and the asset type.

The lease payments included in the measurement of the lease liability comprise:

- › fixed payments, including in-substance fixed payments
- › variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- › amounts expected to be payable under a residual value guarantee, and
- › the exercise price of a purchase option if the Group is reasonably certain to exercise that option, lease payments for an option to extend the lease if the Group is reasonably certain to exercise that option, and payments of penalties for terminating the lease, unless the Group is reasonably certain not to terminate the lease.

The lease liability is measured at the amortised carrying amount using the effective interest method. It is remeasured if the future lease payments change as a result of an index or rate change, if the Group adjusts its estimate of expected payments under a residual value guarantee, if the Group changes its estimate regarding the exercise of a purchase, extension or termination option, or if an in-substance fixed lease payment changes.

In the event of such remeasurement of the lease liability, the carrying amount of the right-of-use asset is adjusted accordingly, or the adjustment is recognised in profit or loss if the carrying amount of the right-of-use asset is reduced to zero.

In the statement of financial position, the Group recognises right-of-use assets that do not meet the definition of investment property in property, plant and equipment and in intangible assets. Lease liabilities are recognised in financial liabilities.

The Flughafen Wien Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets or short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### **The Group as a lessor**

At inception of a contract or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract on the basis of the relative stand-alone prices.

If the Group acts as lessor, it classifies each lease as either a finance lease or an operating lease at inception of the contract.

To classify each lease, the Group has made an overall assessment as to whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, the lease is classified as a finance lease; if not, it is an operating lease. In making this assessment, the Group considers certain factors such as whether the lease term is for the major part of the economic life of the asset.

If the Group acts as an intermediate lessor, it accounts for the head lease and the sublease separately. It classifies the sublease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. If the head lease is a short-term lease to which the Group applies the above exception, it classifies the sublease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements of IFRS 9 to the net investment in the lease (see note 45(R)(i)). The Group regularly reviews the estimated unguaranteed residual values used in computing the gross investment in the lease.

The Group recognises lease payments from operating leases as income under revenue on a straight-line basis.

In general, the accounting policies pursuant to IFRS 16 applicable to the Group as a lessor are no different to those of the comparative period.

### **Method used before 1 January 2019**

A lease is an agreement under which a lessor conveys the right to use an asset for an agreed period of time to a lessee in exchange for a payment. The Flughafen Wien Group acts as both a lessor and a lessee.

A lease that transfers the material opportunities and risks connected with the ownership of the leased asset to the lessee is classified as a finance lease in accordance with IAS 17. All other leases are classified as operating leases.

#### **The Group as a lessee**

If beneficial ownership is attributable to the Flughafen Wien Group as the lessee (finance lease), the leased asset is recognised as a non-current asset at the lower of the present value of future minimum lease payments and fair value. The asset is subsequently depreciated over the shorter of its useful life and the term of the lease. Any impairment losses are charged to the carrying amount of the leased asset. The future payment obligations resulting from finance leases are recognised under other financial liabilities. Lease payments are divided into interest expenses and repayments of the lease liability such that the remaining liability incurs a constant rate of interest.

Payments under operating leases are recognised as an expense on a straight-line basis over the term of the lease unless a different method better reflects the Group's expected economic benefit from the assets. Contingent payments under operating leases are recognised as an expense in the period in which they are incurred.

As described in note (38), the minimum lease payment under operating leases includes rent for land to be paid to the government of Malta for a temporary right of use ("temporary emphyteusis"). The terms of these leases range between 58 and 65 years. The lease payments are periodically adjusted according to an index. Lease expenses are recognised on a straight-line basis over the term of the lease.

#### **The Group as a lessor**

In cases where the Flughafen Wien Group is the lessor and beneficial ownership remains with the lessor (operating lease), the leased assets are capitalised at cost and depreciated accordingly. Income from operating leases is recognised on a straight-line basis over the term of the lease unless some other method appears more appropriate.

On first-time recognition of a finance lease, a lease receivable is recognised in the amount of the net investment under the lease. Lease payments are divided into interest payments and repayments of the lease receivable such that the receivable incurs a constant rate of interest.

## **Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost is calculated based on the moving average price method. Net realisable value is the estimated proceeds from a sale in the ordinary course of business less the estimated costs still necessary to complete and sell the assets. Any impairment that could result from reduced usability is also included.

## **Reacquisition of own equity instruments (own shares)**

If share capital recognised in equity is repurchased, the amount paid including the direct costs is deducted from equity. The acquired shares are classified as own shares and recognised in the other reserves for own shares. If the shares are sold or reissued at a later date, the revenue is recognised as an increase in equity. Any difference is recognised within capital reserves.

## **Provisions for severance compensation, pensions, semi-retirement programmes and service anniversary bonuses**

The provisions for severance compensation, pensions, semi-retirement programmes and service anniversary bonuses are calculated in accordance with actuarial principles using the projected unit credit method and obligations are measured at the amount of the defined benefit obligation (DBO). For severance compensation and pension provisions, actuarial gains and losses from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income in the period in which they are incurred; the comparable changes in provisions for service anniversary bonuses and semi-retirement programmes are expensed as incurred. Remeasurement recognised in other comprehensive income is a component of retained earnings and will not be reclassified to the Consolidated Income Statement. Past service cost is recognised as personnel expenses when the plan amendment occurs. All other changes, such as service cost or interest expense, are reported under personnel expenses.

The calculation of the defined benefit obligation takes into account future wage and salary increases.

Employee turnover (for severance compensation and service anniversary bonuses) was included in the calculation for the Austrian Group companies in the form of annual turnover probabilities based on actual employee turnover in the Group (ten-year average). No turnover probabilities were included for employees in semi-retirement programmes.

### Employee turnover for severance compensation (combined with probability of pay-outs)

Austrian companies (VIE)		2019	2018
Wage-earning employees:	From 1st year	at 6.9%: 28.2%	at 6.9%: 28.2%
	Until 25th year	at 7.0%: 85.2%	at 7.0%: 85.2%
Salaried employees:	From 1st year	at 8.9%: 42.8%	at 8.9%: 42.8%
	Until 25th year	at 7.1%: 86.6%	at 7.1%: 86.6%

Austrian companies (subsidiaries)		2019	2018
Wage-earning employees:	From 1st year	at 6.9%: 28.0%	at 6.9%: 28.0%
	Until 25th year	at 1.1%: 0.0%	at 1.1%: 0.0%
Salaried employees:	From 1st year	at 8.9%: 42.8%	at 8.9%: 42.8%
	Until 25th year	at 1.0%: 0.0%	at 1.0%: 0.0%

### Employee turnover for service anniversary bonuses

Austrian companies		2019	2018
Wage-earning employees:	From 1st year	6.9%	6.9%
	Until 25th year	1.1%	1.1%
Salaried employees:	From 1st year	8.9%	8.9%
	Until 25th year	1.0%	1.0%

For the Austrian Group companies, the notional retirement age was taken as the earliest possible date for (early) retirement permitted by the 2004 pension reform (2003 Budget Concomitant Act), taking all transition regulations into account. The retirement age for female employees reflects a gradual increase in the retirement age for women in keeping with Austrian law.

The AVÖ 2018-P mortality tables (mixed) (previous year: AVÖ 2018-P (mixed)) form the biometric basis for the calculation of the provisions for the Austrian companies, whereby the specifications for salaried employees apply to the provision for pensions. The probabilities of disability were adjusted individually to the Flughafen Wien Group. Life expectancies for men (79 years) and women (83 years) were used for the Maltese companies.

The demographic parameters were unchanged year-on-year.

The obligations for severance compensation, pensions, semi-retirement programmes and service anniversary bonuses were calculated on the basis of the following parameters:

	2019	2018
<b>Austrian companies</b>		
Discount rate (pensions, severance compensation, service anniversary bonuses)	0.60%	1.30%
Discount rate (semi-retirement programmes)	0.20%	0.30%
Wage and salary increases (severance compensation, service anniversary bonuses)	3.83%	3.83%
Pension increases (only for pensions)	2.10%	2.10%
<b>Maltese companies</b>		
Discount rate (pensions)	0.80%	1.80%
Pay increases	3.00%	3.00%

The discount rate was based on the investment yields applicable as at the end of the respective reporting period.

Payments required by defined contribution plans (contributions to pension plans and legally required employee severance compensation funds) are recognised in profit or loss in the period to which they relate under personnel expenses.

## Other provisions

Other provisions include legal or constructive obligations to third parties, which are based on past transactions or events and are expected to lead to an outflow or resources that can be reliably estimated. These provisions reflect all recognisable risks related to the assumed settlement amount and are based on the best possible estimate. A provision is not recognised if it is not possible to reliably estimate the amount of the obligation. Provisions are discounted if the resulting effect is material. Expenses resulting from the interest adding back to other provisions are included in the costs of the respective provisions. Income from the reversal of provisions is recognised in the item affected by the provision.

## Government grants

Government grants are recognised at fair value when it is reasonably certain that the Group will meet the relevant conditions attached to the grants and it is reasonably certain the grants will actually be received.

Government grants for costs are recognised as income over the periods required to match them with the costs they are intended to compensate.

Government grants for the purchase of property, plant and equipment ("investment subsidies") are reported under current or non-current liabilities and recognised as income on a straight-line basis over the useful life of the related asset. The special investment allowances granted by the Republic of Austria are treated as investment subsidies.



## Measurement of fair value

The Group measures financial instruments and non-financial assets at fair value as at the end of each reporting period. The fair values of financial instruments carried at amortised cost are listed in note (36).

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In measuring fair value it is assumed that the transaction in which the asset is sold or the liability is transferred takes place either on the principal market for the asset or liability, or the most advantageous market for the asset or liability if there is no principal market.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability. It is assumed that the market participants act in their economic best interest.

The Flughafen Wien Group applies measurement methods that are appropriate in the circumstances and for which there are sufficient data to measure fair value. In doing so, the use of relevant, observable inputs is maximised and that of unobservable inputs is minimised.

All assets and liabilities for which the fair value has been calculated or reported in the financial statements are assigned to the following levels of the fair value hierarchy based on the lowest input factor that is material overall for measurement.

### Level 1

The market price (stock exchange price) represents the fair value for financial assets and financial liabilities that are traded on active liquid markets at standardised terms and conditions. This method is also applied to listed redeemable obligations, promissory notes and perpetual bonds.

### Level 2

The fair value of the financial assets and financial liabilities in this category, which are not traded on an active market, is derived directly (i.e. similar to market price) or indirectly (i.e. similar to prices or quoted prices) from market prices.

### Level 3

This category includes financial assets and financial liabilities (except derivatives) whose fair value is determined by applying recognised measurement models and parameters that are not based on observable market inputs.

## Financial instruments and other financial assets

The Group assigns its financial assets to the following measurement categories:

- › Subsequently measured at fair value (either through other comprehensive income or through profit or loss), and
- › Measured at amortised cost.

The classification depends on the entity's business model for managing financial assets and contractual cash flows.

In the case of assets measured at fair value, gains and losses are recognised either through profit or loss or through other comprehensive income. In the case of investments in equity instruments not held for trading, this depends on whether the Group irrevocably decided on initial recognition to measure the equity instruments at fair value through other comprehensive income.

The Group only reclassifies debt instruments if the business model for managing such assets changes.

On initial recognition, the Group recognises a financial asset at fair value plus – in the case of a financial asset not subsequently measured at fair value through profit or loss – the transaction costs directly attributable to the acquisition of this financial asset. Transaction costs of financial assets measured at fair value through profit or loss are recognised as expenses in profit or loss.

Financial assets with embedded derivatives are viewed in their entirety when it is determined whether their cash flows are solely payments of principal and interest.

### **Debt instruments**

The subsequent measurement of debt instruments depends on the Group's business model for managing the financial asset and the asset's cash flow characteristics. The Group classifies its debt instruments as follows:

- › At amortised cost (AC): Assets that are held to collect contractual cash flows and for which these cash flows are solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is recognised in interest income using the effective interest rate method. Gains or losses on derecognition are recognised under other financial results in the income statement.
- › At fair value through profit or loss (FVPL): Assets that do not meet the criteria for the "measured at amortised cost" (AC) or "at fair value through other comprehensive income" (FVOCI) categories are allocated to the "at fair value through profit or loss" (FVPL) category. Gains or losses from a debt instrument that is subsequently measured at FVPL are recognised net under other financial results in the income statement in the period in which they arise.

### **Equity instruments**

The Group subsequently measures all equity instruments held at fair value. If the management of the Group has decided to recognise effects from the change in the fair value of equity instruments in other comprehensive income, these gains or losses are not subsequently reclassified to profit or loss after the instrument is derecognised. Dividends from such instruments continue to be recognised in financial results in profit or loss when the Group's claim to the receipt of payments is substantiated.

The equity instruments include shares in CEESEG AG and other investments. In the absence of an active market or quoted price, the fair value of the shares in CEESEG AG must be calculated using a net present value approach (level 3). A review of the fair value of other investments found that the cost is the best estimate of fair value.

## Impairment of financial assets

The Group has the following types of financial assets subject to the model of expected credit losses:

- › Receivables
- › Debt instruments measured at amortised cost

Cash and cash equivalents are likewise subject to the impairment requirements of IFRS 9, but the identified impairment loss was immaterial.

### Receivables and contract assets

Receivables include trade receivables, receivables from associates and other receivables. The Group applies the simplified approach in order to measure expected credit losses, so lifetime expected credit losses (Stage 2) are used for all trade receivables, other receivables and receivables from associates. To measure the expected credit losses, these receivables were grouped on the basis of shared credit risk characteristics and days past due. The expected loss rates are based on the payment profiles of the revenue over a period of five years and the historical defaults in this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors that affect the customers' ability to settle the receivables. The Group has identified the gross domestic product, unemployment rates, inflation and future passenger growth rates of the countries in which it sells services as relevant factors. Receivables are derecognised if there is no longer a reasonable expectation of recovery. Impairment losses on receivables are recognised in other operating expenses. Amounts generated in subsequent periods and already written down in previous periods are recognised in the same item.

### Debt instruments

Debt instruments include time deposits, originated loans and current securities. The general impairment requirements apply to time deposits, loans granted (without a significant financing component) and current securities, whereby the expected default over the next twelve months is calculated first (Stage 1). The expected default over the entire term of the financial instruments is only calculated when there is a significant deterioration in the debtor's credit characteristics.

The Group considers a financial asset to be in default if:

- › It is unlikely that the debtor will be able to pay its full credit obligation to the Group without the Group having to resort to measures such as the realization of collateral (if available), or
- › The financial asset is more than 90 days past due.

From the Group's perspective, a bond has a low default risk if its credit risk rating meets the global definition of "investment grade". The Group considers this criterion to be met in the event of a rating of Baa3 or higher from Moody's or a corresponding rating from another agency (e.g. Standard & Poor's).

Lifetime expected credit losses (Stage 2) are expected credit losses that result from all possible default events over the expected life of a financial instrument.

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12-month credit losses (Stage 1) are the portion of expected credit losses that result from all possible default events within 12 months of the reporting date.

The maximum period to be taken into account when estimating expected credit losses is the maximum contract term in which the Group is exposed to credit risk.

## **Receivables**

Trade receivables are initially carried at fair value or – if they do not contain significant financing components – at the transaction price and subsequently at amortised cost according to the effective interest rate method, less valuation allowances.

## **Cash and cash equivalents**

Cash and cash equivalents, which include bank accounts and short-term deposits with credit institutions, have a remaining term of up to three months at the date of acquisition. These items are measured at fair value, which generally reflects the nominal value.

## **Liabilities**

Financial liabilities are recognised at an amount equal to the actual funds received, which generally reflects fair value. Any material difference between the amount received and the repayment amount is distributed over the term of the liability according to the effective interest rate method, and reported under financial results. Trade payables and other liabilities are carried at amortised cost.

## **Financial liabilities**

Financial liabilities are measured at amortised cost.

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense is recognised in profit or loss, as are gains or losses on the derecognition of financial liabilities.

## **Income taxes**

Income taxes include current and deferred taxes. The provisions for taxation essentially include domestic and foreign income tax obligations, and comprise both the current year and any obligations from previous years. The liabilities are calculated in accordance with the tax regulations of the countries where the Group conducts its business activities.

Flughafen Wien AG is the Group parent as defined by section 9(8) of the Körperschaftsteuergesetz (KStG – Austrian Corporate Income Tax Act) of 1988. In this function, the Group parent apportions and charges the applicable share of taxes to the member companies of the Group; if a Group company generates a loss, the relevant credit is only made when this company again generates taxable profit. This settlement of tax charges leads to a reduction in the tax expense shown in the income statement of the Group parent. If there are any subsequent deviations, the tax settlements with Group companies are adjusted accordingly.

In accordance with the liability approach, deferred tax assets and deferred tax liabilities are recognised for temporary differences between the carrying amounts on the Consolidated Statement of Financial Position and the tax accounts, and for tax loss carryforwards. Deferred tax assets are recognised when it is probable that sufficient taxable profit will be available to utilise a deductible temporary difference.

Deferred tax assets and liabilities are only recognised on temporary differences arising from shares in subsidiaries and companies recorded at equity if there is an intention to sell the investment and the gain on the disposal will be taxable. Deferred taxes are measured in accordance with the tax regulations that are valid or were enacted as at the end of the reporting period for the financial statements. Therefore, the tax rates expected in future are applied to the reversal of temporary differences.

## **Revenue from contracts with customers and other income**

The Flughafen Wien Group essentially generates revenue from aviation and non-aviation operations. Aviation operations essentially generate revenue from traffic fees, ground handling services and concessions.

### **Traffic fees (subject to approval):**

Some fees are subject to the approval of the civil aviation authority. These fees relate to the use of the airport infrastructure and include landing, parking, passenger and infrastructure fees. The calculation of the landing, parking and airside infrastructure fee is based on the maximum take-off weight (MTOW) of the aircraft, while the landside infrastructure fee, passenger fee and security fee are based on the number of passengers. The infrastructure fee for fuelling is based on the volume of fuel. The billing of these fees is the same for all customers and is regulated in a fee schedule. There is also an incentive system for customers.

The entire fee from these service agreements with airlines is allocated across all services (performance obligation) based on their standalone selling price (transaction price). The standalone selling price is determined on the basis of the schedule of fees charged by the Group for services in separate transactions. Variable, fee-reducing discounts and rebates based on the incentive system are taken into account in calculating and allocating the transaction price. The Flughafen Wien Group exercises the portfolio approach practical expedient in assessing these contracts.

### **Ground handling services (not subject to approval):**

Fees not subject to approval include ground handling services. Revenue is generated primarily from ramp handling, cargo handling and passenger handling. Cargo handling services and standalone selling prices are regulated in the cargo regulations. The ramp handling contracts are based on the International Air Transport Association (IATA)'s standard ground handling agreement. In these contracts, service obligations are defined on the basis of the individual services offered and a transaction price per turnaround and aircraft type. These contracts do not include fixed transaction prices for service obligations performed over time. If individual service obligations (individual services) are required in addition to the contractually defined service packages, they can be purchased as extras on the basis of the current price list. The transaction price is allocated to the service obligations on the basis of the relative standalone selling prices or on the basis of the current standalone selling prices when additional service obligations are purchased. The Flughafen Wien Group exercises the portfolio approach practical expedient in assessing these contracts.

### **Concession revenue:**

Concession revenue (Malta ground handling) comprises revenue for the right to perform ground handling services at Malta Airport and is distributed over the term of the >

concession on an accrual basis in line with the respective contract. The transaction price is calculated according to a fee structure based on various underlying parameters (departing passengers, aircraft movements, MTOW, cargo volume, fuelling volume). Revenue is recognised if a reasonably certain inflow of resources can be assumed and its amount can be reliably determined.

The Flughafen Wien Group's non-aviation operations comprise rentals (including revenue based on sales) and other revenue.

**Rentals including revenue based on sales:**

Rental revenue is recognised on a straight-line basis over the term of the lease. Rental incentives granted to tenants are recognised as a component of the total rental income over the term of the lease. Revenue based on sales (variable rents) is recognised on an accrual basis based on the revenue generated.

**Other revenue:**

In addition to the above, the Flughafen Wien Group also generates revenue from lounges, security, energy supply and waste disposal, IT services, electrical engineering, workshops, materials management, facility management and building maintenance.

## **Finance income and financing expenses**

The Group's finance income and financing expenses include:

**Interest income and interest expense:**

Interest income (interest expense) is recognised when it is probable that the economic benefits will flow to (flow from) the Group and the amount of the income (expense) can be measured reliably. Interest income (interest expense) is deferred in line with the outstanding nominal amount using the effective interest rate. The effective interest rate is the interest rate by which the expected future cash receipts (payments) are discounted over the term of the financial asset such that the net carrying amount of this asset (financial liability) is reached exactly at first-time recognition. Interest income (interest expense) is recognised in the financial results.

**Dividends:**

Income is recognised when the legal right to payment arises; this is the time when the shareholders resolve the dividend. Dividends are reported in the financial results.

**Net gains or losses from financial assets measured at FVPL**

For information on the recognition of net gains from debt instruments measured at FVPL, see the remarks under "Financial instruments and other financial assets".

## › (47) Adoption of new and amended standards and interpretations

In the financial year the Group applied all new or amended standards and interpretations that were issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB and endorsed by the EU to the extent that these standards and interpretations were relevant to the business activities of the Group and already effective. In particular, the following standards of the IASB were adopted for the first time in the financial year:

■ IFRS 16 Leases	Effective for reporting periods beginning on or after 1 January 2019.
■ IFRIC 23 Uncertainty over Income Tax Treatments	Effective for reporting periods beginning on or after 1 January 2019.
■ Amendments to IAS 28 Investments in Associates and Joint Ventures	Effective for reporting periods beginning on or after 1 January 2019.
■ Amendments to IFRS 9 Prepayment Features with Negative Compensation	Effective for reporting periods beginning on or after 1 January 2019.
■ Annual Improvements (2015-2017)	Effective for reporting periods beginning on or after 1 January 2019.
■ Amendments to IAS 19 Plan Amendment, Curtailment or Settlement	Effective for reporting periods beginning on or after 1 January 2019.

The effects of the first-time application of IFRS 16 “Leases” were presented in detail under “Changes to significant accounting policies”.

### Other standards

All other new or improved standards applied for the first time have no material effect on the Group's asset, financial and earnings position.

### › (48) New standards that have not been adopted

The following standards and interpretations had been issued as at the end of the reporting period, but did not require mandatory application during the financial year:

■ IFRS 14 Regulatory Deferral Accounts	The European Commission has decided not to endorse this provisional standard as EU law. It is awaiting the final standard.
■ Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Adoption deferred indefinitely.
■ IFRS 17 Insurance Contracts	Effective for reporting periods beginning on or after 1 January 2021; not endorsed by the EU as at the end of the reporting period.
■ Revision of the IFRS Conceptual Framework	Effective for reporting periods beginning on or after 1 January 2020; not endorsed by the EU as at the end of the reporting period.
■ Amendments to IFRS 3 Business Combinations	Effective for reporting periods beginning on or after 1 January 2020; not endorsed by the EU as at the end of the reporting period.
■ Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies: Definition of Material	Effective for reporting periods beginning on or after 1 January 2020; not endorsed by the EU as at the end of the reporting period.
■ Amendments to IFRS 9, IAS 39 and IFRS 7	Effective for reporting periods beginning on or after 1 January 2020; not endorsed by the EU as at the end of the reporting period.

There are no plans for the voluntary early adoption of the above standards and interpretations. The amended standards are not expected to have any material effect on the consolidated financial statements.

Schwechat, 6 March 2020

#### The Management Board



**Günther Ofner**  
Member of the Board, CFO



**Julian Jäger**  
Member of the Board, COO





# Group companies of Flughafen Wien AG

Company	Abbreviation	Parent company	Country	Share owned <sup>1</sup>	Type of consolidation	Segment
Flughafen Wien AG	VIE		Austria		FC	Alle ohne Malta
Flughafen Wien Immobilienverwertungsgesellschaft m. b. H.	IVW	VIE	Austria	100.0%	FC	Airport, Retail & Properties
Flugplatz Vöslau BetriebsGmbH	LOAV	VAH	Austria	100.0%	FC	Airport
Mazur Parkplatz GmbH	MAZU	VIEL	Austria	100.0%	FC	Retail & Properties
VIE International Beteiligungsmanagement Gesellschaft m. b. H.	VINT	VIAB	Austria	100.0%	FC	Other
VIE Liegenschaftsbeteiligungsgesellschaft m. b. H.	VIEL	VIE	Austria	100.0%	FC	Retail & Properties
VIE Office Park Errichtungs- und Betriebsgesellschaft m. b. H.	VOPE	VIEL	Austria	100.0%	FC	Retail & Properties
Vienna Aircraft Handling Gesellschaft m. b. H.	VAH	VIE	Austria	100.0%	FC	Handling & Security Services
Vienna Airport Business Park Immobilienbesitzgesellschaft m. b. H.	BPIB	VIEL	Austria	100.0%	FC	Retail & Properties
Vienna Airport Technik GmbH	VAT	VIE	Austria	100.0%	FC	Other
Vienna International Airport Beteiligungsholding GmbH	VIAB	VIE	Austria	100.0%	FC	Other
Vienna International Airport Security Services Ges. m. b. H.	VIAS	VIE	Austria	100.0%	FC	Handling & Security Services
VIE Office Park 3 BetriebsGmbH	VWTC	VIEL	Austria	100.0%	FC	Retail & Properties
VIE Logistikzentrum West GmbH & Co KG	LZW	VIEL	Austria	100.0%	FC	Airport
VIE Immobilien Betriebs GmbH	IMB	VIEL	Austria	100.0%	FC	Retail & Properties
VIE Flugbetrieb Immobilien GmbH	VFI	BPIB	Austria	100.0%	FC	Retail & Properties
Airport Services VIE IMMOBILIEN GmbH	BPL	VIEL	Austria	100.0%	FC	Retail & Properties
Alpha Liegenschaftsentwicklungs GmbH	ALG	VIEL	Austria	100.0%	FC	Retail & Properties
Office Park 4 Errichtungs- und Betriebs GmbH	BLG	VIEL	Austria	100.0%	FC	Retail & Properties
Airport Co-Working & Conferences GmbH, vormalig VIE Airport Bau-management GmbH	ACS	VIE	Austria	100.0%	FC	Retail & Properties
Vienna Passenger Handling Services GmbH	VPHS	VIE	Austria	100.0%	FC	Handling & Security Services

Type of consolidation

FC = full consolidation

EQ = equity method

NC = not consolidated for reasons of immateriality

Company	Abbreviation	Parent company	Country	Share owned <sup>1</sup>	Type of consolidation	Segment
GetService Dienstleistungsgesellschaft m. b. H.	GETS	VIAS	Austria	100.0%	FC	Handling & Security Services
Vienna Airport Health Center GmbH	VHC	VIEL	Austria	100.0%	FC	Retail & Properties
VIE FINANCE HOLDING GmbH.	VFH	VIE	Austria	100.0%	FC	Other
BTS Holding, a.s.	BTSH	VIE	Slovakia	81.0%	FC	Other
KSC Holding, a.s.	KSCH	VIE	Slovakia	100.0%	FC	Other
Load Control International SK s.r.o	LION	VIE	Slovakia	100.0%	FC	Handling & Security Services
VIE (Malta) Limited	VIE Malta	VINT	Malta	100.0%	FC	Other
VIE Malta Finance Ltd.	VIE MF	VFH	Malta	100.0%	FC	Other
VIE Operations Holding Limited	VIE OPH	VINT	Malta	100.0%	FC	Other
VIE Operations Limited	VIE OP	VIE OPH	Malta	100.0%	FC	Other
Malta Mediterranean Link Consortium Limited	MMLC	VIE Malta	Malta	95.9%	FC	Other
Malta International Airport p. l. c.	MIA	MMLC	Malta	48.4%	FC	Malta
Airport Parking Limited	APL	MIA	Malta	48.4%	FC	Malta
Sky Parks Development Limited	SPD	MIA	Malta	48.4%	FC	Malta
Sky Parks Business Centre Limited	SBC	MIA	Malta	48.4%	FC	Malta
"GetService"-Flughafen-Sicherheits- und Servicedienst GmbH	GET2	VIAS	Austria	51.0%	FC	Other
VIE Shops Entwicklungs- und Betriebsges. m. b. H.	SHOP	VIE	Austria	100.0%	NC	Retail & Properties
FWAG Entwicklungsgebiet West GmbH	EGW	SHOP	Austria	100.0%	FC	Retail & Properties
City Air Terminal Betriebsgesellschaft m. b. H.	CAT	VIE	Austria	50.1%	EQ	Other
SCA Schedule Coordination Austria GmbH	SCA	VIE	Austria	49.0%	EQ	Other
Letisko Košice – Airport Košice, a.s.	KSC	KSCH	Slovakia	66.0%	EQ	Other
Flughafen Parken GmbH	FPG	VIE	Germany	16.66%	NC	Other
Kirkop PV Farm Limited	KFL	MIA	Malta	48.4%	NC	Malta

1) Direct and indirect in total

# Investments of Flughafen Wien AG

Amounts shown in accordance with national GAAP where IFRS unavailable

## › 1. Subsidiaries fully consolidated in the consolidated financial statements:

### a) Austrian subsidiaries

#### › Vienna Aircraft Handling Gesellschaft m. b. H. (VAH)

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	100% VIE

**Object of the company:** This company offers a full range of services for all divisions of general aviation and for business aviation in particular. Its key revenue drivers are private aircraft handling and aircraft handling services for Flughafen Wien AG in the general aviation sector (including fuelling and parking).

Amounts in T€	2019	2018
Revenue	13,270.4	13,840.6
Net profit for the period	1,397.9	2,047.4
Other comprehensive income	-68.0	-23.7
<b>Comprehensive income</b>	<b>1,329.9</b>	<b>2,023.7</b>
Current and non-current assets	12,617.2	12,226.2
Current and non-current liabilities	3,254.6	2,907.1
<b>Net assets</b>	<b>9,362.6</b>	<b>9,319.1</b>

#### › Flugplatz Vöslau BetriebsGmbH (LOAV)

<b>Registered office:</b>	Bad Vöslau
<b>Share owned:</b>	100% VAH

**Object of the company:** Operation and development of Vöslau Airport and the planning, construction and operation of buildings and equipment.

Amounts in T€	2019	2018
Revenue	1,772.5	1,334.8
Net profit/loss for the period	-985.4	191.7
Other comprehensive income	-5.8	-2.9
<b>Comprehensive income</b>	<b>-991.3</b>	<b>188.7</b>
Current and non-current assets	5,226.9	6,323.9
Current and non-current liabilities	1,904.5	2,010.2
<b>Net assets</b>	<b>3,322.4</b>	<b>4,313.7</b>

### › Mazur Parkplatz GmbH (MAZU)

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	100% VIEL
<b>Object of the company:</b> Operation of the Mazur car park and parking facilities.	

Amounts in T€	2019	2018
Revenue	4,196.9	3,040.6
Net profit for the period	2,554.8	1,675.8
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>2,554.8</b>	<b>1,675.8</b>
Current and non-current assets	7,192.3	6,418.8
Current and non-current liabilities	272.9	384.2
<b>Net assets</b>	<b>6,919.4</b>	<b>6,034.6</b>

### › Vienna International Airport Beteiligungsholding GmbH (VIAB)

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	100% VIE
<b>Object of the company:</b> Acquisition of and investment in international subsidiaries and equity investments, participation in international airport privatisation projects. The company serves as a holding company for the subsidiary VINT.	

Amounts in T€	2019	2018
Revenue	0.0	0.0
Net profit/loss for the period	6,279.5	3,504.4
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>6,279.5</b>	<b>3,504.4</b>
Current and non-current assets	125,423.2	122,667.8
Current and non-current liabilities	0.0	12.1
<b>Net assets</b>	<b>125,423.2</b>	<b>122,655.7</b>

### › VIE International Beteiligungsmanagement Gesellschaft m. b. H. (VINT)

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	100% VIAB
<b>Object of the company:</b> Founding and management of local project companies for international acquisitions; consulting and project management.	

Amounts in T€	2019	2018
Revenue	1,008.6	857.9
Net profit for the period	6,694.9	6,258.9
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>6,694.9</b>	<b>6,258.9</b>
Current and non-current assets	127,668.0	127,253.5
Current and non-current liabilities	181.5	181.8
<b>Net assets</b>	<b>127,486.5</b>	<b>127,071.6</b>

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### › Flughafen Wien Immobilienverwertungsgesellschaft m. b. H. (IWV)

**Registered office:** Schwechat

**Share owned:** 100% VIE

**Object of the company:** The commercial leasing of assets, in particular property, and the acquisition of properties and buildings at the site of Flughafen Wien AG.

Amounts in T€	2019	2018
Revenue	8,850.0	18,282.6
Net profit for the period	2,233.2	8,543.1
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>2,233.2</b>	<b>8,543.1</b>
Current and non-current assets	42,493.7	62,609.0
Current and non-current liabilities	1,404.2	1,752.6
<b>Net assets</b>	<b>41,089.6</b>	<b>60,856.4</b>

### › VIE Liegenschaftsbeteiligungsgesellschaft m. b. H. (VIEL)

**Registered office:** Schwechat

**Share owned:** 100% VIE

**Object of the company:** The company serves as a holding company for the BPIB, VOPE, MAZUR, LZW, IMB, ALG, BLG, BPL, VHC and VWTC subsidiaries, the purpose of which is the purchase, development and marketing of the properties they own.

Amounts in T€	2019	2018
Revenue	0.0	0.0
Net profit for the period	7,568.1	5,208.7
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>7,568.1</b>	<b>5,208.7</b>
Current and non-current assets	54,448.6	53,880.5
Current and non-current liabilities	0.0	5,000.1
<b>Net assets</b>	<b>54,448.6</b>	<b>48,880.4</b>

### › VIE Office Park Errichtungs- und Betriebsgesellschaft m. b. H. (VOPE)

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	100% VIEL
<b>Object of the company:</b>	Development of properties, in particular Office Park 2.

Amounts in T€	2019	2018
Revenue	4,449.5	4,549.8
Net profit for the period	1,435.7	1,446.1
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>1,435.7</b>	<b>1,446.1</b>
Current and non-current assets	29,467.5	30,064.8
Current and non-current liabilities	9,669.5	10,702.5
<b>Net assets</b>	<b>19,798.0</b>	<b>19,362.3</b>

### › Vienna Airport Business Park Immobilienbesitzgesellschaft m. b. H. (BPIB)

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	99% VIEL 1% IVW
<b>Object of the company:</b>	Purchase and marketing of properties.

Amounts in T€	2019	2018
Revenue	4,192.7	4,108.9
Net profit for the period	4,018.8	3,927.5
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>4,018.8</b>	<b>3,927.5</b>
Current and non-current assets	113,029.6	114,841.2
Current and non-current liabilities	81,838.1	83,568.5
<b>Net assets</b>	<b>31,191.5</b>	<b>31,272.7</b>

### › VIE Office Park 3 BetriebsGmbH (VWTC)

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	99% VIEL 1% BPIB
<b>Object of the company:</b>	Rental and development of property, in particular Office Park 3.

Amounts in T€	2019	2018
Revenue	4,394.6	3,722.7
Net profit for the period	1,494.1	1,100.0
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>1,494.1</b>	<b>1,100.0</b>
Current and non-current assets	14,657.0	16,133.9
Current and non-current liabilities	467.3	3,438.3
<b>Net assets</b>	<b>14,189.7</b>	<b>12,695.6</b>

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### › VIE Logistikzentrum West GmbH & Co KG (LZW)

**Registered office:** Schwechat

**Share owned:** 99.7% VIEL 0.3% IVW

**Object of the company:** The object of the company is property development, the rental of buildings owned by the company on third-party land (winter services and maintenance hall) and administration of its own assets.

Amounts in T€	2019	2018
Revenue	1,929.0	1,886.9
Net profit for the period	654.3	616.8
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>654.3</b>	<b>616.8</b>
Current and non-current assets	13,746.2	14,213.1
Current and non-current liabilities	3,057.5	3,561.9
<b>Net assets</b>	<b>10,688.7</b>	<b>10,651.2</b>

### › VIE Immobilien Betriebs GmbH (IMB)

**Registered office:** Schwechat

**Share owned:** 100% VIEL

**Object of the company:** Operation of properties and acting as general partner in subsidiaries and second-tier subsidiaries of Flughafen Wien Aktiengesellschaft.

Amounts in T€	2019	2018
Revenue	22.9	22.4
Net profit for the period	3.0	1.5
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>3.0</b>	<b>1.5</b>
Current and non-current assets	693.0	715.9
Current and non-current liabilities	179.6	205.5
<b>Net assets</b>	<b>513.3</b>	<b>510.3</b>

### › VIE Flugbetrieb Immobilien GmbH (VFI)

**Registered office:** Schwechat

**Share owned:** 94% BPIB 6% IMB

**Object of the company:** Rental and management of flight operations buildings.

Amounts in T€	2019	2018
Revenue	1,504.2	1,840.8
Net loss/profit for the period	-257.6	-78.9
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>-257.6</b>	<b>-78.9</b>
Current and non-current assets	85,445.3	87,401.0
Current and non-current liabilities	76,259.8	77,957.9
<b>Net assets</b>	<b>9,185.4</b>	<b>9,443.1</b>



### › Alpha Liegenschaftsentwicklungs GmbH (ALG)

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	100% VIEL

**Object of the company:** The object of the company is the development of property projects, the rental and sale of properties, facility and property management and the performance of associated consulting and services.

Amounts in T€	2019	2018
Revenue	0.0	0.0
Net loss for the period	-100.5	-137.1
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>-100.5</b>	<b>-137.1</b>
Current and non-current assets	15,482.1	15,584.1
Current and non-current liabilities	14,255.1	14,256.5
<b>Net assets</b>	<b>1,227.0</b>	<b>1,327.5</b>

### › Office Park 4 Errichtungs- und Betriebs GmbH (BLG)

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	100% VIEL

**Object of the company:** The object of the company is the development of property projects, the rental and sale of properties, facility and property management and the performance of associated consulting and services.

Amounts in T€	2019	2018
Revenue	34.0	46.7
Net loss for the period	-173.3	-310.5
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>-173.3</b>	<b>-310.5</b>
Current and non-current assets	62,985.0	40,547.6
Current and non-current liabilities	63,591.7	40,981.0
<b>Net assets</b>	<b>-606.7</b>	<b>-433.4</b>

### › Airport Services VIE IMMOBILIEN GmbH (BPL)

**Registered office:** Fischamend

**Share owned:** 94% BPIB 6% IMB

**Object of the company:** The object of the company is the development of property projects, the rental and sale of properties, facility and property management and the performance of associated consulting and services.

Amounts in T€	2019	2018
Revenue	91.1	40.4
Net loss for the period	2.2	-39.1
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>2.2</b>	<b>-39.1</b>
Current and non-current assets	3,184.8	3,276.1
Current and non-current liabilities	1,832.2	1,925.7
<b>Net assets</b>	<b>1,352.6</b>	<b>1,350.3</b>

### › Vienna Airport Technik GmbH (VAT)

**Registered office:** Schwechat

**Share owned:** 100% VIE

**Object of the company:** The company provides services for the electrical facilities sector. It also builds electrical and supply facilities, in particular technical equipment for airports, and installs electrical infrastructure.

Amounts in T€	2019	2018
Revenue	43,531.0	41,338.5
Net profit for the period	1,747.3	45.7
Other comprehensive income	-25.3	-1.1
<b>Comprehensive income</b>	<b>1,722.0</b>	<b>44.6</b>
Current and non-current assets	9,308.6	8,250.1
Current and non-current liabilities	6,178.9	6,842.4
<b>Net assets</b>	<b>3,129.7</b>	<b>1,407.7</b>

### › Vienna International Airport Security Services Ges. m. b. H. (VIAS)

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	100% VIE

**Object of the company:** VIAS is responsible for the performance of security controls (passengers and hand luggage) on behalf of the Federal Ministry of the Interior. It also performs services for other aviation customers (wheelchair transport, oversize baggage control, document control, etc.). The company also participates in tenders for the provision of security services for airports through its Austrian subsidiaries.

Amounts in T€	2019	2018
Revenue	58,508.1	51,518.5
Net profit for the period	6,658.9	6,557.3
Other comprehensive income	-345.7	-115.2
<b>Comprehensive income</b>	<b>6,313.2</b>	<b>6,442.1</b>
Current and non-current assets	27,496.2	27,417.2
Current and non-current liabilities	13,530.0	13,324.2
<b>Net assets</b>	<b>13,966.2</b>	<b>14,093.0</b>

### › Airport Co-Working & Conferences GmbH (ACS) formerly VIE Airport Baumanagement GmbH

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	100% VIE

**Object of the company:** Provision of all types of construction and construction-related services, including for construction projects of Flughafen Wien AG and other contractors.

Amounts in T€	2019	2018
Revenue	34,6	1.182,7
Net loss/profit for the period	-82,5	-2,7
Other comprehensive income	0,0	0,0
<b>Comprehensive income</b>	<b>-82,5</b>	<b>-2,7</b>
Current and non-current assets	945,7	35,5
Current and non-current liabilities	992,7	0,1
<b>Net assets</b>	<b>-47,0</b>	<b>35,5</b>

### › Vienna Passenger Handling Services GmbH (VPHS)

**Registered office:** Schwechat

**Share owned:** 100% VIE

**Object of the company:** Provision of ground handling services as defined by the Flughafen-Bodenabfertigungsgesetz (Austrian Airport Ground Handling Act). The services are consistent with those detailed in the appendix to the Austrian Airport Ground Handling Act.

Amounts in T€	2019	2018
Revenue	8,845,1	6,731,3
Net profit for the period	27,2	43,9
Other comprehensive income	0,0	0,0
<b>Comprehensive income</b>	<b>27,2</b>	<b>43,9</b>
Current and non-current assets	1,583,4	1,305,9
Current and non-current liabilities	1,084,6	790,3
<b>Net assets</b>	<b>498,8</b>	<b>515,6</b>

### › GetService Dienstleistungsgesellschaft m. b. H. (GETS)

**Registered office:** Schwechat

**Share owned:** 100% VIAS

**Object of the company:** Provision of all types of security services related to airport operations.

Amounts in T€	2019	2018 <sup>1</sup>
Revenue	3,320.6	2,804.7
Net profit for the period	45.2	28.0
Other comprehensive income	-3.8	2.8
<b>Comprehensive income</b>	<b>41.5</b>	<b>30.8</b>
Current and non-current assets	932.7	1,587.2
Current and non-current liabilities	423.0	1,088.9
<b>Net assets</b>	<b>509.7</b>	<b>498.2</b>

1) adjusted

### › VIE Airport Health Center GmbH (VHC)

**Registered office:** Schwechat

**Share owned:** 100% VIEL

**Object of the company:** VHC offers healthcare services.

Amounts in T€	2019	2018
Revenue	1,000.0	222.7
Net loss for the period	-257.4	-533.7
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>-257.4</b>	<b>-533.7</b>
Current and non-current assets	904.3	1,089.7
Current and non-current liabilities	1,685.5	1,613.5
<b>Net assets</b>	<b>-781.2</b>	<b>-523.7</b>

› VIE FINANCE HOLDING GmbH (VFH)  
formerly VIE Malta Finance Holding Ltd. (VIE MFH)  
with registered office in Luqa, Mata

Registered office:	Kottingbrunn
Share owned:	99.95% VIE, 0.05% VIAB
Object of the company:	Holding company for the subsidiary VIE Malta Finance Ltd.

Amounts in T€	2019	2018
Revenue	0.0	0.0
Net profit for the period	-194.8	57.0
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>-194.8</b>	<b>57.0</b>
Current and non-current assets	16,667.6	16,915.7
Current and non-current liabilities	1.2	54.5
<b>Net assets</b>	<b>16,666.4</b>	<b>16,861.2</b>

› "GetService"-Flughafen-Sicherheits- und Servicedienst GmbH (GET2)

Registered office:	Schwechat
Share owned:	51% VIAS
Object of the company:	Provision of security services, personnel leasing, cleaning including snow removal, etc.

Amounts in T€	2019 <sup>1</sup>	2018
Revenue	16,136.0	15,552.6
Net profit for the period	615.0	1,218.6
Other comprehensive income	-12.1	0.0
<b>Comprehensive income</b>	<b>602.9</b>	<b>1,218.6</b>
Current and non-current assets	3,870.0	4,267.0
Current and non-current liabilities	3,014.1	2,814.0
<b>Net assets</b>	<b>856.0</b>	<b>1,453.1</b>

1) Fully consolidated from 1 May 2019

### › VIE Shops Entwicklungs- und Betriebsges. m. b. H (SHOP)

**Registered office:** Schwechat

**Share owned:** 100% VIE

**Object of the company:** Planning, development, marketing and operation of shops at airports in Austria and other countries, and the acquisition and management of other companies.

Amounts in T€	2019 <sup>1</sup>	2018
Revenue	0.0	0.0
Net loss for the period	-0.9	-3.1
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>-0.9</b>	<b>-3.1</b>
Current and non-current assets	5,209.3	15.3
Current and non-current liabilities	24.3	0.2
<b>Net assets</b>	<b>5,185.1</b>	<b>15.1</b>

1) Fully consolidated from 1 August 2019

### › FWAG Entwicklungsgebiet West GmbH (EGW)

**Registered office:** Schwechat

**Share owned:** 100% SHOP

**Object of the company:** Purchase and development of properties of all sorts and operation and rental of properties.

Amounts in T€	2019	2018
Revenue	0.0	0.0
Net profit for the period	-1.8	0.0
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>-1.8</b>	<b>0.0</b>
Current and non-current assets	5,204.1	0.0
Current and non-current liabilities	0.0	0.0
<b>Net assets</b>	<b>5,204.1</b>	<b>0.0</b>

## b) Slovakian subsidiaries

## › BTS Holding a. s. (BTSH)

Registered office: Bratislava, Slovakia

Share owned: 47.7% VIE 33.3% VINT

Object of the company: Performance of consulting and other services for airports. It was also intended that the company will hold the planned equity investment in Bratislava Airport.

Amounts in T€	2019	2018
Revenue	0.0	0.0
Net profit for the period	-146.3	-13.2
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>-146.3</b>	<b>-13.2</b>
Current and non-current assets	353.9	500.3
Current and non-current liabilities	6.5	6.5
<b>Net assets</b>	<b>347.4</b>	<b>493.7</b>

## › KSC Holding a. s. (KSCH)

Registered office: Bratislava, Slovakia

Share owned: 47.7% VIE 52.3% VINT

Object of the company: The object of the company, in addition to holding the 66% investment in Košice Airport, is the performance of consulting services.

Amounts in T€	2019	2018
Revenue	0.0	0.0
Net profit for the period	1,681.1	1,653.9
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>1,681.1</b>	<b>1,653.9</b>
Current and non-current assets	38,105.2	36,427.7
Current and non-current liabilities	10.1	13.7
<b>Net assets</b>	<b>38,095.2</b>	<b>36,414.0</b>

## › Load Control International SK s. r. o (LION)

Registered office: Košice, Slovakia

Share owned: 100% VIE

Object of the company: Preparation of loadsheets.

Amounts in T€	2019	2018
Revenue	650.4	400.6
Net profit for the period	23.0	11.5
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>23.0</b>	<b>11.5</b>
Current and non-current assets	172.6	128.5
Current and non-current liabilities	125.9	104.9
<b>Net assets</b>	<b>46.6</b>	<b>23.6</b>

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## c) Maltese subsidiaries

## › VIE (Malta) Limited (VIE Malta)

<b>Registered office:</b>	Luqa, Malta
<b>Share owned:</b>	99.8% VINT 0.2% VIAB
<b>Object of the company:</b> Performance of consulting and other services for airports. Holding of the equity investment in Malta Mediterranean Link Consortium Ltd. and Malta International Airport plc.	

Amounts in T€	2019	2018
Revenue	0.0	0.0
Net profit for the period	6,108.0	4,217.2
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>6,108.0</b>	<b>4,217.2</b>
Current and non-current assets	84,596.9	62,592.5
Current and non-current liabilities	19,882.1	13,032.5
<b>Net assets</b>	<b>64,714.8</b>	<b>49,560.0</b>

## › VIE Malta Finance Ltd. (VIE MF)

<b>Registered office:</b>	Luqa, Malta
<b>Share owned:</b>	99.95% VFH 0.05% VIAB
<b>Object of the company:</b> Purchase and sale, investment and trading in financial instruments.	

Amounts in T€	2019	2018
Umsatzerlöse	0.0	0.0
Periodenergebnis	1,074.3	390.1
Sonstiges Ergebnis	0.0	0.0
<b>Gesamtergebnis</b>	<b>1,074.3</b>	<b>390.1</b>
Kurz- und langfristige Vermögenswerte	1,653.6	22,305.2
Kurz- und langfristige Schulden	187.2	21,913.1
<b>Nettovermögen</b>	<b>1,466.4</b>	<b>392.1</b>



### › VIE Operations Holding Limited (VIE OPH)

<b>Registered office:</b>	Luqa, Malta
<b>Share owned:</b>	99.95% VINT 0.05% VIAB
<b>Object of the company:</b> Holding company for VIE Operations Limited.	

Amounts in T€	2019	2018
Revenue	0.0	0.0
Net profit for the period	-65.6	499.0
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>-65.6</b>	<b>499.0</b>
Current and non-current assets	184.6	245.7
Current and non-current liabilities	149.2	144.7
<b>Net assets</b>	<b>35.4</b>	<b>101.0</b>

### › VIE Operations Limited (VIE OP)

<b>Registered office:</b>	Luqa, Malta
<b>Share owned:</b>	99.95% VIE OPH 0.05% VINT
<b>Object of the company:</b> Performance of support, consulting and other services in connection with international airports.	

Amounts in T€	2019	2018
Revenue	0.0	141.6
Net profit for the period	-28.0	48.2
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>-28.0</b>	<b>48.2</b>
Current and non-current assets	96.5	131.2
Current and non-current liabilities	99.7	106.4
<b>Net assets</b>	<b>-3.2</b>	<b>24.8</b>

### › MMLC Holdings Malta Limited (MMLCH)

<b>Registered office:</b>	Luqa, Malta
<b>Share owned:</b>	100% VINT
<b>Object of the company:</b> Holding company for the equity investment in Malta Mediterranean Link Consortium Ltd. (MMLC).	

Amounts in T€	2019 <sup>1</sup>	2018
Revenue	0.0	0.0
Net profit for the period	0.0	2,006.4
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>0.0</b>	<b>2,006.4</b>
Current and non-current assets	0.0	17,809.8
Current and non-current liabilities	0.0	2,463.1
<b>Net assets</b>	<b>0.0</b>	<b>15,346.7</b>

1) As at 1.1.2019 merged with VIE (Malta) Limited

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### › Malta Mediterranean Link Consortium Ltd. (MMLC)

**Registered office:** La Valetta, Malta

**Share owned:** 95.9% VIE Malta

**Object of the company:** Holding company for the equity investment in Malta International Airport p.l.c. (MIA).

Amounts in T€	2019	2018
Revenue	0.0	0.0
Net profit for the period	6,443.8	5,365.4
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>6,443.8</b>	<b>5,365.4</b>
Current and non-current assets	51,177.7	49,605.4
Current and non-current liabilities	23.9	25.4
<b>Net assets</b>	<b>51,153.9</b>	<b>49,580.0</b>

### › Malta International Airport plc. (MIA)

**Registered office:** Luqa, Malta

**Share owned:** 10.1% VIE Malta 40.0% MMLC

**Object of the company:** Operation of Malta International Airport.

Amounts in T€	2019	2018
Revenue	96,168.3	88,056.1
Net profit for the period	32,612.1	29,085.3
Other comprehensive income	-134.7	31.1
<b>Comprehensive income</b>	<b>32,477.4</b>	<b>29,116.4</b>
Current and non-current assets	236,161.7	170,173.0
Current and non-current liabilities	107,623.4	56,745.3
<b>Net assets</b>	<b>128,538.3</b>	<b>113,427.7</b>

### › Airport Parking Limited (APL)

**Registered office:** Luqa, Malta

**Share owned:** 100% MIA

**Object of the company:** Operation of the car park and parking facilities at Malta Airport.

Amounts in T€	2019	2018 <sup>1</sup>
Revenue	2,364.5	2,415.0
Net profit for the period	465.9	350.7
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>465.9</b>	<b>350.7</b>
Current and non-current assets	9,858.2	2,187.9
Current and non-current liabilities	8,098.2	893.9
<b>Net assets</b>	<b>1,760.0</b>	<b>1,294.1</b>

1) Adjusted

### › Sky Parks Development Limited (SPD)

**Registered office:** Luqa, Malta

**Share owned:** 100% MIA

**Object of the company:** Development and management of office buildings at Malta Airport.

Amounts in T€	2019	2018 <sup>1</sup>
Revenue	1,943.7	1,957.8
Net profit for the period	415.0	387.6
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>415.0</b>	<b>387.6</b>
Current and non-current assets	17,546.1	18,336.6
Current and non-current liabilities	18,217.1	19,422.6
<b>Net assets</b>	<b>-671.0</b>	<b>-1,086.0</b>

1) Adjusted

### › Sky Parks Business Center Limited (SBC)

**Registered office:** Luqa, Malta

**Share owned:** 100% MIA

**Object of the company:** Operation of office buildings (Skypark) at Malta Airport.

Amounts in T€	2019	2018
Revenue	3,742.0	3,732.2
Net profit for the period	440.3	512.1
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>440.3</b>	<b>512.1</b>
Current and non-current assets	1,977.7	2,132.0
Current and non-current liabilities	564.3	1,158.9
<b>Net assets</b>	<b>1,413.4</b>	<b>973.1</b>

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## › 2. Joint ventures included in the consolidated financial statements at equity:

### › City Air Terminal Betriebsgesellschaft m. b. H. (CAT)

Type of holding:	Joint venture
Registered office:	Schwechat
Share owned:	50.1% VIE

**Object of the company:** Operation of the City Airport Express as a railway operator from the "Wien-Mitte" transit centre to and from Vienna International Airport; operation of check-in facilities at the "Wien-Mitte" transit centre combined with baggage logistics for airport passengers; consulting for third parties on the organisation and implementation of traffic connections between airports and cities.

Amounts in T€	2019	2018
Revenue	15,323.0	14,519.9
Net profit for the period	2,471.6	2,482.3
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>2,471.6</b>	<b>2,482.3</b>

The above net profit includes the following amounts:

Amounts in T€	2019	2018
Depreciation and amortisation	1,480.4	708.2
Interest income	0.1	0.0
Interest expenses	119.5	0.1
Income tax expense or income	817.9	818.0

Amounts in T€	31.12.2019	31.12.2018
Current assets	10,949.9	9,929.0
Non-current assets	13,051.0	6,097.2
Current liabilities	3,827.7	3,146.2
Non-current liabilities	5,016.3	194.7
<b>Net assets</b>	<b>15,156.9</b>	<b>12,685.4</b>

The assets and liabilities listed above include the following amounts:

Amounts in T€	31.12.2019	31.12.2018
Cash and cash equivalents	27.4	14.6
Current financial liabilities <sup>1</sup>	0.0	0.0
Non-current financial liabilities <sup>1</sup>	0.0	0.0

1) Not including trade payables, other liabilities, or provisions

The reconciliation of proportional net assets to the carrying amount is as follows:

Amounts in T€	2019	2018
Share of net assets of the company as at 1. 1. (proportional equity)	6,355.4	5,111.7
Total comprehensive income attributable to the Group	1,238.3	1,243.6
Dividend paid and capital repayments	0.0	0.0
<b>Carrying amount as of 31. 12.</b>	<b>7,593.6</b>	<b>6,355.4</b>

#### › Letisko Košice – Airport Košice, a. s. (KSC)

Type of holding: Joint venture

Registered office: Košice, Slovakia

Share owned: 66% KSCH

Object of the company: Operation of Košice Airport.

Amounts in T€	2019 <sup>1</sup>	2018
Revenue	14,047.5	13,345.9
Net profit for the period	2,653.0	2,576.5
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>2,653.0</b>	<b>2,576.5</b>

1) Preliminary figures

The above net profit includes the following amounts:

Amounts in T€	2019 <sup>1</sup>	2018
Depreciation and amortisation	946.9	835.6
Interest income	8.9	17.2
Interest expenses	0.0	0.0
Income tax expense or income	709.5	704.2

1) Preliminary figures

Amounts in T€	31. 12. 2019 <sup>1</sup>	31. 12. 2018
Current assets	19,304.4	18,581.5
Non-current assets	38,204.2	38,059.2
Current liabilities	2,841.2	2,684.3
Non-current liabilities	967.5	578.2
<b>Net assets</b>	<b>53,699.9</b>	<b>53,378.2</b>

1) Preliminary figures

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The assets and liabilities listed above include the following amounts:

Amounts in T€	31. 12. 2019 <sup>1</sup>	31. 12. 2018
Cash and cash equivalents	17,501.9	17,079.9
Current financial liabilities <sup>2</sup>	0.0	0.0
Non-current financial liabilities <sup>2</sup>	0.0	0.0

1) Preliminary figures

2) Not including trade payables, other liabilities, or provisions

The reconciliation of proportional net assets to the carrying amount is as follows:

Amounts in T€	31. 12. 2019 <sup>1</sup>	31. 12. 2018
Share of net assets of the company as at 1. 1. (proportional equity)	35,229.6	34,660.5
Adjustment to comprehensive income (related to prior periods)	-43.3	-16.5
Total comprehensive income attributable to the Group	1,751.0	1,700.5
Other	251.8	242.8
Dividend paid	-1,469.2	-1,105.9
<b>Carrying amount as of 31. 12.</b>	<b>35,719.9</b>	<b>35,481.4</b>

1) Preliminary figures

### › 3. Associated companies included in the consolidated financial statements at equity:

#### › SCA Schedule Coordination Austria GmbH (SCA)

Type of holding:	Associated company
Registered office:	Schwechat
Share owned:	49% VIE

**Object of the company:** Schedule coordinator for airports in Austria, e. g. the company allocates time slots to aircraft in accordance with EU law, principles defined by the IATA and applicable legal regulations, and also carries out other activities that are directly or indirectly related to the business of the company.

Amounts in T€	2019 <sup>1</sup>	2018
Revenue	1,086.2	954.2
Net profit for the period	152.6	34.4
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>152.6</b>	<b>34.4</b>
Current and non-current assets	916.4	759.0
Current and non-current liabilities	157.2	126.4
<b>Net assets</b>	<b>759.2</b>	<b>632.6</b>

1) Preliminary Figures

Amounts in T€	31.12.2019	31.12.2018
Carrying amount of the investments in SCA	393.4	331.4

### › 4. Investments not included in the consolidated financial statements:

#### › Kirkop PV Farm Limited (KFL)

Registered office:	Luqa, Malta
Share owned:	100% MIA

**Object of the company:** The main activity of the company is to explore the opportunities of photovoltaic power generation.

Amounts in T€	2019	2018
Revenue	0.0	0.0
Net profit for the period	0.0	0.0
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>0.0</b>	<b>0.0</b>
Current and non-current assets	1.2	1.2
Current and non-current liabilities	0.0	0.0
<b>Net assets</b>	<b>1.2</b>	<b>1.2</b>

## Material non-controlling interests

The following table contains a summary of financial information for the sub-group Malta International Airport plc – which contains material non-controlling interests. This information was prepared using the same accounting policies as the Group and amendments were made to the fair value as at the acquisition date. The Malta International Airport plc sub-group is assigned to the Malta Segment. The “Others” column contains aggregate information on subsidiaries with immaterial non-controlling interests. These are the companies MMLC and BTSH.

### 2019 financial year

in T€	MIA Group before elimination of intercompany transactions	Elimination of intercompany transactions
Percentage of non-controlling interests (indirect)	51.56%	51.56%
Percentage of non-controlling interests (direct)	49.90%	49.90%
Goodwill	28,407.6	0.0
Other non-current assets	286,690.2	0.0
Current assets	58,329.2	0.0
Non-current liabilities	90,867.9	0.0
Current liabilities	51,480.2	-96.1
<b>Net assets</b>	<b>231,078.9</b>	<b>96.1</b>
<b>Net assets of non-controlling interests</b>	<b>104,497.3</b>	
Revenue	100,312.3	0.0
Net profit for the period	32,716.1	0.0
Other comprehensive income	-134.7	0.0
<b>Comprehensive income</b>	<b>32,581.4</b>	<b>0.0</b>
Net profit attributable to non-controlling interests	16,868.4	0.0
Other comprehensive income attributable to non-controlling interests	-69.5	0.0
<b>Total comprehensive income attributable to non-controlling interests</b>	<b>16,799.0</b>	<b>0.0</b>
Cash flow from operating activities	49,031.3	
Cash flow from investing activities	-24,873.5	
Cash flow from financing activities	-16,236.0	
thereof dividend to non-controlling interests	-8,101.8	
<b>Net increase (reduction) in cash and cash equivalents</b>	<b>7,921.8</b>	



MIA Group after elimination of intercompany transactions	Others before elimination of intercompany transactions	Elimination of intercompany transactions	Others after elimination of intercompany transactions	Total
51.56%				
49.90%				
28,407.6	0.0	0.0	0.0	
286,690.2	49,506.2	-49,506.2	0.0	
58,329.2	2,025.5	0.0	2,025.5	
90,867.9	0.0	0.0	0.0	
51,384.0	30.4	-3.7	26.6	
231,175.1	51,501.3	-49,502.4	1,998.9	
104,497.3	2,189.1	-2,053.8	135.2	104,632.6
100,312.3	0.0	0.0	0.0	
32,716.1	6,297.5	-6,459.5	-162.0	
-134.7	0.0	0.0	0.0	
32,581.4	6,297.5	-6,459.5	-162.0	
16,868.4	239.5	-264.7	-25.2	
-69.5	0.0	0.0	0.0	
16,799.0	239.5	-264.7	-25.2	16,773.8
	6,295.7			
	0.0			
	-4,870.0			
	-202.1			-8,303.9
	1,425.7			

## 2018 financial year

in T€	MIA Group before elimination of intercompany transactions	Elimination of intercompany transactions
Percentage of non-controlling interests (indirect)	51.56%	51.56%
Percentage of non-controlling interests (direct)	49.90%	49.90%
Goodwill	28,407.6	0.0
Other non-current assets	240,661.7	0.0
Current assets	41,785.9	0.0
Non-current liabilities	48,359.1	0.0
Current liabilities	47,795.8	-40.0
<b>Net assets</b>	<b>214,733.5</b>	<b>40.0</b>
<b>Net assets of non-controlling interests</b>	<b>96,069.6</b>	
Revenue	92,161.8	0.0
Net profit for the period	28,344.4	0.0
Other comprehensive income	31.5	0.0
<b>Comprehensive income</b>	<b>28,375.9</b>	<b>0.0</b>
Net profit attributable to non-controlling interests	14,614.4	0.0
Other comprehensive income attributable to non-controlling interests	16.3	0.0
<b>Total comprehensive income attributable to non-controlling interests</b>	<b>14,630.6</b>	<b>0.0</b>
Cash flow from operating activities	36,779.8	
Cash flow from investing activities	-8,348.5	
Cash flow from financing activities	-46,546.6	
thereof dividend to non-controlling interests	-6,751.5	
<b>Net increase (reduction) in cash and cash equivalents</b>	<b>-18,115.3</b>	

MIA Group after elimination of intercompany transactions	Others before elimination of intercompany transactions	Elimination of intercompany transactions	Others after elimination of intercompany transactions	Total
51.56%				
49.90%				
28,407.6	0.0	0.0	0.0	
240,661.7	49,506.2	-49,506.2	0.0	
41,785.9	599.5	0.0	599.5	
48,359.1	0.0	0.0	0.0	
47,755.8	31.9	18.6	50.5	
<b>214,740.3</b>	<b>50,073.8</b>	<b>-49,524.8</b>	<b>549.0</b>	
<b>96,069.6</b>	<b>2,151.6</b>	<b>-2,058.6</b>	<b>93.0</b>	<b>96,162.6</b>
92,161.8	0.0	0.0	0.0	
28,344.4	5,352.2	-5,399.5	-47.3	
31.5	0.0	0.0	0.0	
<b>28,375.9</b>	<b>5,352.2</b>	<b>-5,399.5</b>	<b>-47.3</b>	
14,614.4	220.1	-224.1	-3.9	
16.3	0.0	0.0	0.0	
<b>14,630.6</b>	<b>220.1</b>	<b>-224.1</b>	<b>-3.9</b>	<b>14,626.7</b>
	5,368.9			
	0.0			
	-5,333.6			
	-218.9			<b>-6,970.3</b>
	<b>35.3</b>			

# Statement by the Members of the Management Board

In accordance with Section 124 (1) Z3 of the Austrian Stock Corporation Act 2018

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties the group faces.

Schwechat, 6 March 2020

## The Management Board



**Günther Ofner**  
Member of the Board, CFO



**Julian Jäger**  
Member of the Board, COO

# Auditor's report

## Report on the Consolidated Financial Statements

### Audit Opinion

We have audited the consolidated financial statements of

**Flughafen Wien Aktiengesellschaft,  
Schwechat**

and its subsidiaries ("the Group"), which comprise the consolidated Balance Sheet as at 31 December 2019 and the Consolidated Statement of Profit or Loss and Other 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 of 31 December 2019, 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, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code).

### › Basis for our Opinion

We conducted our audit in accordance with the EU Regulation 537/2014 ("AP Regulation") and 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.

In our opinion the key audit matters are the following:

1. Valuation of Investments in Property, Plant and Equipment and Investment Property
2. Recognition of Investments in Property, Plant and Equipment

### › 1. Valuation of Investments in Property, Plant and Equipment and Investment Property

Refer to notes section IV. as well as note (7) and (46)

#### **Risk for the Financial Statements**

Valuation of property, plant and equipment and investment property is of particular significance, because property, plant and equipment and investment property in the amount of EUR 1,709.1 million represent 74% of Flughafen Wien AG's total assets.

At each reporting date, Management assesses whether there is any indication that an asset may be impaired or an impairment loss recognized in prior periods may no longer exist or may have decreased. In case of such triggering events, Management assesses property, plant and equipment and investment property by comparing the carrying amount of the asset to its fair value less costs of disposal. Fair value is determined by discounting future cash flows by a discounted cash flow method.

Determination whether impairment tests have to be performed is based on estimates and judgement. Valuation depends substantially on Management's estimate of future cashflows for purposes of the discounted cash flow calculation, the underlying discount rates, growth rates as well as the underlying planning periods. As such, the valuation is subject to significant estimation uncertainties.

There is a risk that property, plant and equipment is over- or understated in the financial statements.

#### **Our Response**

We assessed the valuation of property, plant and equipment and investment property as follows:

- › In order to assess whether triggering events have occurred, we obtained an understanding of the planning assumptions as well as the relevant processes and internal controls through inquiry of the Management. Additionally, we tested the operating effectiveness of selected internal controls. We further analysed the documentation ("trigger list") provided to us and compared the underlying estimates and assumptions with our understanding gained in the course of the audit of the financial statements, in particular with the analyses of actual results.

- › We evaluated the process and methods applied to the impairment testing of property, plant, and equipment and investment property and critically questioned whether these processes are adequate to appropriately value property, plant, and equipment and investment property. For those items of property, plant, and equipment and investment property, for which a formal determination of the fair value was made, we assessed the valuation model, the planning assumptions and the parameters used in the valuation on a sample basis.
- › On a sample basis, we agreed the planning figures on which the valuation is based to the mid-term planning approved by Management.
- › In consultation with our valuation specialists we evaluated the appropriateness of the underlying estimates in determining the discount rates by comparison with market and industry specific benchmarks and we obtained an understanding of the calculation model for determining the discount rates.
- › On a sample basis we compared actual cash flows of 2019 as well as current planning figures with prior periods forecasts. We discussed deviations identified with Management.
- › We agreed the respective carrying amounts to the fixed assets subledger.

## › 2. Recognition of Investments in Property, Plant and Equipment

Refer to notes section IV. as well as note (14) and (15)

### Risk for the Financial Statements

Investments in property, plant and equipment and investment property amount to EUR 168.5 million in 2019.

The Company assesses whether property, plant and equipment and investment property should be capitalized and in which amount. In particular in the case of construction projects not yet finalized, capitalisation of services performed requires estimates related to the stage of completion of the project.

Due to the requirements of the audit of the ongoing construction projects, the determination of acquisition and construction costs of property, plant and equipment and investment property is subject to uncertainties.

There is a risk that assets are recognized incorrectly resulting in an incorrect result for the period.

### Our Response

We assessed the recognition of property, plant and equipment and investment property as follows:

- › In the course of our audit, we gained an understanding of the processes of and internal controls over the recognition of property, plant and equipment and investment property and we tested the operating effectiveness of selected internal controls.
- › For the purpose of assessing existence and accuracy of accrued acquisition and production costs we analysed to which extent additions to property, plant and equipment and investment property resulted from invoices received or cost accruals.
- › For a sample of projects, we discussed the status of the project and further development of the project with the responsible persons.

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- › Moreover, we agreed a sample of additions to property, plant and equipment and investment property to the underlying documents.

### › Responsibilities of Management and the 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 intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

### › Auditor's Responsibilities

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 the AP Regulation and 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 the AP Regulation and 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 the 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. It is our responsibility to determine whether the consolidated non-financial statement has been prepared as part of the group management report, to read and 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.

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

### › **Additional Information in accordance with Article 10 AP Regulation**

We were elected as auditors at the Annual General Meeting on 3 May 2019 and were appointed by the supervisory board on 23 September 2019 to audit the financial statements of Company for the financial year ending 31 December 2019.

We have been auditors of the Company, without interruption, since the consolidated financial statements at 31 December 2007.

We declare that our opinion expressed in the "Report on the Consolidated Financial Statements" section of our report is consistent with our additional report to the Audit Committee, in accordance with Article 11 AP Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 AP Regulation) and that we have ensured our independence throughout the course of the audit, from the audited Group.

### › **Engagement Partner**

The engagement partner is Mr. Walter Reiffenstuhl

Vienna, 6 March 2020

#### **KPMG Austria GmbH**

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:

**Walter Reiffenstuhl**

Wirtschaftsprüfer

(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid.



**Management Report for  
the 2019 Financial Year**

# Flughafen Wien AG

## Description of the business model

As a civil airport operator, Flughafen Wien Aktiengesellschaft manages Vienna Airport and offers the entire range of related services. In addition to operational airport operations, this includes ground handling services, security services and other services.

The operating activities of Flughafen Wien AG are divided into several areas.

The Operations segment is responsible for the operation and maintenance of all movement areas of the terminals, the facilities involved in passenger and baggage handling, as well as security controls for passengers and hand luggage at Vienna Airport.

The provision of ground and cargo handling, as well as other services for the handling of aircraft and passengers, are located in the area of 'Handling Services'.

'Centre Management' and 'Real Estate Management' are responsible for the areas of shopping and F&B, advertising, parking and the rental of office and cargo space.

These areas are supported by the Information Systems, Finance and Accounting, Secretary General, Audit, Communications, Planning, Construction & Facility Management, Strategy, Controlling & Investment Management, Human Resources and Central Purchasing departments.

## The business environment

The macroeconomic environment, especially economic growth, exchange rates and the development of disposable incomes and international trade have a major influence on aviation performance. As an international hub in Central Europe, the economic development of Vienna Airport is primarily influenced by economic trends in the euro area and – given its geographical location – those in the Central and Eastern Europe (CEE) region in particular. The same applies to the airports of Malta and Košice, which are also significantly influenced by the general economic development in their region. Another key factor for FWAG is the economic and political situation in the Far East, the Middle East and Russia.

The economic upward trend of recent years continued at a slower rate in 2019. All signs indicate that the slowdown in economic growth is intensifying. According to current estimates, the global economy, as measured by global GDP, expanded by 2.9% (2018: 3.5%), the lowest figure since the financial crisis. The global economy is forecast to grow by 2.4% again in 2020, although this forecast is particularly uncertain due to the impact of the coronavirus epidemic that started in China. An upward trend is not expected until 2021. (Sources include: OECD Interim Economic Outlook, March 2020).

This year, nearly all national economies saw lower growth than in the previous year. Ongoing trade policy tensions had a particularly negative impact on confidence and investment. In many countries, fiscal policy has been relaxed only to a limited extent so far, and world trade will also grow only very modestly from 2019 to 2021.

Economic growth in industrialised nations is still being driven mainly by the USA. At 2.3%, however, growth in the USA is also below the average of the last seven years and is still coming under considerable pressure from the trade conflict with China.

Many emerging economies also performed very poorly; the slowdown of global growth is reflected in the financial markets and commodity prices.

Growth momentum in the euro area is modest after the high level of previous years. Economic growth of 1.2% is anticipated in 2019 (2018: 1.9%). All signs indicate that this trend will intensify over the next few years (growth of 0.8% and 1.2% in 2020 and 2021, respectively). This is chiefly due to global uncertainty, weak external demand and the impact of the spread of coronavirus, which is curtailing investment and exports. (Source: OECD Interim Economic Outlook, March 2020).

After a lengthy phase of extraordinarily strong expansion, the Austrian economy is still on a stable growth trajectory. However, the current economic upturn has passed its peak. Real economic growth of 1.7% is expected for 2019, a figure that is well short of the two previous years (2.5% and 2.4%).

Stable to slightly accelerated growth was originally forecast for 2020. Given the outbreak of coronavirus, this outlook is now deeply uncertain. Whether and to what extent the economy starts to slow down depends on the duration and intensity of the epidemic.

The phase of weaker growth is also influencing the situation on the labour market. While the forecast unemployment rate fell from 4.8% in the previous year to 4.6% in 2019, a steady, slight increase to 4.8% is forecast for 2020 and 2021. However, this forecast is also uncertain due to the aforementioned factors. The high price stability is a positive factor. For example, the inflation rate fell to 1.5%. (Sources: OeNB – Economic Outlook for Austria, December 2019; WIFO – Economic Outlook, December 2019).

## Tourism in Austria

Tourism in Vienna had another record year in 2019 with growth of 9.0% to around 17.5 million overnight stays (2018: around 16.1 million). Foreign guests accounted for 82.6% of overnight stays. The most significant growth by region was achieved by travellers from Italy (+21.0%), Spain (+36.8%) and Ukraine (+73.9%). Overnight stays by Austrian guests were also up by 2.9% (source: Statistik Austria).

## Travel in Austria

In the first half of 2019, travel by the Austrian population again surpassed the comparative figures from the previous year. A total of around 9.6 million holiday trips were taken during this period (2018: 8.9 million). However, the number of business trips declined from around 2 million to 1.9 million in the same period, so travel increased by over 5% overall. (Source: Statistik Austria).

## Traffic at Vienna Airport 2019

### › New passenger record (up 17.1 %) due to significant growth at Austrian, Lauda and Wizz Air

Traffic indicators	2019	Change	2018	2017
Passengers (in million)	31.7	+17.1%	27.0	24.4
Thereof local passengers (in million)	24.3	+20.0%	20.3	17.8
Thereof transfer passengers (in million)	7.2	+7.6%	6.7	6.4
Thereof transit passengers (in million)	0.2	+63.0%	0.1	0.1
Aircraft movements	266,802	+10.7%	241,004	224,568
MTOW (in mill. tonnes)	10.9	+13.6%	9.6	8.8
Cargo (air cargo and trucking; in tonnes)	283,806	-3.9%	295,427	287,962
Seat load factor in %	77.3	n.a.	76.0	74.8
Number of destinations	217	+5.9%	205	195
Number of airlines	77	+4.1%	74	74

For the first time in its history, Vienna Airport handled more than 31 million passengers in 2019. It counted 31,662,189 passengers, up 17.1% on the previous year. From January to December, there were 81 days that saw over 100,000 passengers (2018: 3 days). Moreover, over 3 million passengers were handled at Vienna Airport for the first time in both July and August. The strongest day at the airport was 14 July, a Sunday, with 113,069 passengers. This excellent result was thanks to various new routes and more frequent flights on existing routes by the airlines stationed at the airport.

&gt;

The number of local passengers increased year-on-year to 24,318,315, a significant 20.0% rise. In transfer traffic, Vienna Airport further expanded its hub function with growth of 7.6% to 7,189,864 passengers.

The number of flight movements rose by 10.7% to a total of 266,802 take-offs and landings, exceeding the previous record from 2008 (266,402 movements) for the first time. The average seat load factor (scheduled and charter) increased by 1.3 percentage points to 77.3%. The maximum take-off weight (MTOW) climbed by 13.6% to 10,878,054 tonnes.

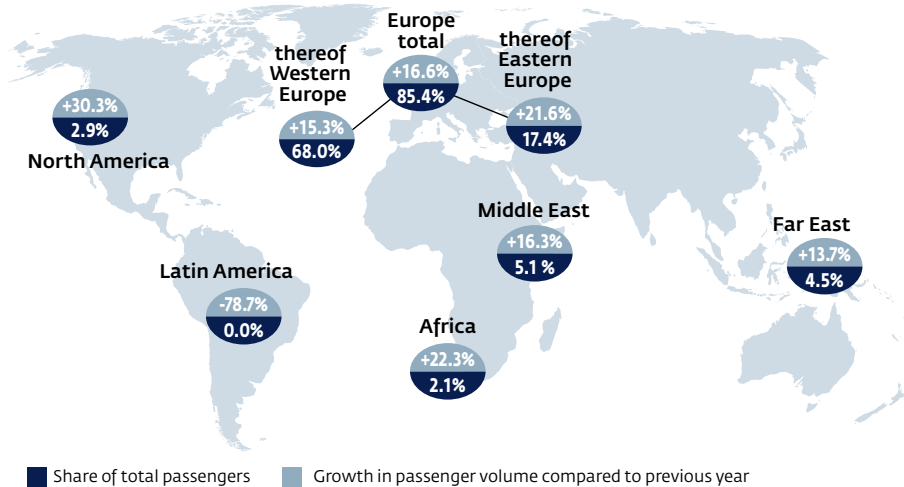
77 airlines regularly flew to Vienna Airport in 2019, serving 217 destinations in 68 countries. The new long-haul destinations were Guangzhou via Ürümqi, Montreal and Tokyo-Haneda.

Only cargo traffic declined by 3.9% in 2019. This was partly due to declining component deliveries to the automotive cluster in Slovakia.

### › Development of passenger numbers at Vienna Airport

#### › Departing passengers in 2019 (scheduled and charter) by region

Region	2019	2018	Change	Share in 2019	Share in 2018	Change Share in percentage points
Western Europe	10,717,728	9,293,609	+15.3%	68.0%	68.9%	-0.9
Eastern Europe	2,750,315	2,261,764	+21.6%	17.4%	16.8%	+0.7
Far East	703,544	618,561	+13.7%	4.5%	4.6%	-0.1
Middle East	797,495	685,705	+16.3%	5.1%	5.1%	0.0
North America	459,377	352,427	+30.3%	2.9%	2.6%	+0.3
Africa	333,305	272,454	+22.3%	2.1%	2.0%	+0.1
South America	593	2,790	-78.7%	0.0%	0.0%	0.0
<b>Total</b>	<b>15,762,357</b>	<b>13,487,310</b>	<b>+16.9%</b>	<b>100.0%</b>	<b>100.0%</b>	



Departing passengers, development 2019 vs. 2018 and share of total passengers 2019



The Western Europe region benefited primarily from the new routes and increased capacity offered by Lauda and Wizz Air to Spain, Italy and Greece. The traffic volume increased by 15.3% to 10,717,728 departing passengers. However, this region's share of passenger volume decreased slightly by 0.9 percentage points to 68.0%.

Eastern European destinations, primarily in Ukraine and Romania, posted growth of 21.6% to 2,750,315 departing passengers, driven largely by new routes and increased capacity offered by Wizz Air, Austrian and Lauda. The share of travellers to this region increased by 0.7 percentage points to 17.4%.

The number of passengers flying to the Far East increased by 13.7% to 703,544, due primarily to All Nippon Airways' new flights to Japan, but also to China Southern Airlines' and Hainan Airlines' new routes to China. However, the share of the passenger volume decreased slightly by 0.1 percentage points to 4.5%.

Destinations in the Middle East attracted 797,495 travellers – growth of 16.3% – due chiefly to increased capacity to Israel. The region's share of the total passenger volume stayed at 5.1%, as in the previous year.

The North America region saw growth of 30.3% to 459,377 departing passengers. This considerable increase is mainly attributable to the new Canadian destinations served by Air Canada and Austrian. The region's market share increased tangibly by 0.3 percentage points to 2.9%.

Traffic bound for Africa increased by 22.3% to 333,305 departing passengers, attributable mainly to Lauda's new routes to Morocco and Austrian's to South Africa. The region's share of the total passenger volume amounts to 2.1%.

Due to the discontinuation of flights to Cuba and the Dominican Republic, Latin America was the only region to record a decline in passengers.

#### › Top five destinations in 2019 (departing passengers)

Destinations	2019	Change	2018	2017
1. London	707,237	+3.6%	682,545	602,134
2. Frankfurt	562,166	-6.5%	601,045	597,923
3. Berlin	514,974	-3.0%	530,712	432,824
4. Paris	484,832	+9.4%	443,001	403,675
5. Amsterdam	475,165	+15.3%	412,218	385,514

› Development in passenger volume  
in Central and Eastern Europe in 2019 (departing passengers)

Destinations	2019	Change	2018	2017
1. Bucharest	312,843	+36.8%	228,746	204,539
2. Moscow	301,126	+3.6%	290,602	280,974
3. Kiev	250,744	+88.6%	132,968	108,907
4. Warsaw	192,884	+49.1%	129,366	108,781
5. Sofia	173,492	+11.5%	155,655	158,436
6. Belgrade	101,230	+2.9%	98,344	96,366
7. Tirana	90,402	+10.8%	81,565	82,622
8. Prague	87,049	+5.8%	82,304	77,783
9. Zagreb	83,241	+2.0%	81,581	79,787
10. Sarajevo	79,135	+13.7%	69,580	63,850
Other	1,078,169	+18.3%	911,053	825,546
<b>Departing passengers</b>	<b>2,750,315</b>	<b>+21.6%</b>	<b>2,261,764</b>	<b>2,087,591</b>

› Development of passenger volume  
on long-haul routes in 2019 (departing passengers)

Destinations	2019	Change	2018	2017
1. Bangkok	178,010	+0.5%	177,205	123,689
2. Taipei	139,772	+6.0%	131,829	78,763
3. Tokyo	108,814	+239.6%	32,044	0
4. Chicago	80,342	+22.8%	65,448	53,039
5. Toronto	76,248	+48.3%	51,428	46,610
6. Beijing	75,716	+11.7%	67,760	72,611
7. Newark	67,295	+16.5%	57,785	50,810
8. Shanghai	67,287	+0.5%	66,968	58,165
9. New York	62,470	+30.3%	47,942	44,972
10. Los Angeles	56,732	+21.6%	46,655	39,011
Other	328,880	+13.5%	289,757	266,689
<b>Departing passengers</b>	<b>1,241,566</b>	<b>+20.0%</b>	<b>1,034,821</b>	<b>834,359</b>

### › Development of passenger volume to Middle East in 2019 (departing passengers)

Destinations	2019	Change	2018	2017
1. Tel Aviv	299,119	+44.8%	206,581	172,738
2. Dubai	211,893	-6.7%	227,034	230,229
3. Doha	116,397	+14.9%	101,262	89,062
4. Tehran	54,871	-8.4%	59,879	59,669
5. Amman	50,129	+11.1%	45,105	40,100
Other	65,086	+41.8%	45,844	41,537
<b>Departing passengers</b>	<b>797,495</b>	<b>+16.3%</b>	<b>685,705</b>	<b>633,335</b>

### › Passenger volume by airline in 2019

Airline	2019	Change	2018	Share in % in 2019	Share in % in 2018
Austrian	13,673,856	+6.4%	12,850,423	43.2	47.5
Lauda	2,656,768	+347.9%	593,211	8.4	2.2
Eurowings	2,277,788	-8.3%	2,484,008	7.2	9.2
Wizz Air	2,080,809	+368.0%	444,578	6.6	1.6
easyJet	1,235,356	-7.3%	1,332,009	3.9	4.9
Lufthansa	730,061	-20.6%	919,347	2.3	3.4
Level	610,887	+73.6%	351,982	1.9	1.3
Turkish Airlines	550,309	+0.8%	545,790	1.7	2.0
British Airways	447,966	-7.1%	482,381	1.4	1.8
SWISS	445,260	-5.1%	469,377	1.4	1.7
Other	6,953,129	+5.9%	6,564,186	22.0	24.3
Thereof Lufthansa Group <sup>1</sup>	17,318,078	+2.3%	16,931,593	54.7	62.6
Thereof low-cost carriers	10,009,363	+56.3%	6,404,765	31.6	23.7
<b>Total passengers</b>	<b>31,662,189</b>	<b>+17.1%</b>	<b>27,037,292</b>	<b>100.0</b>	<b>100.0</b>

1) Lufthansa Group (100% subsidiaries): Austrian, Brussels, Eurowings, Lufthansa and SWISS

### › Development of key airlines at Vienna Airport

The strongest airline at Vienna Airport – Austrian Airlines – enjoyed excellent performance in terms of passenger volume thanks to expanded services and higher capacity utilisation, achieving a 6.4% increase to a total of 13,673,856 passengers. However, its share of total passenger volume decreased by 4.3 percentage points to 43.2%.

Lauda expanded its base by stationing additional aircraft in Vienna and attained an 8.4% share of total passenger volume with various new routes and more frequent flights to existing destinations. With a total of 2,656,768 passengers, Lauda was the second-largest carrier at the airport in 2019.

Eurowings, the third-largest airline at the site, carried 206,220 fewer passengers as a >

result of various cancelled routes and less frequent services on existing routes, which reduced its market share to 7.2% (2018: 9.2%). In total, 2,277,788 passengers travelled with Eurowings.

Wizz Air's positive performance at the airport is also worthy of note. It offered new routes and more frequent flights, becoming the fourth-largest carrier in Vienna with 2,080,809 passengers and a market share of 6.6%.

### › Decline in cargo volume (-3.9 %)

In 2019, the cargo sector again held its ground against the second cargo handling provider (Swissport) in a difficult general environment with an average market share of 95.5%. Flughafen Wien AG handled 271,077 tonnes of cargo in the reporting year, a decrease of 3.9% compared to 2018. The decline, primarily in the first half of the year, is in line with the global trend and is chiefly attributable to a slowdown in trade.

Total cargo turnover at Vienna Airport in 2019 (including the second cargo handling provider) amounted to 283,806 tonnes, which likewise equates to a decline of 3.9%. While the air cargo handled fell by 5.2% year-on-year to 204,740 tonnes, the trucking volume remained relatively constant at 79,066 tonnes (-0.6%).

## Fee and incentive policy at Vienna Airport

The fee adjustments based on the price cap formula and the procedure for adjustments in 2019 were regulated by the Austrian Airport Charges Act, which has been in effect since 1 July 2012.

Vienna Airport has a fee system that is highly attractive by international comparison. As at 1 January 2019, fees were adjusted on the basis of a price cap formula that was agreed between airlines and the Austrian Civil Aviation Authority (Austrian Ministry for Transport, Innovation and Technology (bmvit)) and is embedded in the Austrian Airport Charges Act. The calculation of the landing, parking and airside infrastructure fee is based on the maximum take-off weight (MTOW) of the aircraft, while the passenger fee, landside infrastructure fee and security fee are based on the number of passengers. The infrastructure fee for fuelling is based on the volume of fuel. Specifically, the maximum change in the fee is calculated from the rate of inflation less 0.35-times the traffic growth. Traffic growth is calculated using the three-year average, with each twelve-month period running from 1 August to 31 July. If traffic growth is negative, the maximum fee adjustment is equal to the rate of inflation.

After appropriate consultation with the airlines, Flughafen Wien AG applied for the following fee adjustments from 1 January 2019, which were approved by the Austrian Civil Aviation Authority:

- › Landing fee, infrastructure fee airside, parking fee: +1.065%
- › Passenger fee, infrastructure fee landside, security fee: +0.715%
- › Fuelling infrastructure fee: +0.896%

The PRM (passengers with reduced mobility) fee was unchanged at € 0.46 per departing passenger.

The security fee for 2019 was € 8.46 per departing passenger, taking into account the increase in line with the price cap formula.

The transfer incentive, which is intended to boost Vienna Airport's role as a transfer airport, was € 12.50 per departing transfer passenger in 2019.

In addition, the volume incentive was used to encourage sustainable passenger volumes of airlines with a base in Vienna.

Start-up assistance for the development of additional passenger growth under certain conditions was also continued in the form of the success-based incentive.

In 2019, Flughafen Wien AG also continued its incentive programme – comprising destination and frequency incentives in addition to a high-frequency incentive – which promotes the role of Vienna Airport as a bridgehead between east and west in the long term.

## Revenue in 2019

Flughafen Wien AG's revenue rose by 6.8% from € 707.3 million in 2018 to € 755.6 million. The positive effect of passenger growth is offset by adjustments to incentives, as a result of which airport revenue rose at a slower rate than passenger numbers. Rental and concession revenue, parking revenue and airport lounge revenue also developed positively.

In the reporting year, airport revenue rose by 8.0% or € 370.3 million to € 399.9 million. Revenue from landing fees also increased as a result of the increase in aircraft movements and MTOW. Passenger-related fees also increased due to passenger growth. This is countered by higher incentives, with the transfer of marketing expenses into the incentives system also having an effect.

Handling revenue also slightly increased by 1.6% or € 2.4 million in the reporting year to € 150.7 million (2018: € 148.2 million). Traffic revenue increased by € 2.4 million or 18.0% to € 15.8 million, due partly to new customer contracts with customers. Revenue from ramp handling rose by € 2.4 million to € 85.2 million as a result of contract changes. Revenue from individual services amounted to € 16.0 million (2018: € 18.7 million). This decline in revenue primarily stemmed from lower de-icing revenue on account of the mild winter in 2019. Cargo revenue amounted to € 34.0 million (2018: € 34.1 million), down slightly on the previous year due to reduced cargo volume (down 3.9%). Discounts from handling revenue amounted to € 0.4 million (2018: € 0.8 million).

The average market share of VIE handling (aircraft/movements) in total volume at Vienna Airport declined slightly to 85.0% (2018: 84.0%).

Non-aviation revenue including revenue from Group companies increased by 8.6% or € 16.2 million in 2019 to € 205.0 million. The positive development is largely due to rental and concessions revenue in addition to the positive development in airport lounges. Parking revenue also increased significantly in the reporting year.

## Earnings

The development of earnings at Flughafen Wien AG in the 2019 financial year can be summarised as follows:

### › Income statement, summary

Amounts in € million	2019	Change in %	2018
Revenue	755.6	6.8	707.3
Other operating income (including own work capitalised)	9.5	41.8	6.7
<b>Operating income</b>	<b>765.1</b>	<b>7.2</b>	<b>714.0</b>
Operating expenses, not including depreciation, amortisation and impairment	-500.7	5.6	-474.2
<b>EBITDA</b>	<b>264.4</b>	<b>10.3</b>	<b>239.7</b>
Depreciation, amortisation and impairment	-96.3	-3.9	-100.3
<b>EBIT</b>	<b>168.0</b>	<b>20.5</b>	<b>139.4</b>
Financial result	18.1	67.2	10.8
<b>EBT</b>	<b>186.1</b>	<b>23.9</b>	<b>150.2</b>
Income taxes	-37.2	14.8	-32.4
<b>Net income for the year</b>	<b>149.0</b>	<b>26.4</b>	<b>117.9</b>

In 2019, Flughafen Wien AG again increased its revenue by 6.8% or € 48.3 million to € 755.6 million. Aviation income grew by 6.2% to € 550.6 million due to the good traffic result. Non-aviation revenue also rose by 8.6% to € 205.0 million.

Other operating income (including own work capitalised) was € 2.9 million higher than the previous year's level at € 9.5 million. Own work capitalised remained nearly constant year-on-year at € 2.7 million (2018: € 2.3 million). Income from disposals and write-ups of fixed assets amounted to € 1.3 million (2018: € 0.6 million). While income from the reversal of provisions was higher than the previous year's € 2.9 million at € 4.2 million, other operating income increased by € 0.3 million to € 1.1 million. A non-recurring effect due to claims for repayment was recognised in the previous year.

Operating income therefore rose by 7.2% or € 51.1 million in the reporting year to € 765.1 million on account of the positive revenue development.

### › Operating expenses up 3.9 % to € 597.1 million

Amounts in € million	2019	2018
Consumables, purchased services	74.0	69.9
Personnel expenses	243.0	237.9
Other operating expenses	183.8	166.5
Depreciation, amortisation and impairment	96.3	100.3
<b>Total operating expenses</b>	<b>597.1</b>	<b>574.5</b>

Expenses for consumables and services used rose from € 69.9 million to € 74.0 million in 2019. The cost of materials increased by € 0.7 million to € 14.3 million due to higher consumption of de-icing materials, fuel and materials. Energy expenses decreased by € 1.9 million to € 13.2 million in the reporting year. The cost of purchased services increased year-on-year to € 46.4 million (2018: € 41.2 million).

In total, personnel expenses rose by 2.1% or € 5.1 million to € 243.0 million (2018: € 237.9 million) due to pay increases under collective bargaining agreements and additions to provisions as a result of updating actuarial parameters. However, wages fell by € 6.3 million to € 83.7 million, due partly to lower headcount and the reversal of a provision. This is offset by higher expenses for salaries than in the previous year. Due to additions to provisions and the higher average headcount, salaries increased by € 5.9 million to € 88.1 million. The total average headcount (wage-earning and salaried employees, in FTE) increased slightly by 0.4% to 3,172 (2018: 3,159).

Expenses for severance compensation rose by € 5.5 million to € 19.2 million (2018: € 13.7 million) due to higher provisioning requirements caused by updating actuarial parameters. Expenses for pensions fell by € 0.1 million to € 3.8 million (2018: € 3.9 million).

Social security expenses decreased by € 0.8 million to € 45.0 million (2018: € 45.8 million). In contrast, other employee benefit expenses increased by € 0.9 million to € 3.2 million (2018: € 2.3 million).

Other operating expenses increased by € 17.3 million year-on-year to € 183.8 million (2018: € 166.5 million). This is attributable to several effects. Expenses for marketing and market communication increased by € 1.5 million to € 10.8 million and maintenance expenses rose by € 9.3 million to € 37.7 million in the reporting year, while third-party services from Group companies fell by € 5.0 million to € 89.0 million in the reporting year. Legal, auditing and consulting costs were reduced by € 0.3 million to € 4.3 million. Valuation allowances of € 0.1 million (2018: € 1.2 million) had to be made on receivables in the reporting year.

### › EBITDA up 10.3 % at € 264.4 million

Flughafen Wien AG's earnings before interest, taxes, depreciation and amortisation (EBITDA) increased by 10.3% in the reporting year to € 264.4 million (2018: € 239.7 million).

#### › Depreciation and amortisation of € 96.3 million

Amounts in € million	2019	2018
Depreciation, amortisation and impairment	96.3	100.3
Capital expenditure (incl. financial assets)	145.1	151.3

Investments in intangible assets amounted to € 2.8 million in 2019 while investments in property, plant and equipment were at € 114.9 million (including reclassifications). Financial assets were up as a result of investment of € 27.4 million, largely due to loans granted to subsidiaries.

Depreciation and amortisation decreased by € 4.0 million to € 96.3 million year-on-year, mainly as a result of lower amortisation in the area of technical equipment and machinery.

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› **EBIT rises by 20.5 % to € 168.0 million (2018: € 139.4 million)**

As a result of the lower impact from depreciation and amortisation and the increased operating earnings, EBIT at Flughafen Wien AG increased by 20.5%, or € 28.6 million to € 168.0 million.

› **Positive financial results of € 18.1 million**

The financial results increased significantly from € 10.8 million to € 18.1 million in the reporting year. This is largely due to higher income from investments in subsidiaries and other investments of Flughafen Wien AG of € 31.7 million (2018: € 26.2 million).

Net interest result improved by € 1.1 million to minus € 14.6 million due to lower interest expenses resulting from the repayment (less borrowings) of financial liabilities in the reporting year and higher interest income from investment in time deposits.

› **Earnings before taxes up 23.9 % to € 186.1 million**

Flughafen Wien AG generated a profit before taxes of € 186.1 million in 2019 (2018: € 150.2 million). Tax expenses amounted to € 37.2 million (2018: € 32.4 million). Net income for the year therefore increased by 26.4% year-on-year to € 149.0 million (2018: € 117.9 million).



# Financial, asset and capital structure

## › Finance sheet structure of Flughafen Wien AG

	2019	2018
<b>Assets</b>		
Fixed assets in %	83.8	85.4
Current assets <sup>1</sup> in %	16.2	14.6
<b>Total assets in T€</b>	<b>1,954,608.3</b>	<b>1,883,487.6</b>
<b>Equity and liabilities</b>		
Equity <sup>2</sup> in %	54.2	52.4
Liabilities in %	45.8	47.6
<b>Total equity and liabilities in T€</b>	<b>1,954,608.3</b>	<b>1,883,487.6</b>

1) Including prepaid expenses and deferred tax assets

2) Including government grants

Total assets of Flughafen Wien AG amounted to € 1,954.6 million as at 31 December 2019, an increase of 3.8% as against 2018 (2018: € 1,883.5 million). The capital-intensive nature of the company's business activities is reflected in the share of fixed assets of 83.8% (2018: 85.4%). Current assets increased in the area of other receivables in particular on account of the investment in time deposits and securities.

The share of equity (including government grants) rose slightly by 1.8 percentage points compared to 2018 to 54.2%, from € 987.2 million to € 1,059.8 million. The repayment of financial liabilities reduced the share of liabilities slightly to 45.8% (2018: 47.6%).

## › Assets

In the reporting year, fixed assets increased by 1.7% from € 1,609.0 million to € 1,637.1 million. The carrying amount of intangible assets rose by 2.7% to € 8.7 million (2018: € 8.4 million). Additions, including reclassifications of € 2.8 million, were offset by amortisation of € 2.6 million.

Property, plant and equipment was the largest component of assets with a carrying amount of € 1,199.2 million. Additions (including reclassifications) of € 114.9 million were offset by depreciation of € 93.8 million and carrying amount disposals of € 5.4 million.

The carrying amount of land and buildings including buildings on third-party land declined by 3.7% to € 854.3 million. Capital expenditure (additions to fixed assets and the completion of assets formerly under construction) amounted to € 8.4 million, while depreciation was recognised in the amount of € 50.7 million in 2019.

The item "Technical equipment and machinery" also declined to € 150.5 million (2018: € 152.0 million) as a result of the recognition of depreciation of € 25.4 million and additions (including reclassifications from assets under construction) of € 24.2 million.

A total of € 21.1 million was invested in other equipment, operating and office equipment in 2019 (additions to assets and completion of assets formerly under construction). Depreciation in the financial year amounted to € 17.7 million. The carrying amount as at 31 December 2019 was € 67.8 million (2018: € 64.5 million).

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Projects under construction, including prepayments, amounted to € 126.7 million as at the end of the reporting period (2018: € 79.6 million), which also include payments in connection with the third runway and the terminal development projects.

The shares in subsidiaries were nearly unchanged in the reporting year at € 268.7 million. Loans to subsidiaries include repayments of € 11.5 million and new loans of € 22.1 million.

Current assets (not including prepaid expenses or deferred taxes) increased by 15.0% to € 284.0 million in 2019 (2018: € 246.9 million). This is essentially due to higher other receivables, which include time deposits of € 125.7 million. Trade receivables fell by 2.4% from € 47.8 million to € 46.6 million. Receivables from subsidiaries likewise decreased from € 11.8 million to € 3.9 million. Receivables from companies in which an investment is held declined to € 0.2 million (2018: € 0.3 million).

Inventories increased slightly by 1.5% to € 3.9 million (2018: € 3.9 million), while the purchase of two funds is reflected in the increase in securities from € 17.0 million to € 47.0 million. Cash and cash equivalents (not including time deposits) fell by € 1.6 million to € 1.7 million.

Prepaid expenses rose by € 0.6 million to € 2.0 million on account of higher prepayments. Deferred tax assets amounted to € 31.5 million against € 26.1 million in the previous year and mainly related to deferred taxes for employee-related provisions and fixed assets.

## › Equity and liabilities

Flughafen Wien AG's equity (including government grants) rose by 7.4% to € 1,059.8 million in the reporting year (2018: € 987.2 million). The net income for the year of € 149.0 million was offset by the dividend of € 74.8 million paid for the 2018 financial year.

Provisions rose by 29.3% to € 339.0 million in the reporting year (2018: € 262.2 million). This was chiefly due to higher other provisions for outstanding discounts/incentives and higher other personnel provisions.

Liabilities to financial institutions fell by 16% to € 300.1 million as a result of the repayment of financial liabilities (less borrowings). Trade payables rose by 18.8% to € 37.4 million as at the end of the reporting period (2018: € 31.4 million). Liabilities to subsidiaries decreased by 10.1% year-on-year to € 161.1 million (2018: € 179.2 million); these include financing liabilities and other liabilities regarding funds invested for subsidiaries. Liabilities to companies in which an investment is held fell by € 0.7 million to € 8.7 million as a result of lower funds invested.

Other liabilities declined from € 35.8 million to € 29.8 million, primarily as a result of the outstanding payment obligations arising from the environmental fund – Vienna Airport service agreement from the mediation process. Deferred income included net reversals of € 1.2 million.

## › Cash flow statement

in T€	2019	2018
<b>Net cash flow from operating activities:</b>		
+/- Net income for the year	148,956.0	117,862.5
+ Depreciation, amortisation and impairment	96,346.0	100,298.9
- Write-ups of financial assets	-75.8	-88.8
- Change in government grants	-172.3	-186.3
+/- Change in employee-related provisions	10,538.2	9,161.9
+/- Change in other non-current provisions	517.5	275.8
-/+ Gains (-)/losses (+) on disposals of tangible assets and property, plant and equipment	-620.8	-487.4
<b>Cash flow from ordinary business</b>	<b>255,488.8</b>	<b>226,836.6</b>
-/+ Increase/decrease in inventories	-57.9	-179.2
-/+ Increase/decrease in trade receivables	1,156.6	-3,087.5
-/+ Change in receivables from Group companies	7,943.6	-2,496.9
-/+ Increase/decrease in other receivables and assets, and prepaid expenses	21,423.9	-1,172.1
+/- Increase/decrease in trade payables and other provisions, including tax payments	45,374.0	15,333.8
+/- Increase/decrease in liabilities to Group companies	-20,043.3	11,096.4
+/- Increase/decrease in other liabilities and deferred income	-7,113.8	1,579.0
	48,683.0	21,073.6
<b>Cash flow from operating activities</b>	<b>304,171.8</b>	<b>247,910.2</b>
<b>Net cash flow from investing activities:</b>		
- Payments for investments in tangible assets and property, plant and equipment	-96,903.8	-93,854.7
+ Payments from intangible assets and property, plant and equipment	6,071.5	1,297.4
+ Payments received of non-repayable grants	345.0	0.0
- Payments for investments in financial assets	-27,376.6	-38,026.4
- Payments for securities	-30,000.0	-4,982.7
+ Payments from short-term investments	106,089.4	40,000.0
- Payments made for current investments	-105,738.5	-90,089.4
- Acquisition of own shares	-1,805.3	0.0
+ Proceeds from disposal of financial assets and current securities	15,312.8	9,888.9
	-134,005.5	-175,766.9
<b>Net cash flow from financing activities:</b>		
- Dividend payments	-74,760.0	-57,120.0
+/- Change in medium- and short-term financial liabilities	-56,961.5	-13,017.3
<b>Change in cash and cash equivalents</b>	<b>38,444.8</b>	<b>2,005.9</b>
+ Cash and cash equivalents at the beginning of the period	3,274.3	1,268.4
<b>Cash and cash equivalents at the end of the period</b>	<b>41,719.2</b>	<b>3,274.3</b>

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## Capital expenditure

Capital expenditure for intangible assets, property, plant and equipment, and financial assets rose amounted to € 145.1 million in 2019. Capital expenditure included € 114.9 million for tangible assets and € 2.8 million for intangible assets. Financial assets include capital expenditure of € 27.4 million, primarily for loans.

The largest additions to property, plant and equipment related to capital expenditure of € 37.7 million for the terminal alteration, of € 12.3 million for the West Apron and of € 11.4 million for hangars.

## Branches

Flughafen Wien AG had no branches in the 2019 financial year or the previous year.

## Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. In particular, financial assets include financial investments such as consolidated and other investments, securities, trade receivables, loans and other receivables, primary and derivative financial assets and cash and cash equivalents. Financial liabilities usually grant the creditor a claim to receive cash and cash equivalents or other financial assets. In particular, they include liabilities due to financial institutions, trade payables and derivative financial liabilities. Financial assets and financial liabilities are usually reported without netting, except in cases where there is a legally enforceable right to offset the amounts and settlement will take place on a net basis.

Vienna Aircraft Handling Gesellschaft m.b.H. was granted an option that provides for Flughafen Wien AG to acquire the shares in Flugplatz Vöslau BetriebsGmbH at a fixed purchase price of cost plus all grants recognised on the holding (T€ 8,673.4).

## Financial and capital management

Financial management at Flughafen Wien AG uses a system of performance indicators based on carefully selected and coordinated figures. These key performance indicators define the tightrope between growth, profitability and financial security that FWAG walks in the pursuit of its primary goal to generate profitable growth.

The protection of high profitability is a stated long-term goal of management. Depreciation and amortisation have a significant influence on FWAG's earnings figures. In order to permit an independent assessment of the operating strength and performance of the individual business segments, EBITDA (earnings before interest, taxes, deprecia-

tion, amortisation and impairment) is defined as the key indicator together with the EBITDA margin, which is the ratio of EBITDA to revenue. The EBITDA margin was 35.0% in the 2019 financial year after 33.9% in the previous year.

The optimisation of the financial structure has top priority. At Group level, this financial security is measured by the gearing ratio, which compares net debt with the carrying amount of equity. The ratio of net debt to EBITDA is also used to manage the financial structure.

Financial liabilities were down in 2019 as against 2018 on account of repayments (less borrowings). Cash and cash equivalents, including time deposits (other receivables, € 125.7 million, 2018: € 156.1 million), climbed by € 8.0 million to € 167.4 million as at the end of the reporting period (2018: € 159.4 million).

In addition to the EBITDA margin, the return on equity (ROE) is also used to assess the company's profitability. ROE compares net profit for the period with the average reported equity for the financial year.

#### › Profitability indicators in € million and %

	2019	2018
EBIT in € million	168.0	139.4
EBITDA in € million	264.4	239.7
EBIT margin in %	22.2	19.7
EBITDA margin in %	35.0	33.9
ROE in %	14.6	12.3

Definition of indicators:

#### **EBIT margin**

EBIT = earnings before interest and taxes

Formula: EBIT/revenue

#### **EBITDA margin**

EBITDA = earnings before interest, taxes, depreciation and amortisation

Formula: (EBIT + depreciation and amortisation)/revenue

#### **ROE**

Return on equity after tax

Formula: Net income for the year/average equity

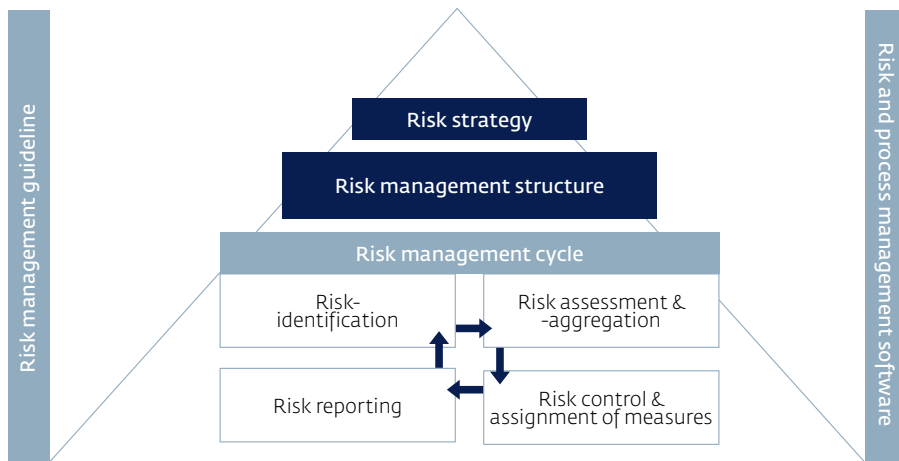
(including public sector investment grants)

Average equity: (equity in the prior year + equity in the current year)/2

# Risks of future development

## › Risk management system

The Flughafen Wien Group (FWAG) uses a risk management system that identifies, analyses, assesses and suitably handles relevant risks to track key risks and opportunities of future business development quickly and comprehensively. This system is shown in the following diagram:



Source: adapted from Denk, Exner-Merkelt, Ruthner (2008): Corporate Risk Management

The principles of the risk management system for the entire Group are uniformly based on the Committee of Sponsoring Organisations of the Treadway Commission's (COSO) enterprise risk management standards. These standards are operationalised and implemented in a separate policy. Given its specific organisational framework, Malta Airport has issued its own risk management policy, which is based on the uniform Group-wide standards referred to above. These guidelines define the risk principles and the formalised structure and process organisation for the performance of risk management tasks and agendas.

In terms of organisational structure, risk management at Flughafen Wien AG is located within strategic controlling. While all risk management activities are coordinated centrally by this function, all employees of FWAG are required to actively participate in risk management in their areas of activity in order to integrate the function into their ongoing business processes. Risk owners and risk officers in the business units and affiliated companies are particularly responsible for this.

The risk management cycle, consisting of risk identification, risk assessment and -aggregation, risk control and assignment of measures, and final reporting, runs efficiently on the basis of these persons and their defined roles. This process is accompanied by comprehensive documentation of Flughafen Wien AG's entire risk management system in the form of process and risk management software that serves as a central database for all identified risks and associated measures.

The internal control system (ICS) also covers aspects of risk management in the sense of ensuring the reliability of operational reporting and compliance with the associated laws and provisions in addition to protecting the assets of the Flughafen Wien Group. In addition, the internal audit department of Flughafen Wien AG regularly evaluates business practices and organisational processes for compliance with Group guidelines, security and usefulness. The Management Board therefore has access to all necessary instruments and structures to identify risks early on and to implement appropriate countermeasures to avert or minimise these risks. The existing systems are evaluated on a regular basis and extended as required.

Risk management is complemented by Group-wide opportunity management, used to identify new earnings potential in all areas of the company at an early stage and to develop them to market readiness. For further information, refer to the following text section.

The key developments in the four main risk classes of the Flughafen Wien Group are described below.

### › Economic, political and legal risks

The development of business at the Flughafen Wien Group is significantly influenced by global, European and regional aviation trends, which in turn are heavily dependent on general economic conditions. Economic fluctuations or a sustained slowdown in economic growth can therefore have a decisive influence on the business performance of the company.

After the high levels of previous years, economic growth in Europe weakened in 2019. After GDP grew by 1.9% in 2018, growth of only 1.2% is expected for 2019. All signs indicate that the economic slowdown is intensifying; the forecasts for 2020 and 2021 are also only 0.8% and 1.2% respectively. This is chiefly due to global uncertainty, weak external demand and the impact of the spread of coronavirus, which is curtailing investment and exports. (Source: OECD Interim Economic Outlook, March 2020).

In Austria, growth for 2019 has been forecast at 1.7%, which is above average for the euro zone, but lower than the growth of previous years. The trend for weaker growth will persist in the medium term. (Source: WIFO Economic Outlook, 19 December 2019)

Stable to slightly accelerated growth was originally forecast for 2020. Given the outbreak of coronavirus, this outlook is now deeply uncertain. Whether and to what extent the economy starts to slow down depends on the duration and intensity of the epidemic.

Uncertainties in the geopolitical field persist in the shape of the political ties between the European Union and Russia. On 19 December, the sanctions imposed on Russia by the European Union were extended by another six months until the end of July 2020. However, Flughafen Wien AG does not expect this to have any significant negative effects on traffic volume at Vienna Airport.

In the Gulf region, political tensions and conflicts between the US and Iran have been ongoing for months. After a Ukrainian passenger aircraft was shot down by the Iranian military in mid-January 2020, Austrian Airlines suspended its connection to Tehran until further notice. However, the impact on Vienna Airport is minimal. Iran's share of total passenger traffic at Vienna Airport is less than 0.3% (calculated on the basis of departing passengers). Nonetheless, if the conflict were to escalate further and possibly spread to the entire region, then more extensive negative effects could be expected. >

The market share of the Middle East region in relation to total passenger traffic at Vienna Airport is around 5% (calculated on the basis of departing passengers).

In the opinion of economic experts, the departure of the UK from the European Union at the end of January 2020 will have only a minor impact on the Austrian economy, and thus on the volume of traffic at Vienna Airport, on account of the relatively low intensity of economic ties between Austria and the UK. The IMF quantifies the negative effect on Austria's economic performance caused by Brexit – even if there is no subsequent agreement on a trade deal – at a maximum of 0.5%. (Sources: IHS, February 2017; IMF, July 2018). Thus the impact on traffic volume at Vienna Airport is to be classified as low.

Selectively the possible depreciation of pound sterling and the resulting reduction in purchasing power of British passengers could have a negative effect on revenue in the area of shopping and food & beverages services. However, all in all the extent of this risk is limited. In 2019, the UK accounted for 6.2% of passenger volume (in terms of departing passengers) at Vienna Airport.

Brexit is of greater relevance for Malta Airport. The UK accounts for around 23.4% (1-12/2019) of the total passenger volume. This could result in short-term negative effects on the traffic volume.

Political tension and terrorist threats in individual countries and regions have a negative impact on bookings in the respective tourist destinations. In the past, however, it has been observed that such declines were of a short-term nature or were compensated by other destinations. Negative effects on the volume of traffic at Vienna Airport would only arise if these substitution effects are only partial or alternative destinations are served by private transport. Furthermore, negative sales effects are possible in duty free business if passengers from non-EU destinations avoid destinations within the internal market.

The EU Commission and EU legislators are still working on the details of the Aviation Package presented in December 2015. In particular, the revisions to the EASA (European Union Aviation Safety Agency) basic regulation have already been completed. EASA will have more authority, some of which is new.

The European Commission is currently considering a revision of the Directive regulating airport fees. The mandatory application of a uniform, single-till rule for calculating airport fees is under discussion. If this rule took effect, it could significantly influence the earnings of airport operations.

For the evaluation of the ground handling services regulation (BVD), a roadmap was published in February 2019 that provides for evaluation by 2021. The outcome of this evaluation is not yet known. A further increase in the number of handling agents in the restricted-access ground handling services would further heighten the competitive and price pressure on the market.

Aviation has also been included in the European Union Emission Trading System (EU ETS) since 2012. The ICAO (International Civil Aviation Organization) has now agreed on a procedure for reducing or offsetting climate-damaging emissions from aviation.

However, the costs of the ETS certificates are likely to rise significantly in the years ahead, because in Phase 4 of European emissions trading (starting in 2021) a further reduction in ETS certificates is expected. This could result in air traffic becoming more expensive in the European context.

Both at national and European level, there are currently intensive discussions about



new measures to reduce CO<sub>2</sub> emissions. Aviation will potentially also be affected by any new regulations or changes to the taxation of fossil fuels. The increase in air ticket tax for short- and medium-haul flights announced by the Austrian federal government in its coalition deal would make tickets more expensive and have a negative effect on traffic volume at Vienna Airport.

Furthermore, changes in regulatory requirements or relevant legal principles can influence the company's results. These political and regulatory risks are monitored and assessed on an ongoing basis. FWAG does not anticipate any changes to the current regulations on permissible flight operating times or current night flight rules. Flughafen Wien AG has placed cooperation with the surrounding communities and their authorities on a broad and very stable basis in the form of the dialogue forum. The focus is on a transparent information policy and a comprehensive integration of cities and communities affected by noise emissions from aviation.

Non-compliance with legal requirements can give rise to liability on the part of management or the Management Board. Compliance with the relevant regulations is therefore ensured by internal guidelines, such as the Issuer Compliance Guideline and the Market Abuse Regulation (MAR). To prevent the misuse or distribution of insider information, permanent areas of non-disclosure have been established by Flughafen Wien AG, which are supplemented by temporary areas of non-disclosure as needed. A variety of organisational measures and control mechanisms have also been implemented to monitor these processes on a regular basis. As the contents of the Issuer Compliance Guideline have now been conclusively regulated in the MAR and its supplementary acts with its objective of achieving complete harmonisation, for reasons of conformity to European legislation the Issuer Compliance Guideline was repealed on 3 January 2018.

## › Market and competitive risks

Despite the slowdown of global economic growth, IATA (International Air Transportation Association) presents a thoroughly positive outlook for the aviation industry worldwide, with global passenger growth of 3.7% in 2019 (2018: 6.9%) in terms of departing passengers. As expected, air cargo traffic has been significantly affected by the drop in world trade. Air cargo therefore saw a decline of 3.3% in 2019 (2018: +3.4%), measured in terms of freight and mail tonne kilometres (source: IATA Economic Performance of Airline Industry 12/2019).

2019 was a challenging year overall for the aviation industry. Passengers continued to benefit from lower prices and growing supply, while the weak economic growth and lower growth in world trade put pressure on the industry's profits despite the low price of kerosene. For European airlines, IATA is forecasting a total profit of US\$ 6.2 billion after taxes for 2019 (2018: US\$ 9.1 billion).

Before the outbreak of the epidemic, IATA had forecast high growth rates of 4.0% for the airlines. In a forecast revised in March 2020, in which IATA tries to gauge the impact of the coronavirus epidemic, it assumes a global revenue decline of between 4.7% and 19%, depending on the progression and spread of the wave of infection. (Source: IATA 03/2020).

Flughafen Wien AG assumes that the market and competitive situation in European aviation will remain very competitive in the next few years, not least due to the very aggressive price and growth policy of airlines operating in the low-cost carrier (LCC) market segment.

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At Vienna Airport, too, the strong growth over the last two years has been driven by the strong performance of the low-cost carriers. After a record year in 2019 (17.1% passenger growth at Vienna Airport), however, market consolidation and an accompanying reduction in the capacity offered at Vienna Airport are expected within the next two years. In addition, growth will be constrained by the limited runway capacity in the existing two-runway system. Overall, however, Flughafen Wien AG not only expects growth to level off in 2020, but also anticipates a decline in aircraft movements and passenger numbers due to the effects of the coronavirus epidemic.

The high price and competitive pressure exerted by low-cost carriers is a major challenge for the traditional network carriers in particular. For airports, this development means that the pressure from network carriers on their respective hub airports to keep rates and input costs as low as possible will remain high. Both aspects are likely to negatively impact the income that airports can achieve per passenger, and will also demand intensive efforts to increase cost efficiency and productivity.

Austrian Airlines is FWAG's biggest customer and accounts for 43.2% in 2019 (2018: 47.5%) of total passenger traffic at the Vienna site. Austrian Airlines' strategic focus and its long-term development as a strong network carrier have a significant influence on the commercial success of FWAG, and are therefore under constant observation and analysis by the business areas responsible. In the past year, Austrian Airlines increased the number of passengers transported by 5.1% (or 6.4% in Vienna) and expanded its offering (measured as the number of seat kilometres available) by 2.9% (2018: +9.7%).

In November 2019, Austrian Airlines announced an ambitious cost reduction programme named "PE20". In total, savings of around € 90 million are to be made each year, affecting 700-800 jobs. Austrian Airlines intends to stick to its #DriveTo25 strategy programme announced in January 2020. The programme's aims are to regain the ability to invest and to replace the long-haul fleet, which is important for Vienna Airport. However, the parent group has not yet made a decision about the pending modernisation of the long-haul fleet.

Flughafen Wien AG sees adherence to the strategy and the programme to increase efficiency and productivity as essential for the continuation of its growth-oriented network strategy, with a focus on east-west traffic. A change in this would adversely affect the position of Vienna Airport as a major European aviation hub and lead to declines in transfer volumes.

In the immediate catchment area of Vienna Airport, the activities at Bratislava Airport continue to be regarded as particularly relevant and remain under close observation.

Overall FWAG counteracts market risk with marketing measures and competitive fee and incentive models that apply equally to all airlines. In particular, the company's goal is to share the airlines' market risk and thereby promote strategically important intercontinental routes and traffic to destinations in Central and Eastern Europe.

The airport investments in Malta (fully consolidated) and Košice (recorded at equity) are not only exposed to the above industry risks, but also to additional local challenges and market risks. Overall, the development of traffic volumes at the two airports was highly positive in the past year.

Malta is currently very popular as a holiday destination and is increasingly becoming a year-round tourist destination. Passenger growth in 2019 was 7.4% – a very good result after records were set in 2017 and 2018, when double-digit growth rates were achieved.

However, the further economic performance of home carrier Air Malta remains uncertain. It had a market share of around 28.7% in 2019 (of total passenger traffic at Malta Airport). The loss of the airline would have negative repercussions on passenger traffic and thus the results of Malta Airport in the short term. In the medium and long term, however, it is expected that new airlines or those already represented at the site would increase their capacity and serve the existing demand.

In 2019, passenger volume at Košice Airport increased by around 3% compared to 2018. This growth was achieved even though Czech Airlines (CSA) discontinued its flights to Bratislava in January and Turkish Airlines stopped flying to Istanbul in June. The route to London Southend, which Ryanair had only begun operating in 2019, was also discontinued. Eurowings added a new connection to Düsseldorf.

As airlines are making cost improvements and restructuring plans, there is always a risk that flights to and from regional airports may be cut or reduced. This risk particularly affected Košice in 2019, which also explains the moderate growth in comparison with previous years. However, Ryanair has already announced that it will add a route to London Stansted, which it will fly three times a week from April 2020.

In handling services, Flughafen Wien AG was able to successfully protect its leading market position in ramp, traffic and cargo handling in the reporting year. The foundation for this strong standing in competition with other service providers is formed by specially designed service packages and high quality standards. The risk of losing market share is buffered by the existence of long-term service agreements with the most important key accounts (Austrian Airlines, Eurowings, easyJet and Lufthansa).

After the number of aircraft handling operations performed by the Flughafen Wien AG's ramp handling team had already been increased by 3.6% in the previous year, the momentum was stepped up again with growth of 12% in 2019. The rapidly growing Wizz Air was gained as a new customer in ramp handling and contributed to an increase in Flughafen Wien AG's market share for aircraft handling to more than 87% by the end of 2019.

The high level of competition between the airlines continues to increase the price pressure on upstream service providers and handling services in particular. In light of these challenges, in 2018 a multitude of measures were launched to increase efficiency in workflows along the entire value chain, which were successfully implemented in stages in 2019.

The trend towards using larger aircraft, as seen in recent years, is set to continue. For example, Austrian Airlines has announced that it will decommission its existing fleet of Dash 8-400s by 2021 and replace them with larger Airbus A320s. Thus, FWAG assumes that growth in aircraft movements will be lower than passenger growth in years to come. This reduces future growth potential for ramp handling. However, the use of larger aircraft will also mean higher average proceeds per aircraft handled, so the reduced momentum in volume growth can be compensated for in part by the prices.

In the cargo business, the dominant market position of a few airlines (e.g. Lufthansa Cargo) and forwarding agents represents a certain risk. FWAG is working to further diversify its portfolio and thereby reduce this risk by continuously monitoring the airlines and acquiring new customers. The cargo business is also highly sensitive to economic fluctuations.

In the Retail & Properties segment, FWAG rents out buildings and space that are used >

primarily by companies whose business development is dependent on that of air traffic (retailers, airlines, etc.). Therefore this business is subject not only to the general risks of the real estate market, but also to the risks of changes in passenger volumes and changes in passengers' buying power, such as in connection with the devaluation of the relevant domestic currency against the euro (currency risks). Due to revenue-based contractual components, this is linked to effects on FWAG's revenue situation in the retail and property sectors.

### › Finance and investment risks

The FWAG treasury department is responsible for the efficient management of interest rate and market risks and evaluates the respective risk positions on a regular basis as part of risk controlling. Interest rate risk results in particular from variable interest rates on financial liabilities and assets. The gradual reduction of variable rate financial liabilities has already significantly reduced the potential impact of interest rate changes on FWAG.

The EIB (European Investment Bank) credit agreement in place defines terms for the liability of qualified guarantors. Following the conclusion of a new guarantee agreement, three banks are liable to the EIB as guarantors for the remainder of the loan at this time, currently € 300 million. The interest rate is fixed for the remaining term.

Detailed information on financial risks – including liquidity risk, credit risk, interest rate risk and foreign exchange risk – and the financial instruments used to counter these risks can be found in note (37) to the consolidated financial statements.

The general and specific market risks already referred to above, in addition to country-specific political and regulatory risks in Malta and Slovakia, can adversely affect the medium-term planning of the investments in Malta and Košice airports and lead to impairment on assets, goodwill and the carrying amounts of investments.

FWAG's capex projects are exposed to various risks – including the loss of suppliers, higher construction costs, or changes in planning – that could increase the intended expenditures. Therefore, in the pre-project phase, a full risk assessment is already performed for the relevant capex project. Subsequent risk monitoring is handled by a standardized analytical and evaluation process with project controlling. Any special risks identified by the project managers (e.g. contaminated soil) are incorporated in the respective calculations. The provisions to be complied with regarding project organisation, audits and approvals within the framework of the handling of construction projects are defined by FWAG in a separate construction manual (BHB) as a mandatory corporate instruction (directive).

All capex projects take account of the forecast traffic volume. The increase in passenger numbers projected by experts over the medium and long term forms the basis for the timely and needs-driven provision of new capacity and the calculation of returns on specific projects. This significantly reduces the investment risk of new projects (e.g. due to low utilisation).

The construction of the "Parallel runway 11R/29L" (third runway) is a key project for FWAG's long-term development and growth potential and is continuing as a top priority, given that Vienna Airport will reach its capacity limits in the existing two-runway system after 2025 based on foreseeable passenger development.

After the Austrian Federal Administrative Court approved construction of the third

runway subject to additional conditions on 28 March 2018, the Austrian Supreme Administrative Court announced on 18 March 2019 that it had rejected all appeals lodged against this approval and that the environmental impact assessment procedure was thus finally concluded.

All assets were measured based on the assumption that Vienna Airport will maintain its position as an east-west hub.

### › Operating risks

Besides the factors described above, the development of traffic is also significantly influenced by national and external factors such as terrorism, war, or other latent risks (e.g. pandemics, closing of air space due to natural disasters, strikes, etc.). Local damage risks, such as fire, natural disasters, accidents, or terrorism on site, as well as theft of or damage to property, likewise constitute operating risks. Vienna Airport takes key precautions against such events in the form of appropriate safety and fire protection measures, emergency plans and high safety standards. This involves close cooperation with the Austrian Federal Ministry of the Interior and the Federal Police Department in Schwechat as well as specific security measures for customers. These risks are also covered by insurance (aviation liability insurance, terror liability insurance, etc.).

The COVID-19 (coronavirus) disease, which started in China, has been having a negative impact on international aviation since the beginning of 2020. In response, numerous airlines have suspended their flights to Asian and Italian destinations. Similarly, some airlines have heavily reduced or entirely cancelled their flights to Israel, Iran and destinations in the Far East. Our home carrier Austrian Airlines is one of these. All in all, the direct effects on Vienna Airport can be considered significant, particularly because key customers of the Flughafen Wien Group have been affected by drastic cuts in capacity and lost income. The extent of the impact is directly related to the duration of the wave of infections.

As Vienna Airport plays a critical role as a key infrastructure provider and backbone of international integration in the entire Eastern European region, particularly high demands are made of the availability, the reliability, the quality and the data security of the ICT (information and communication technology) systems used. The inclusion of risk management in planning processes allows for the early identification, analysis and assessment of risks in ICT projects and, if required, the implementation of appropriate measures to reduce risk. The major operating risks in the area of information and communications technology include potential failures of central infrastructure facilities and services, the impairment of basic supply, the destruction of central ICT infrastructure and the potential loss of sensitive data.

State-of-the art monitoring systems and emergency procedures have been implemented for all critical ICT systems – such as Vienna Airport's core system, "mach2", or the ERP (enterprise resource planning) system SAP – which support the early identification, analysis and handling of problems and ensure a high degree of reliability. Given the business requirements, ICT systems are generally implemented redundantly and, if necessary, with high availability, so that a failure of individual components does not endanger the availability of overall systems. To check and secure the failure concepts, regularly emergency tests are implemented. In addition to measures and controls al- >

ready implemented, these systems are the focus of continuous development to guarantee compliance with the latest technical and legal requirements.

The basic infrastructure (electricity, heating, refrigeration, water and wastewater) is exposed to risks in connection with the availability of central systems. Measures have been and are being continuously developed to achieve the greatest possible reliability (e.g. ring circuits).

In this reporting year, there was a focus on increasing failsafe performance. Measures were implemented, particularly in respect to redundancy concepts of ICT systems which were supported by regular examinations on the basis of failure and switchover tests. Generally, however, despite all the measures taken, there remains a certain residual risk with regard to the availability of the infrastructure due to the possible occurrence of force majeure.

Plans for emergency measures, crisis management and operational continuity management have also been enacted at Malta International Airport. These are regularly reviewed and updated to ensure the possibility of a fast and effective response to operational disruptions.

FWAG is aware of the great importance of motivated and committed employees for the attainment of corporate goals. In order to counteract the loss of know-how through turnover, numerous measures have been implemented to strengthen employee retention. Numerous steps have also been implemented to increase occupational safety and to minimise absences due to illness.

### › **General risk assessment**

A general evaluation of FWAG's risk situation did not identify any risks to the company as a going concern, hence its continued existence is secured going forward. FWAG generates sufficient funds to pursue the airport expansion as planned.

## Innovation and opportunity management

FWAG's innovation and opportunity management deals with new, customer-oriented products and services as well as internal processes and potential improvements. This corporate platform coordinates and supports various innovation processes, identifies and evaluates new business areas, and supervises the exploitation of any new potential.

Innovation and opportunity management is based on the open-innovation approach, which means that innovation processes are opened to the outside in a structured manner. In addition to internal corporate channels, promising ideas are identified in the context of benchmarking against other companies and airports. In the context of cooperation with start-ups, universities and other partners, new concepts are also developed.

In 2019, a game-changing step was taken via the partnership with the globally renowned innovation platform "Plug and Play". The Silicon Valley company chose Vienna Airport as the location for its "Travel & Hospitality" and "Smart City" programmes and is cooperating with its partners around the world from here. In addition, FWAG is benefiting directly from the cooperation with Plug and Play as a corporate partner, boosting its own potential for innovation.

Numerous other projects were also under way in the reporting year. These included the establishment of a co-working space and innovation/technology centre in the Airport City, the expansion of conference facilities (both part of the Office Park 4 under construction), the development of Smart City management software, the further expansion of photovoltaic systems, the use of various technologies relating to location-based services (such as Bluetooth beacons and geofencing) to enable location-based services and asset tracking, the opening of two new hangars for general aviation, and the expansion of offerings for passengers in the terminal.

## Report on the key features of the internal control system for accounting processes

In accordance with section 82 of the Austrian Stock Corporation Act, the Management Board is responsible for the development and implementation of an internal control and risk management system for accounting processes that meets the company's requirements. The following section explains how the Management Board of FWAG satisfies this legal requirement.

For subsidiaries, the respective managers are responsible for developing and implementing an internal control and risk management system for accounting processes that meets the needs of the particular company. These managers also represent the final authority for ensuring compliance with all related Group guidelines and directives.

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The structure and design of FWAG's internal control system (ICS) was defined in a policy. The objective of FWAG's internal control system is to ensure the reliability of financial reporting and compliance with all applicable laws and regulations. The ICS in a broader sense also comprises safeguarding assets and ensuring of the completeness of activity recording and invoicing.

The description of the major features of these internal controls is based on the structure of the internationally recognised COSO model (Committee of Sponsoring Organizations of the Treadway Commission). Accordingly, the internal control system comprises the following components: control environment, risk assessment, control activities, information and communication and monitoring. The relevant processes involve the identification and assessment of the financial and accounting risks to which the company is exposed as well as the implementation of appropriate controls. The control system is documented in standard software that also allows risks and controls to be depicted in context as part of the process.

### › Control environment

The corporate culture within which management and employees operate has a significant influence on the control environment. FWAG works actively to improve communications and to convey its principal values as a means of anchoring ethics and integrity in the company and in interaction with other parties. An important contribution in this area is the voluntary code of conduct implemented by FWAG, which defines the rules for giving and accepting gifts and invitations.

The implementation of the internal control system for accounting processes is regulated by internal guidelines and directives. The related responsibilities were adjusted to meet the needs of the company and thereby create a satisfactory control environment.

### › Risk assessment

Attention is focused on risks that are considered to be material. Materiality is based on a combination of probability of occurrence and potential effects (amount of damage). For the latter, the consolidated and annual financial statements are the key criteria. To determine probability of occurrence, an expanded evaluation model with a number of qualitative aspects has been used on the basis of a weighted scoring model since 2019. Account will be taken of such factors as complexity and degree of automation of processes or the presence of specific organizational backup measures. The results of this expanded risk assessment will be used as a basis for planning the effectiveness test by Internal Audit.

From time to time, estimates must be made on future developments when preparing the consolidated and annual financial statements. This poses an imminent risk that the future business development may deviate from these planning assumptions. In particular, the following circumstances or positions in the consolidated financial statements are involved: employee-related provisions, the results of legal disputes, the collectability of receivables, impending losses from pending business and the valuation of investments in other companies and property, plant and equipment (see also section IV. "Judgements and estimate uncertainty" in the notes to the consolidated financial statements). The company draws on external experts or obtains a validation from ex-



ternal sources, peer group comparisons and other suitable instruments in order to minimise the risk of inaccurate estimates.

### › **Control activities**

Control activities are carried out by management and assigned persons promptly and in support of the accounting processes. Potential errors or variances in financial reporting are prevented, discovered and corrected. These controls range from the variance-based analysis of results by management and the controlling department to the specific reconciliation of accounts and the analysis of routine accounting processes.

Control activities to guarantee IT security represent an integral part of the internal control system. Access to sensitive functions and data is restricted. SAP (incl. SAP-BPC) enterprise reporting software and PC Konsol are used for accounting and financial reporting purposes. The functionality of the accounting system is among others guaranteed by automated IT controls.

### › **Information and communication**

The guidelines and directives for financial reporting are updated regularly by management, and communicated to all involved employees via the intranet or internal announcements. Activities at management level are intended to ensure compliance with all accounting guidelines and directives, and to identify and communicate weaknesses and opportunities for the improvement of accounting processes. The accounting staff also attend regular training courses that cover changes in international accounting policies and practices, in order to minimise the risk of errors.

### › **Monitoring**

Management, the controlling department, the audit department and the Supervisory Board are responsible for continuous monitoring of the internal control systems in FWAG. In addition, the individual department heads and senior managers are responsible for monitoring activities in their respective areas. Specific persons have been designated as the responsible control authorities.

The checks are reviewed for their effectiveness each year by Internal Audit. The operational effectiveness (performance of checks as defined) and the design effectiveness (are the checks accurate or suitable, particularly in respect of the risk) is reviewed and evaluated. During the annual ICS review with the organisational units and subsidiaries of the Flughafen Wien Group, the results of this effectiveness review are the basis for ongoing system improvements with a view to a continuous improvement process. The results of monitoring activities and the developments of the ICS are reported to the Audit Committee and the Supervisory Board.

## Research and development

The Information Systems service unit is the central, internal service provider for information and communication technology (ICT). It operates all ICT systems deployed in the various corporate units. Optimising the ICT systems and processes takes place on an ongoing basis.

Key topics implemented in 2019 were the following:

### › Loading process planning technology upgrade

The system used for planning the aircraft loading process is a proprietary system and is to be upgraded in order to provide users with new functions and a state-of-the-art user interface. In 2019, the load sheeting agent module was modernised.

### › CDM (Collaborative Decision Making)

In cooperation with Austro Control, ongoing work is taking place to improve the CDM process. Work is being done to achieve “fully implemented” status.

### › Zone-based employee deployment

An innovative handling concept has been developed as part of the restructuring of handling at Vienna Airport. In this context, a customised solution was swiftly developed and put into 24/7 operation.

For the development and introduction of new systems, € 1.7 million was recognised in the Information Systems business unit in the 2019 financial year (2018: € 1.4 million).

A key research project in cooperation with TU Vienna has been designed to improve passenger quality, increase capacity and optimise personnel deployment.

In addition, traffic on the departures ramp was optimised and entry and exit from the terminals was accelerated with a solution for automated exit clearance using optical licence plate recognition. As there is no more stopping at the barriers, total throughput was significantly increased.

## Non-financial declaration required by section 267a of the Austrian Commercial Code

Sustainability is of tremendous importance to the management and employees of Flughafen Wien AG. The careful use of resources, responsibility for the surrounding area and its citizens and for stakeholders, such as passengers, employees, partners and customers, is deeply rooted in the corporate culture of Flughafen Wien AG.

The Flughafen Wien Group (FWAG) is unconditionally committed to its ecological, social and economic responsibility. In doing so, it is important to pursue the various goals in a balanced way and to play an active part in the sustainable development of both the company and the region.

Further information on the business model of the Flughafen Wien Group can be found at the beginning of the management report in the "Flughafen Wien Group" chapter.

Every third year, Vienna Airport publishes a sustainability report that provides comprehensive information to stakeholders such as employees, owners, customers, business partners, local residents and non-governmental organisations about activities, developments and key performance indicators in the areas of business, social matters and the environment.

The key indicators and data shown in the sustainability report are updated once a year at [www.viennaairport.com/sustainability\\_report](http://www.viennaairport.com/sustainability_report). The current 2017 Sustainability Report reports on the years 2015 to 2017 and the future sustainability goals. It corresponds to the standards of the Global Reporting Initiative (GRI standards) and reached the application level "In Accordance Core" and also includes the industry-specific, additional indicators for airport operators. The report was audited externally by TÜV Süd. The next comprehensive sustainability report will be drawn up in 2021 and report on the years 2018 to 2020.

For the reports on sustainability concepts of the international investments in Malta Airport and Košice Airport, please refer to their relevant reports. The sustainability report of Malta Airport is published on the website of the airport at [www.malairport.com](http://www.malairport.com).

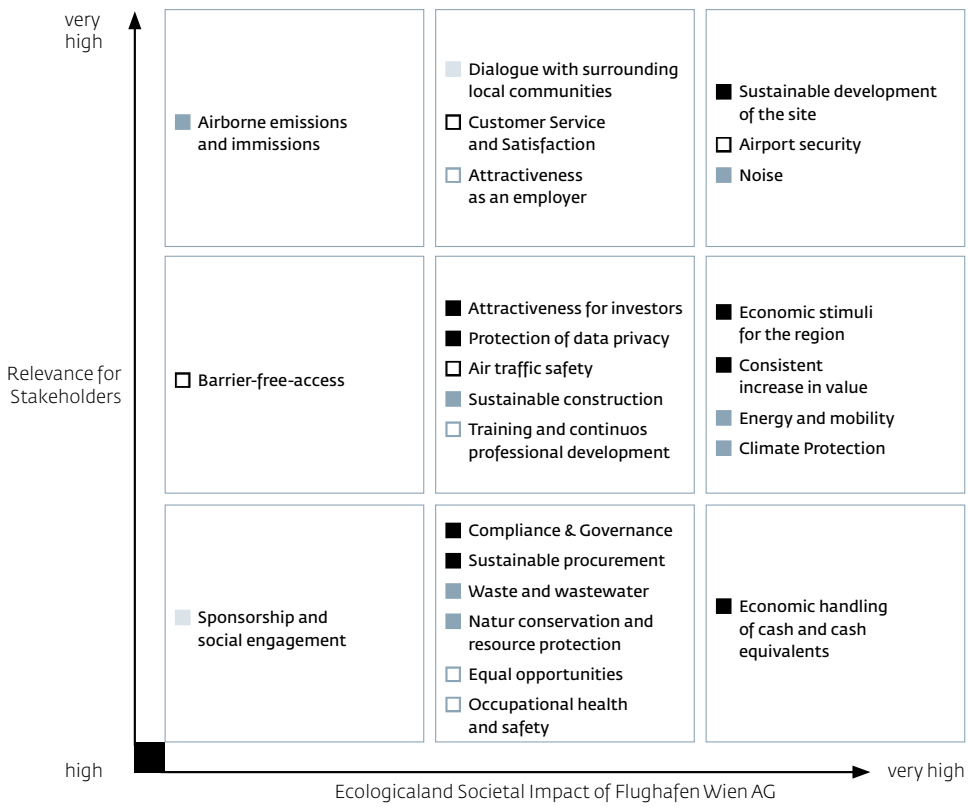
### › Key non-financial performance indicators

In order to define material sustainability aspects of the company, a process was initiated which integrates not only employees but also relevant external stakeholders. This took place in the context of regular stakeholder communication, e.g. the Dialogue Forum established for this purpose or in regular customer surveys. In addition, a survey was implemented including the relevant stakeholders. This resulted in a Materiality Matrix that forms the foundation for non-financial performance indicators of Flughafen Wien AG. This Materiality Matrix is the basis for the sustainability report of Vienna Airport.

The Materiality Matrix covers 24 topics, which can be grouped into the following categories:

- 1) Environmental issues
- 2) Social issues and employee matters
- 3) Respect for human rights
- 4) Combating corruption and bribery

### › Materiality matrix of Flughafen Wien AG



- Company & management
- Customers (passengers & airlines)
- Enviroment, energy and climate protection
- Employees
- Dialogue and corporate responsibility

## › Sustainability management

In order to track the “sustainability” target on an ongoing basis and as an important element of corporate activity, Flughafen Wien has defined a sustainability programme from which the targets and measures are derived. These are then examined and further developed on an ongoing basis. The team responsible coordinates and implements the sustainability agendas.

The sustainability strategy finds expression in the four corporate values:

- › **Customer orientation:** “Our top priority is to meet the needs of our customers. We see ourselves as service providers. We treat our customers in a friendly and respectful manner, taking account of their individual wishes. Fair dealing and honest communication with our customers and business partners is important for us. Here we leave nothing to chance and set high standards with our compliance system.”
- › **Professionalism:** “Our work is characterised by the highest levels of professionalism and commitment. We are proud that we perform our tasks carefully, reliably and safely, and we integrate new technologies and procedures into our processes to make further improvements. As professionals we manage the various aspects of sustainability and deal with current challenges in a professional manner. We set sustainability targets and report regularly on our progress. Such as with climate protection where we are treading new paths with Airport Carbon Accreditation, or in the matter of security, where our security concept ensures airport operations without danger.”
- › **Efficiency:** “We use our economic and natural resources and energy sparingly, efficiently and responsibly. We consider ourselves to be an economic engine in the region and with a well thought out site development set challenging accents for the “Airport City”. In doing so, intensive dialogue with our stakeholders is a key focus. After all, we want to design a sustainable (regional) development together.”
- › **Respect:** “We treat each other with trust and honesty, seeing errors as an incentive to improve. We respect the views and achievements of others, and we give each other mutual support. In their diversity, the employees of Flughafen Wien AG are a factor driving the success of our company, a factor we want to nurture and extend. For this reason, we want to make even more efforts for an attractive working environment, equality of opportunity and providing interesting career options.”

# 1) Environmental issues

FWAG is committed to protective and conscientious interaction with the environment and pledges to comply with all environmental laws, regulations, binding agreements and official requirements and to continuously minimise its negative ecological impact. First and foremost, the Flughafen-Wien Group has set the goal of further reducing its energy consumption, reducing the effects of noise emissions while further reducing Vienna Airport's CO<sub>2</sub> emissions, so that it will become CO<sub>2</sub>-neutral over the medium term. The Flughafen Wien Group is committed to ongoing dialogue with the stakeholders in this regard, as in many instances the airport's activities have a positive impact on customers and passengers, such as in the areas of energy conservation, facility management, and waste disposal.

Vienna Airport has established a comprehensive and systematic energy and environmental management system (EMS) and subjects itself to an environmental audit in line with the Eco-Management and Audit Scheme (EMAS) with which the European Union places the highest requirements in the world on environmental management systems, and in accordance with the ISO 14001 standard. Initial entry in the EMAS register took place in December 2015, with monitoring audits being conducted in the following two years. The company was re-certified in 2018. Another external monitoring audit was conducted in October 2019. The improvements suggested in these audits are now being successively implemented. EMAS thus provides important guidelines for organising environmental protection in a successful fashion, preserving resources, recognising environmental risks at an early stage, and continuously encouraging the company to improve. In addition, with EMAS the airport meets the requirements of the Austrian Energy Efficiency Act.

Within the scope of EMS, environmental aspects and their impact are recorded, relevant topics identified and assessed on the basis of cost-benefit analyses. Subsequently, environmental policy, objectives and measures are determined and their progress and the performance of the overall system regularly examined on the basis of specified key performance indicators, annual management reviews and in the context of internal and external audits.

EMS also secures legal compliance of the operation in respect to environmental law. To do this all regulations relating to the environment (laws, directives, notifications) are identified, recorded in an environmental database with the resulting obligations being implemented and monitored. Responsibility for the successful implementation of the EMS is with the Management Board and the executives according to the Flughafen Wien Group line organisation. The environmental manager in the Operations Environmental Management department coordinates and manages all internal and external activities relating to environmental protection. Here he is supported by an environmental team constituted from those responsible for specific topics in the various corporate divisions.

Vienna Airport has recently improved markedly in all material environmental aspects. This is underscored by the continuous improvement in financial results at the same time as the 36.3% increase in energy efficiency between 2012 and 2019. In addition, another € 0.9 million (2018: € 0.9 million) was invested at Flughafen Wien AG in environmental protection in 2019 (not including the noise protection programme). Projects were focused on the reduction of pollutant and noise emissions in order to

minimise the effects of flight operations on the environment – and above all on neighbouring residents.

### › Risks

To minimise the risk on the environment resulting from air traffic and airport operations, the Flughafen Wien Group is committed to responsible and conservative use of available resources. Alongside the focus on measures and projects in its own airport operations, the Flughafen Wien Group also participates in international initiatives and programs of the aviation industry. The measures implemented in the framework of the integrated environmental management aim not only to minimise the general environmental risks, but also to reduce the consumption of resources, pollutant and noise emissions.

### › Energy efficiency programme

The Flughafen Wien Group has implemented an energy efficiency programme and has already realised numerous projects. The four photovoltaic systems at the Vienna Airport site have an output of some 2,700 kWp, which generates annual output of about 1.5 million kWh. In addition, another 2,500 solar modules will be installed on the roofs of car parks 3 and 8 in 2020, increasing the area of the solar panels at Vienna Airport by around one half to approximately 16,000 m<sup>2</sup>. This is roughly the size of three football pitches.

The conversion of conventional lighting to more energy-efficient LED technology continues. Malta Airport also uses photovoltaic systems for energy production and has switched to LED lighting.

The expansion of the photovoltaic systems is just one of many measures in the energy-efficient environmental management at Vienna Airport. For example, the electric fleet, currently with more than 380 electric vehicles, is being constantly expanded. Another focus is the sustainable construction of future buildings such as Office Park 4 and the energy optimisation of existing buildings using the specially developed Smart City management software. Last but not least, business flights by FWAG employees are offset by the purchase of CO<sub>2</sub> certificates.

Photovoltaic systems have also been expanded at Malta Airport, which has more than tripled the generation of renewable energy. The conversion of conventional lighting to more energy-efficient LED technology continued in the 2019 financial year.

### › Smart Airport City

To optimize the consumption of power, cooling and heating, Flughafen Wien AG and TU Wien (Vienna University of Technology) launched a development project in 2017 to create a prototype for a computer-assisted “virtual city”, which can simulate and subsequently improve the consumption of electricity, cooling or heating. On this basis, scenarios for maintenance, improvement and expansion to the Smart Airport City are designed in order to optimize capacity and manage consumption as well as possible.

### › Aircraft noise management

Throughout Europe, road and rail traffic are the main causes of noise pollution, followed by air traffic. Take-offs and landings and ground noise such as taxiing movements and engine run-ups are the main sources of noise at airports. The Federal Environmental Noise Protection Regulations regulate the threshold values connected to flight noise that, to protect the local population, must not be exceeded – namely a day-evening-night noise index of 65 dB. However, Vienna Airport's commitment goes significantly beyond these statutory requirements: The airport's noise control programme, for example, includes the daytime protection zone with an equivalent continuous sound level of over 54 dB. The night-time protection zone starts at a continuous sound level as low as over 45 dB.

### › Noise protection

The Vienna Airport noise protection programme that was started in 2005 as part of the mediation contract aims to protect the health and improve the quality of life of people who live close to the airport.

Where the continuous sound level exceeds 54 dB during the day and 45 dB during the night, the airport assumes between 50% and 100% of the costs for noise protection measures, for example, the installation of soundproof windows and doors. Until the end of 2019, building expert opinions were prepared for 6,297 properties, and optimal noise protection was installed in 2,971 of these properties. One positive side effect of this is that the improved building insulation and lower heating costs have reduced CO<sub>2</sub> emissions in the affected areas by around 1,300 tonnes per year.

Flughafen Wien AG has also agreed to purchase, at fair value, the properties located in a noise zone where the continuous sound level exceeds 65 dB(A) during the day and 57 dB(A) at night. So far, this option has been taken up by two of the approximately 60 property owners who were offered it.

### › Night flights

In accordance with an agreement reached during the mediation process, the number of aircraft movements at Vienna Airport between 11:30 p.m. and 5:30 a.m. should remain constant at the 2009 level, a target that was not met in the reporting year due to excessive delays from bad weather and bottlenecks in European air space. The actual number of aircraft movements in 2019 was 207 more than the level of 4,700 defined in the mediation contract. In the relevant assessment period of 2015 to 2019 (five years), the number of aircraft movements was 0.6% below the target figure, so the requirements of the mediation contract were met. Plans call for a further step-by-step reduction in the number of aircraft movements to 3,000 per year, starting three years before the third runway comes into service. Details of night flights at Vienna Airport can be found in the evaluation report that will be released by the dialogue forum around the middle of the year at [www.dialogforum.at](http://www.dialogforum.at)



## › Emissions and climate protection

The operation of an airport, especially aircraft handling operations and land-side traffic, contributes, albeit to a lesser degree, to general airborne emissions. All emissions are recorded without gaps in the area around the airport as part of air quality monitoring and through the production of an annual carbon footprint. Measures and programmes are developed on an ongoing basis with airlines to systematically minimise emissions. With the help of a carbon footprint, FWAG also takes part in the Airport Carbon Accreditation System (ACAS) programme managed by the Airports Council International Europe (ACI Europe) [www.airportcarbonaccreditation.org](http://www.airportcarbonaccreditation.org). Vienna Airport was given Level 1 certification back in 2013, in 2015 there was a move up to Level 2, and in October 2016 Level 3 certification was achieved for the first time.

For the fourth time in the reporting year, Flughafen Wien AG filed for Level 3 certification, which involved a further reduction of CO<sub>2</sub> emissions on site with greater involvement of all companies operating at the airport. To reach this Level 3 all companies located at the site had to be integrated in measures to reduce CO<sub>2</sub>.

Despite further growth, Vienna Airport wants to achieve CO<sub>2</sub> neutrality by 2030. In order to attain this target, it is working rigorously on its environment programme.

To achieve improved identification of its CO<sub>2</sub> emissions, Malta Airport joined the ACI Airport Carbon Accreditation Programme in 2016 and has already begun preparing for Level 2 certification in 2020. To this end, a detailed plan of targets and measures is being compiled to further reduce CO<sub>2</sub> emissions. Malta Airport aims to achieve CO<sub>2</sub> neutrality by 2050.

## › Waste

Unavoidable waste is appropriately sorted and, depending on the options available, assigned for reuse or recycling. The total volume of waste at Vienna Airport in 2019 amounted to 4,299 tonnes (2018: 4,326 tonnes).

In 2016, at Malta Airport monitoring and reporting on waste management was improved with a new contractor. The total volume of waste in 2019 amounted to 1,276 tonnes (2018: approx. 1,068 tonnes).

## › Water consumption

Vienna Airport's water supply is provided by four wells owned by the airport. Not including customers, the Flughafen Wien Group's water consumption in 2019 fell by approximately 65,000 m<sup>3</sup> compared with 2018 to 446,123 m<sup>3</sup>. Adding consumption by customers, consumption increased by 15% as a result of passenger growth.

As a result of its location, Malta Airport has low levels of precipitation, so that conscious handling of water is essential. In addition to collecting rainwater and groundwater, the shortfall is purchased. As part of the current energy efficiency programme, further water consumption savings of 12.4% per traffic unit were achieved in 2019.

## › Sustainable procurement

Sustainable, environmentally friendly procurement, meaning the purchase of “green” products and services that are also manufactured and performed in accordance with social standards is a key company target. Regional providers are also taken into account.

In Austria, the “National action plan for sustainable procurement” was launched under the guidance of the Ministry of the Environment. In this way, sustainable criteria are taken into consideration in the procurement process and the action plan is implemented jointly. The action plan has been in effect since autumn 2010 with the Federal Procurement Agency (BBG). Some procurement by the Flughafen Wien Group has also been handled via the BBG. Vienna Airport is also subject to some requirements under the Bundesvergabegesetz (Austrian Federal Public Procurement Act).

The largest suppliers in terms of order value belong to the sectors of construction, petroleum processing, metal working, special vehicles, technology and various services such as IT and airport handling. Measured in terms of order value, most of the contractors are regional to the airport: 80% of the 35 largest suppliers are from Vienna and lower Austria, 2% from other Austrian states and 18% from Europe.

## › Selected indicators

Vienna Airport site		2019	Change	2018
Traffic units	TU	33,716,888	15.3%	29,238,913
Passengers	PAX	31,662,189	17.1%	27,037,292
Consumption of electrical energy per traffic unit	kWh/TU	2.72	-15.9%	3.24
Consumption of electrical energy	MWh	91,855	-3.0%	94,739
Heat consumption per traffic unit	kWh/TU	1.46	-12.0%	1.66
Heat consumption	MWh	49,329	1.5%	48,591
Cooling consumption per traffic unit	kWh/TU	0.92	-16.5%	1.10
Cooling consumption	MWh	30,967	-3.7%	32,146
Fuel consumption per traffic unit	kWh/TU	1.07	-6.8%	1.15
Fuel consumption	MWh	36,093	7.5%	33,587
Total energy requirements per traffic unit	kWh/TU	5.26	-13.1%	6.05
Total energy requirements	MWh	177,277	0.2%	176,918
Total energy requirements from renewable sources per traffic unit	kWh/TU	2.72	-15.9%	3.24
Total energy requirements from renewable sources	MWh	91,855	-3.0%	94,739
Share of renewable energy in total energy requirements	%	51.8	n.a.	53.5
Water consumption <sup>1</sup>	Litre/TU	13.2	-24.3%	17.5
Waste water <sup>1</sup>	Litre/TU	10.4	33.4%	15.6
Total waste	Kg/TU	0.13	-13.8%	0.15

1) Preliminary figures

## 2) Social issues and employee matters

The average number of employees (FTE) at FWAG increased in the reporting year from 3,159 to 3,172 (plus 0.4%).

### › Strategy and management

The Flughafen Wien Group regards its employees as its central resource, as its performance as a service company depends decisively on the specialist competence, performance, experience and well as the motivation and commitment of each and every individual employee.

The Group-wide core tasks of the Human Resources (HR) department are recruitment, training and continuing professional development, strategic staff development and payroll policy. A major challenge for the HR department lies in overseeing the continuous change process in the company. The issue of corporate culture is also driven extensively by the employee surveys implemented over the last few years. In the context of an anonymous employee survey, implemented by an external market research institute, Vienna Airport obtained information on the status quo again in 2018 in relation to employee satisfaction and motivation. In 2019, activity centred on the implementation of company-wide measures derived from the employee survey. To improve the overall company perspective and cross-departmental cooperation, Group-wide cooperation meetings between departments and units were introduced at management level. In addition, several network groups were established within the company. Network groups are important tools for shaping the corporate culture. They promote and strengthen cross-departmental cooperation and bring common interests to the fore. In addition to the existing groups such as vision ambassadors and internal moderators, network groups for young professionals and assistants were launched in 2019. The successfully implemented management development was also rolled out for the operating management level in 2019. At the end of the year, the first foundations were laid for a broad-based programme on the topics of error culture and conflict resolution for 2020.

### › Risks

In the Flughafen Wien Group, motivated, committed and highly qualified employees are essential for the success of the company. In order to counteract the loss of know-how through turnover, numerous measures have been implemented to strengthen employee loyalty, and various initiatives to increase job security and minimize sick leave have been promoted. Flexible working time models and the central integration of Human Resources development measures to reduce risk (including education and training) support risk reduction.

### › Recruitment, education and further training

FWAG received the accolade “Best Airport Staff Europe” from the aviation rating agency Skytrax in 2016 and 2017, and ranked second in 2018 as evidence that its programmes work. In 2019, FWAG’s employees were once again recognised as the “Best Airport Staff Europe”. Its popularity as an employer is steadily increasing. According to a 2019 survey by Randstad, Vienna Airport ranked among the top 10 most attractive employers in Austria. A study by IFES even puts the company in first place as the most attractive employer in Austria. The Kurier daily newspaper also granted FWAG its “popular employer 2019” seal of approval.

The basis for success in Human Resources development is filling open positions with the candidates who best meet the requirements of the position. The open positions are advertised both on the internal and external job market.

To further promote human resources work in the company, the Career and Development Center was initiated in 2017. It aims to support the professional development of employees and accompany managers in this task. In 2019, a total of 38 employees were newly nominated to the Center and 16 found a new role thanks to the Center. Currently, 52 people are registered with the Center. In addition, the Center coordinated the internal transfer of 29 older employees from the apron, which entails hard physical labour, to a new role in the terminal, which will be more beneficial to their health.

Employees’ training needs are discussed and noted at the mandatory annual performance appraisal. It is not just technical training that is of great importance here. The key focus is also on personal development measures. Employees are offered numerous seminars and workshops on topics such as leadership, languages, IT, and health and safety, which are summarised in the annual training catalogue. At Vienna Airport a broad-based manager development programme was launched back in 2015. In 2018, management development was identified in 17 evaluation workshops (for 140 managers). In 2019, the management development programme was rolled out to the next level of key workers. In the operating departments, these are the managers who work directly with the operating employees. Around 100 key workers are currently receiving training.

To retain and even extend the high level of knowledge and skills is a key area for the next three years. In all, in 2019 Flughafen Wien AG spent € 1.4 million for further training measures. This is some € 450 per employee (based on an annual average of 3,172 employees at Flughafen Wien AG).

Training apprentices and trainees is very important at Flughafen Wien AG. On the basis of theoretical training in the vocational school and practical deployment in the company, apprentices and trainees receive additional assistance on the basis of numerous seminars. Alongside English classes and IT training, Flughafen Wien AG places great emphasis on the development and progression of social skills. The international scope of training at the airport is also evident in the exchange programmes. During internships in foreign countries, apprentices get the opportunity to learn about other airports and take part in international exchange programmes, which take them to Portsmouth or Belfast, for example. Malta will be added as another destination in 2020.

Malta Airport is also pursuing an extensive training programme. Alongside ongoing refresher courses, there are also technical courses and certification exams. In 2019, around 11,900 training hours were held, for an average of about 31 hours per employee. Training was performed primarily in the area of safety and vocational and personal

further education, customer service, crisis management, fire protection, first aid and awareness raising. In addition, 58 new employees completed training on the job.

Moreover, in regular performance assessments, mutual feedback and individual development is the key focus to achieve ongoing performance improvement. The "Performance Management System" introduced in 2018 was continued in 2019 and is already providing positive results in all business areas.

### › Performance-related remuneration for management

The salary of the members of the Management Board and members of the first and second management levels have a performance-related component. The level of this variable remuneration is determined on the basis of qualitative and quantitative targets.

### › Employee foundation

More than 15 years ago, Flughafen Wien AG founded an independent employee foundation. It ensures that all employees have a direct stake in the success of Flughafen Wien AG. This foundation holds 10% of the shares in Flughafen Wien AG, distributing the dividends received by them to company employees. The executive bodies of the foundation are defined in the articles of association and operate entirely independently of Flughafen Wien AG. Dividend income of € 7.5 million was paid out in 2019 for the 2018 financial year. On average, this corresponds to around 82% of a monthly 2018 basic salary or basic wage per employee.

### › Labour trust

The Steyr labour trust provides goal-oriented support for the professional reintegration of employees who lose their jobs in economically difficult times or for health reasons. Flughafen Wien AG has been a member of this trust for many years, in keeping with its responsibility to former employees. In 2019, ten employees joined the foundation. This raises the total number of employees who have undergone training with this initiative to 111 as of 2019.

### › Pension provisions – company pension fund and benefit fund

For all employees of Flughafen Wien AG who joined before 1 November 2014 in addition to the statutory pension insurance and any private pension provision, the company transfers 2.5% of the monthly salary per employee to a company pension fund. Furthermore, each employee is given the option of making additional provision by transferring the same amount. If employees conclude additional accident or health insurance policies or make other pension provisions, they also receive an allowance. After a thorough evaluation, management and employee representatives decided to change company pension funds. Since 1 January 2018, it has been managed by Niederösterreichische Vorsorgekasse (NÖVK).

Employees of Malta Airport are granted defined benefit pension subsidies based on collective agreements.

### › Voluntary benefits

Flughafen Wien AG offers a variety of voluntary benefits to increase the motivation and strengthen employees' sense of identification with the company. Examples include free transport to work with the City Airport Train (CAT) and bus connections to Vienna and the neighbouring communities.

In addition, on the basis of the findings of the company-wide employee survey at the end of 2015 the provision of meals for employees was reorganised and financial support provided; other changes were made in 2018.

In the Health Center Vienna Airport opened in the 2018 financial year, Flughafen Wien AG provides comprehensive specialist care with appointments on short notice for employees.

### › Work and family

Family-friendly policies of the company are of crucial importance for an appropriate work-life balance. Day care facilities are available for the children of the employees of all companies at the Vienna site. The extended, flexible opening hours provide employees even in shift jobs with reliable supervision for their children once they start crawling. The airport day care centre has received numerous awards for its excellent services and high pedagogical standards.

Since 2012, Flughafen Wien AG has granted a so-called "Daddy's month" for employees. Within the first three months after the birth of his child, the employee has the right to take leave for up to 28 consecutive calendar days while still receiving 50% of their monthly pay. 66 fathers took advantage of this opportunity in 2019.

In 2018, Flughafen Wien AG was again awarded the federal "career and family" quality seal. The seal is given to companies with particularly family-friendly policies.

Many important measures from the audit were enhanced and continued in 2019.

### › Workplace health and safety – Preventive Services

The past year was characterised by complex challenges, the effects of which also influenced the number of reportable accidents.

This development was recognised in due time, and countermeasures were taken. Unfortunately, the impact of these countermeasures is held up by above-average and unexpectedly high growth in traffic and passenger numbers and the associated circumstances. In particular, the increased personnel requirements to be covered at short notice mean particular challenges for employee protection in terms of education and training for new employees.

The certified occupational health management programme, "GEMEINSAM GESUND", prioritised ergonomically designed working environments, with a focus on luggage manipulation and computer workstations.

Prevention work is a high priority. The training of new employees was enhanced and induction processes revised.

In 2019, projects were completed on topics such as safety shoes, sun protection and hand disinfection. Free vaccinations against influenza, tick-borne encephalitis and measles were offered throughout the Group.

Vienna site	2019	Change	2018	2017
Reportable accidents	164	25.2%	131	110
Per 1,000 employees	29.9	2.1%	29.3	25.2

Malta Airport supports health-promotion measures and, for example, offers employees free participation in gymnastics courses and mental health counselling. In addition, all employees are offered a grant of € 300 a year for various activities to promote their health, which 89% of employees have taken up.

### › Diversity

For a company providing services, diversity is a central issue. The importance of diversity at Vienna Airport can be seen by the fact that over 65 nationalities, belonging to 13 different religious faiths, are currently represented among the employees of Flughafen Wien AG and its subsidiaries. All service processes run smoothly in spite of this great cultural diversity thanks primarily to the comprehensive training measures that make it easier for employees to integrate and understand their duties.

### › Promotion of women

The proportion of women within the Flughafen Wien Group was approximately 27% in 2019. This low rate can be attributed to the proportion of specialist activities at Vienna Airport – two thirds of employees working at the airport perform heavy manual labour. In order to make Vienna Airport more attractive as an employer to women as well, specific measures have been implemented to support work-life balance and suitable career opportunities have been created.

It is a clear goal of the company to increase the share of women – especially in management positions. The share of women at Flughafen Wien AG is currently 12.6% across all four management levels. Equal opportunities and equal treatment at the workplace are a fundamental requirement in the Flughafen Wien Group. 30% of the shareholder representatives on the Supervisory Board of Flughafen Wien AG are female.

### › Flexible working time models

Flexible and individualised working time models meet the needs of employees to the best possible extent. Flexitime schemes are found, above all, in the company's commercial functions. Furthermore, the option was created for all employees to consume pay components (e.g. service bonuses) as time off. Part-time training, training leave models, sabbaticals and remote working are also offered.

### › Older employees

The raising of the effective retirement age requires employees to stay with the company for longer. In turn, this requires the implementation of extensive preparatory and organisational measures in advance, as many of our employees are constantly exposed to high stress. Appropriate programmes and accompanying measures, the facilitation of mobility within the company and the preferred offer of suitable jobs to this group of >

employees are being handled by the Career and Development Center. For example, the Center coordinated the internal transfer of 29 older employees from the apron, which entails hard physical labour, to a new role in the terminal, which will be more beneficial to their health.

### › People with special needs

Vienna Airport works intensively with nine charities, associations and institutions to continuously improve accessibility. Individual measures with regard to the focus areas of facilities, signage, lifts, stairs, parking and toilets were jointly decided upon, most of which have also already been implemented. The whole process is overseen by working groups with representatives from charity organisations.

### › Selected indicators

Employees of Flughafen Wien AG	2019	Change	2018
Number of employees (average, FTE)	3,172	0.4%	3,159
Thereof wage-earning employees	1,920	-3.1%	1,982
Thereof salaried employees	1,252	6.3%	1,177
Number of employees (31 December, FTE)	3,241	3.1%	3,143
Apprentices (average)	52	8.3%	48
Average age in years	41.9	0.2%	41.8
Length of service in years	11.6	-0.8%	11.7
Share of women in %	12.5	2.1%	12.2
Training expenses in T€	1,422	-12.6%	1,627.4
Reportable accidents	164	25.2%	131

## 3) Respect for human rights

The company is committed to observing and respecting human rights. Flughafen Wien AG and its affiliates do not have any business sites in countries with a poor understanding of human rights, but operate entirely within the European Union. As a provider of infrastructure and services, Flughafen Wien AG also obtains finished products from its suppliers and has no influence on their supply chain.

Alongside the corporate values, the Code of Conduct contains important principles for the interaction of all employees with internal and external partners. As the trust of customers, shareholders, employees and the public has a material impact on the performance of the Flughafen Wien Group, integrity is a key element within the corporation.

The corporate values of the Flughafen Wien Group are reflected in the daily work. Respect to all employees, customers and business partners requires open and unbiased communication across all levels, which is put into practice at FWAG in many types of events.



## 4) Combating corruption and bribery

The company actively communicates its corporate objectives to all employees by applying clear regulations and regular training. Teaching basic values such as morals, ethics and integrity in the company and treating each other with respect is of the greatest importance here. The relevant guidelines are provided by the Code of Conduct of Flughafen Wien AG. A whistle-blower hotline has been available since autumn 2015.

In organisational terms, the Secretary General arranges the necessary support and sees to it that conduct is in compliance with the law. The head of the department is simultaneously the senior Group compliance officer. He also arranges training for the relevant staff and provides information on current new legal requirements, for example, in the area of anti-corruption law in internal workshops.

As a sectoral contracting entity, for its procurement Flughafen Wien AG in subject to some regulations of the Austrian Federal Public Procurement Act. This implements all precautions for avoiding incipient corruption. This is supported by the activities of corporate procurement and corporate controlling combined by the vigorous implementation of the two-person principle.

### › Issuer compliance

The obligations of the EU Market Abuse Regulation and the Stock Exchange Act on which it is based are implemented by Vienna Airport in an internal policy.

To prevent abuse or forwarding of insider information, internal non-disclosure areas have been established. This covers all employees and executive bodies of Flughafen Wien AG working in Austria and abroad, but also third-party service providers, who have potential access to inside information. A variety of organisational measures and control mechanisms have also been implemented to monitor these processes on a regular basis. Thus each employee who works in a compliance-relevant area receives personal training on how to deal with confidential information.

In order to increase awareness for "issuer compliance" in the rest of the company, all employees are informed on this topic in the intranet and in articles of the in-house employee magazine.

Also at Malta Airport the local stock exchange regulations and European directives are implemented and monitored. For this there are internal guidelines which cover not only the legal requirements but also a general code of conduct.

# Disclosures required by section 243a of the Austrian Commercial Code

## › 1. Share capital and shares

The share capital of Flughafen Wien AG is fully paid in and amounts to € 152,670,000. Following the share split on 27 June 2016, it is divided into 84,000,000 bearer shares, which are securitised by a global certificate deposited with Oesterreichische Kontrollbank. All shares carry the same rights and obligations (“one share – one vote”).

Further details on the articles of association and the shares are available on the Flughafen Wien AG website at [www.viennaairport.com](http://www.viennaairport.com)

## › 2. Investments of over 10 % in the company

Airports Group Europe S.à. r.l. holds 39.8% of the shares. The city of Vienna and the state of Lower Austria each hold 20.0% and Flughafen Wien Mitarbeiterbeteiligung Privatstiftung (the employee foundation) holds 10.0% of the share capital of Flughafen Wien AG. The company is not aware of any other shareholders with a stake of 10.0% or more in share capital.

## › 3. Syndication agreement

Two shareholders – the state of Lower Austria (via NÖ Landes-Beteiligungsholding GmbH) and the city of Vienna (via Wien Holding GmbH) – hold 40% of the company's shares in a syndicate. The syndication agreement provides for joint exercise of voting rights in the Annual General Meeting and mutual acquisition rights in the event of paid transfer of syndicated investments to third parties. Any amendments to the syndication agreement, the dissolution of the syndicate and resolutions to admit a new partner to the syndicate require unanimous approval.

## › 4. Shares with special control rights

The company is not aware of any special control rights on the part of shareholders.

## › 5. Control of voting rights for the shares held by the employee foundation

The voting rights for the shares held by the Flughafen Wien employee foundation are exercised by the managing board of this entity. The appointment and dismissal of the foundation's Managing Board requires consent from the Advisory Board of Flughafen Wien Mitarbeiterbeteiligung Privatstiftung. The Advisory Board requires simple majority to do so. The Advisory Board is comprised of five members, with two members each delegated by employees and the employer. These four members unanimously elect a fifth person to serve as the chairman of the Advisory Board.

## › 6. Appointment and dismissal of members of the Management and Supervisory Board

In accordance with the Austrian Corporate Governance Code, the company's articles of association permit the appointment of a person to the Management Board for the last time in the calendar year in which the candidate reaches the age of 65. Election to the Supervisory Board is possible for the last time in the calendar year in which the candidate reaches the age of 70. There are no other provisions governing the appointment or dismissal of members of the Management Board or Supervisory Board or the amendment of the company's articles of association that are not derived directly from Austrian law.

## › 7. Share buyback and authorised capital

The Management Board of Flughafen Wien AG exercised the share buyback authorisation granted by the Annual General Meeting on 3 May 2019 to buy back up to 840,000 bearer shares, equating to up to 1% of the share capital, at a price of € 30.00 to € 38.00 in the period from 4 November 2019 to 30 June 2020, in accordance with section 65(1) no. 8 of the Austrian Stock Corporation Act. In the reporting year, 47,939 shares were acquired for € 1,805,277.50.

## › 8. Change of control

The agreement on the loan from the EIB (European Investment Bank) of € 400.0 million (current balance: € 300.0 million) is subject to a change of control clause. In the event of an actual, impending, or justifiably assumed change of control (in accordance with the following definition), these financial liabilities could be called prematurely and related collateral may be cancelled if there are reasons to assume the change will or could have a negative impact on the future fulfilment of the financial liability and Flughafen Wien AG does not take actions within a certain period of time to provide this contract partner with collateral that is deemed acceptable. A change of control is defined as an event that leads to (i) a direct or indirect reduction in the investment held jointly by the state of Lower Austria and the city of Vienna in Flughafen Wien AG to less than 40% of the total number of voting shares or (ii) a natural person or legal entity that currently does not exercise control over Flughafen Wien AG gains control over Flughafen Wien AG (e. g. either directly or indirectly, through the ownership of shares, economic circumstances or in another manner, and either alone or together with third parties (i) acquires more than 50% of the voting shares in Flughafen Wien AG or (ii) the right to nominate the majority of members to the decision-making bodies of Flughafen Wien AG or exercises control over these persons.)

## › 9. Compensation agreements in the event of a public takeover

There are no agreements for compensation between the company and the members of its Management Board, Supervisory Board or employees that would take effect if a public takeover bid is made.

## Corporate governance

In accordance with section 267b of the Austrian Commercial Code, the consolidated corporate governance report for the 2019 financial year is published on the Flughafen Wien AG website at [www.viennaairport.com](http://www.viennaairport.com)

## Supplementary report

### › Traffic development at Vienna Airport

The number of passengers handled at Vienna Airport increased by 14.4% in January 2020 to 2,093,673. Vienna Airport reported a 13.3% increase in transfer passengers compared to January 2019 to 426,668 in January 2020. The number of local passengers rose by 14.9% in the same period to 1,663,652. Cargo volume declined slightly, by 4.1% to 20,356 tonnes handled. Aircraft movements were up by 7.4%, the maximum take-off weight increased by 7.3%.

### › Vienna Airport 2019 fees

As at 1 January 2020, the fees at Vienna Airport were adjusted as follows based on the index formula defined by Austrian Airport Fee Act:

› Landing fee, infrastructure fee airside, parking fee:	-0.830%
› Passenger fee, infrastructure fee landside, security fee:	-1.676%
› Fuelling infrastructure fee:	-1.268%

The PRM fee remained at € 0.46 per departing passenger.

The security fee for 2020 was € 8.32 per departing passenger taking account of the reduction under the price cap formula.

### › Austrian Supreme Administrative Court rejects the town of Parndorf's appeal

In February 2020, the Austrian Supreme Administrative Court, as the court of last instance, incontestably rejected the appeal lodged by the town of Parndorf against the positive decision to build the third runway. The town of Parndorf has therefore exhausted every legal remedy.

## Outlook

In January 2020, the Flughafen Wien Group still forecast passenger growth of between 3% and 4%, including the investments in Malta Airport and Košice Airport. In 2020, Group revenue is expected to increase to more than € 870 million, Group EBITDA to over € 395 million, and (Group) earnings after tax to at least € 180 million. Capital expenditure of around € 230 million was forecast, with net debt continuing to decline to less than € 100 million.

Because of the air traffic restrictions associated with the spread of coronavirus, there are uncertainties over the attainability of this earnings forecast. Measures are currently being developed to cushion these effects on the Flughafen Wien Group's earnings. As soon as events become more predictable, the Flughafen Wien Group will publish an outlook in line with the new situation.

Schwechat, 6 March 2020

### The Management Board



**Günther Ofner**  
Member, CFO



**Julian Jäger**  
Member, COO



**Annual Financial  
Statements 2019  
of Flughafen Wien AG**



# Balance Sheet

as at 31 December 2019

ASSETS	31.12.2019 in €	31.12.2018 in T€
<b>A Non-current assets</b>		
I. Intangible assets		
1. Concessions and rights	8,679,141.08	8,447.1
II. Property, Plant and Equipment		
1. Land and buildings	854,251,107.54	887,510.9
2. Technical equipment and machinery	150,522,375.37	151,958.3
3. Other equipment, operating and office equipment	67,090,096.96	64,490.8
4. Prepayments made and construction in progress	127,386,094.31	79,568.7
Subtotal II	1,199,249,674.18	1,183,528.7
III. Financial assets		
1. Shares in subsidiaries	268,722,778.57	267,374.9
2. Loans granted to subsidiaries	154,903,218.53	144,147.5
3. Investments in other companies	4,182,553.17	4,120.9
4. Non-current securities (rights)	659,543.52	659.5
5. Other loans granted	732,377.39	758.2
Subtotal III	429,200,471.18	417,061.0
<b>Subtotal A)</b>	<b>1,637,129,286.44</b>	<b>1,609,036.8</b>
<b>B Current assets</b>		
I. Inventories		
1. Consumables and Supplies	3,934,171.73	3,876.2
II. Receivables and other assets	191,327,527.50	222,756.6
Thereof with a remaining term < 1 year	116,152,126.73	111,489.8
Thereof with a remaining term > 1 year	75,175,400.77	111,266.8
III. Securities and shares		
1. Miscellaneous securities and shares	47,032,700.00	17,032.7
IV. Cash on hand and deposits with financial institutions	41,719,190.98	3,274.3
<b>Subtotal B)</b>	<b>284,013,590.21</b>	<b>246,939.9</b>
<b>C Prepaid expenses</b>	<b>2,009,245.31</b>	<b>1,455.2</b>
<b>D Deferred tax assets</b>	<b>31,456,216.33</b>	<b>26,055.8</b>
<b>TOTAL ASSETS</b>	<b>1,954,608,338.29</b>	<b>1,883,487.6</b>



<b>EQUITY AND LIABILITIES</b>	<b>31.12.2019 in €</b>	<b>31.12.2018 in T€</b>
<b>A Equity</b>		
I. Unpaid, subscribed and paid in share capital	152,670,000.00	152,670.0
Own shares	-87,129.13	
Subtotal I	152,582,870.87	152,670.0
II. Capital reserves (allocated)	117,744,447.65	117,657.3
III. Reserves (retained earnings)		
1. Statutory reserve	2,579,158.88	2,579.2
2. Other reserves (voluntary reserves)	693,044,891.18	639,092.0
3. Reserves for own shares (allocated)	-1,718,148.37	0.0
Subtotal III	693,905,901.69	641,671.2
IV. Net retained profit,		
Thereof profit carryforward: €6,249.84; previous year: T€ 3.7	94,922,284.84	74,766.2
<b>Subtotal A)</b>	<b>1,059,155,505.05</b>	<b>986,764.7</b>
<b>B Government grants</b>	<b>631,719.65</b>	<b>459.0</b>
<b>C Provisions</b>		
1. Provisions for severance compensation	93,981,771.87	87,532.2
2. Provisions for pensions	13,153,519.65	13,017.6
3. Provisions for taxes	9,450,766.46	9,633.8
4. Other provisions	222,421,193.45	152,057.9
<b>Subtotal C)</b>	<b>339,007,251.43</b>	<b>262,241.5</b>
<b>D Liabilities</b>	<b>537,035,190.92</b>	<b>614,066.5</b>
Thereof with a remaining term < 1 year	197,035,190.92	237,023.8
Thereof with a remaining term > 1 year	340,000,000.00	377,042.7
<b>E Deferred income</b>	<b>18,778,671.24</b>	<b>19,955.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,954,608,338.29</b>	<b>1,883,487.6</b>

# Income Statement

from 1 January to 31 December 2019

	1.1. – 31.12.2019 in €	1.1. – 31.12.2018 in T€
1. Revenue	755,582,435.58	707,303.0
2. Own work capitalised	2,678,097.07	2,256.7
3. Other operating income		
a) Income from disposals and write-ups of non-current assets with the exception of financial assets	1,336,307.60	584.7
b) Income from the reversal of provisions	4,201,822.51	2,856.1
c) Income from the reversal of investment subsidies (government grants)	172,294.18	186.3
d) Miscellaneous	1,135,942.93	782.5
<b>Subtotal 3.</b>	<b>6,846,367.22</b>	<b>4,409.6</b>
4. <b>Operating income (subtotal of No. 1 to 3)</b>	<b>765,106,899.87</b>	<b>713,969.3</b>
5. Cost of materials and other purchased services		
a) Cost of materials	27,524,505.96	28,666.2
b) Cost of purchased services	46,432,055.78	41,187.4
<b>Subtotal 5.</b>	<b>73,956,561.74</b>	<b>69,853.6</b>
6. Personnel expenses		
a) Wages	83,702,126.33	89,983.2
b) Salaries	88,134,274.70	82,208.9
c) Social security expenses	71,120,100.25	65,663.7
Thereof in respect of pensions	3,761,161.24	3,933.7
Thereof in respect of severance compensation and contributions to employee severance compensation funds	19,165,752.06	13,659.0
Thereof expenses for legally required duties and payroll-related duties and mandatory contributions	44,978,661.58	45,764.9
<b>Subtotal 6.</b>	<b>242,956,501.28</b>	<b>237,855.9</b>
7. Depreciation, amortisation and impairment	96,345,961.43	100,298.9

8.	Other operating expenses		
	a) Taxes, if not included in no. 18	530,480.57	553.8
	b) Miscellaneous	183,276,839.53	165,984.0
	Subtotal 8.	183,807,320.10	166,537.7
	<b>Subtotal 5.-8.</b>	<b>597,066,344.55</b>	<b>574,546.1</b>
9.	<b>Operating profit (subtotal of 4 to 8)</b>	<b>168,040,555.32</b>	<b>139,423.2</b>
10.	Income from investments in other companies,	31,726,622.05	26,163.9
	Thereof from subsidiaries: € 31,459,347.15; previous year: T€ 25,819.7		
11.	Income from other securities and loans granted,	704,159.79	335.9
	Thereof from subsidiaries: € 693,684.88; previous year: T€ 326.9		
12.	Other interest and similar income,	1,513,163.77	1,369.7
	Thereof from subsidiaries: € 9.235,89; previous year: T€ 12,8		
13.	Income from the disposal and write-up of financial assets	75,766.00	88.8
14.	Expenses for financial assets and current securities,	15,924,554.82	17,137.7
	Thereof from subsidiaries: € 1.365.213,46; previous year: T€ 1.431,5		
15.	<b>Financial results (subtotal of 10 to 15)</b>	<b>18,095,156.79</b>	<b>10,820.6</b>
16.	<b>Profit before taxes</b>	<b>186,135,712.11</b>	<b>150,243.8</b>
17.	Income taxes,	-37,179,677.11	-32,381.3
	Thereof deferred tax income	5,400,444.78	4,657.2
18.	<b>Net income for the period</b>	<b>148,956,035.00</b>	<b>117,862.5</b>
19.	Addition to reserves	54,040,000.00	43,100.0
20.	Profit carryforward from the previous year	6,249.84	3.7
21.	<b>Net retained profit</b>	<b>94,922,284.84</b>	<b>74,766.2</b>



# Notes to the Financial Statements for the 2019 Financial Year

# General Information on the 2019 Annual Financial Statements

## › Information on the company

Flughafen Wien Aktiengesellschaft (AG) and its subsidiaries are service companies in the field of the construction and operation of civil airports and all related facilities. As a civil airport operator, Flughafen Wien AG manages Vienna Airport. The company's headquarters are located in Schwechat, Austria. Its address is Flughafen Wien AG, Postfach 1, A-1300 Wien-Flughafen, Austria. Flughafen Wien AG is listed in the register of companies of the Korneuburg Regional and Commercial Court under FN 42984 m.

Flughafen Wien AG has the following key operating permits:

On 27 March 1955, in accordance with section 7 of the Luftverkehrsgesetz (Austrian Air Traffic Act) of 21 August 1936, the Federal Ministry for Transport and State-owned Entities issued a permit to Flughafen Wien Betriebsgesellschaft m.b.H. to create and operate Vienna Airport for general traffic purposes and for runway 11/29.

On 15 September 1977, in accordance with section 78(2) of the Luftfahrtgesetz (LFG – Austrian Aviation Act) (Federal Gazette BGBl. no. 253/1957), the Federal Ministry for Transport issued an operating permit for instrument runway 16/34, including taxiways and lighting systems.

In 2017, Vienna Airport was certified by the Austrian Federal Ministry for Transport, Innovation and Technology in accordance with the requirements of the Commission Regulation (EU) No 139/2014. The relevant certificate which is valid until cancelled was issued on 14 December 2017. The EU certification of European passenger airports serves to create and maintain a standard, high level of safety for civil aviation in Europe. >

### › General information

The annual financial statements as at 31 December 2019 were prepared in accordance with the provisions of the Unternehmensgesetzbuch (UGB – Austrian Commercial Code) in its current version.

The annual financial statements were prepared in accordance with the principles of proper accounting (section 201(2) UGB) and the general principle of providing a true and fair view of the asset, financial and earnings position of the company (section 222(2) UGB). In particular, the prudence principle was observed and impending losses were expensed but unrealised gains were not recognised. All assets, provisions and obligations were recognised in full and measured individually, whereby valuation was free of arbitrariness.

The previous form of the presentation was retained in the preparation of these annual financial statements.

To improve clarity, receivables and liabilities are broken down in accordance with section 223(6) 2 UGB in the notes.

The company is the parent of the Flughafen Wien AG consolidated group.

Rounding differences can occur in the annual financial statements as a result of using rounded figures. The same applies to other information such as headcount, etc.

### › Legal relationships

As at 31 December 2019, there was a profit-and-loss transfer agreement with the subsidiary Vienna Aircraft Handling Gesellschaft m.b.H.

### › Size classification

The company is classified as a large corporation in accordance with section 221(3) UGB.

### › Structure and accounting methods

The balance sheet and the income statement were prepared in accordance with the structure and accounting provisions of sections 195 to 211 and 222 to 235 UGB. The income statement was prepared in accordance with the total cost (nature of expenditure) format in line with section 231(2) UGB.

The continuation of the company as a going concern was assumed in measurement.

The accounting and valuation methods used to date have been retained.

# Accounting and valuation methods

## NON-CURRENT ASSETS

### › Intangible assets and property, plant and equipment

Purchased intangible assets and property, plant and equipment are carried at acquisition or production cost, less amortisation, depreciation and impairment. Production cost also includes appropriate amounts of materials and production overheads, but not interest.

The company's assets have the following useful lives: intangible assets: four to 20 years; facilities installed on property: ten to 20 years; buildings: ten to 50 years; technical equipment and machinery: four to 20 years; other equipment, operating and office equipment: four to 15 years; and technical noise protection: 20 years.

Assets are depreciated or amortised beginning on the recognition date, i.e. the date the asset is placed in use. Depreciation and amortisation are calculated on a straight-line basis and starting with the month the asset is placed in use (pro rata temporis).

Low-value assets are written off completely in the year of purchase.

Intangible assets and property, plant and equipment that show signs of impairment are tested by comparing the respective carrying amount with their fair value. If the fair value is less than the carrying amount, the asset is written down to the lower fair value if the impairment is expected to be permanent. The fair value is calculated in accordance with the discounted cash flow method using forecasts for cash flows over the estimated useful life. The discount rate used for the calculation reflects the risk associated with the asset.

As a result of the ongoing construction project and the associated audit requirements, estimates have to be made in connection with determining the acquisition/production cost of property, plant and equipment with regard to accruals.

Write-ups on fixed assets are recognised when the reasons for the impairment no longer apply. Write-ups are permitted up to the net carrying amount that would have applied without impairment, taking into account normal depreciation and amortisation.

### › Financial assets

Financial assets are measured at cost. Non-interest bearing loans granted by the company are discounted, while interest-bearing loans are carried at the nominal value as at the balance sheet date. Impairment and write-ups (up to maximum of acquisition cost) are recognised only if the circumstances are considered to be permanent.

## CURRENT ASSETS

In accordance with section 206 UGB, current assets are carried at the lower of cost or market value.

Foreign currency assets are measured using the exchange rate in effect on the date of acquisition or the lower rate on the balance sheet date.

Write-ups on current assets are recognised when the reasons for impairment no longer apply.

### › Inventories

Inventories are carried at the lower of cost or market value. Inventory risks resulting from the duration of storage and diminished usability are accounted for with valuation allowances.

Inventories were measured using the weighted average price method or, in certain cases, the fixed price method. In individual cases, write-downs were recognised to reflect low turnover.

### › Receivables and other assets

Identifiable risks related to receivables are reflected in individual valuation allowances and global individual valuation allowances.

### › Deferred taxes

Deferred taxes are recognised in accordance with section 198(9) and (10) UGB in line with the liability approach and without discounting on the basis of the current corporation tax rate of 25%.



## PROVISIONS AND LIABILITIES

### › Provisions

Provisions are recognised in the amount of expected use in line with the prudence principle. Detailed information on the calculation of the provisions for severance compensation, pensions, service anniversary bonuses and semi-retirement programmes for older employees is provided under the respective balance sheet items.

In line with the prudence principle, other provisions take into account all risks discernible at the time of the preparation of the balance sheet and obligations of uncertain amounts and merits in the amount deemed necessary by prudent business judgement.

Any differences arising from the use of updated biometric data (AVÖ 2018-P mortality tables (mixed) as compared to AVÖ 2008-P) for employee-related provisions (severance compensation, service anniversary bonuses, pensions) were recognised as expenses in the 2018 financial year and were not distributed.

### › Liabilities

Liabilities are reported at their settlement amount.

Foreign currency liabilities are measured using the exchange rate in effect on the date of acquisition or the higher rate on the balance sheet date.

### › Derivative financial instruments

The subsidiary Vienna Aircraft Handling Gesellschaft m.b.H. was granted an option that provides for Flughafen Wien AG to acquire the shares in Flugplatz Vöslau BetriebsGmbH at a fixed purchase price of cost plus all grants recognised on the holding (T€ 8,673.4).

The company held no other derivative financial instruments as at the balance sheet date.

# Notes to the Balance Sheet

## ASSETS

### Non-current assets

The development of the individual items of fixed assets is shown in the statement of changes in fixed assets (see appendix).

#### › Intangible assets and property, plant and equipment

The intangible assets of T€ 8,679.1 increased by 2.7% or T€ 232.0 and relate essentially to concessions and rights.

Property, plant and equipment moved up by 1.3% or T€ 15,721.0 to T€ 1,199,249.7. This includes land and buildings, technical equipment and machinery, other equipment, operating and office equipment as well as prepayments made and assets under construction.

The value of land included under land and buildings is T€ 99,519.5 (2018: T€ 96,321.9).

The carrying amounts of prepayments made and assets under construction were T€ 79,568.7 as at 31 December 2018, and increased to T€ 126,696.4 by 31 December 2019 as a result of additions less reclassifications.

#### › Financial assets

Loans to subsidiaries included write-ups to reflect the reversal of the discount from a shareholder loan (IVW) of T€ 75.8 (2018: T€ 88.8).

A total of T€ 6,456.6 (2018: T€ 6,756.6) of the loans are due within one year.

The shares in subsidiaries were not written up in the 2019 financial year or in the previous year.

Non-current securities comprise the following:

Amounts in T€	2019	2018
Shares	521.8	521.8
Other	137.7	137.7
	659.5	659.5

## Current assets

### › Receivables and other assets

Receivables and other assets break down as follows:

› 31.12.2019		Receivables with a remaining term		
Amounts in T€	Up to one year	From one to five years	Over five years	Total
1. Trade receivables	46,603.5	0.0	0.0	46,603.5
2. Receivables due from subsidiaries	3,907.7	0.0	0.0	3,907.7
3. Receivables due from companies in which an investment is held	250.1	0.0	0.0	250.1
4. Other receivables and assets	65,390.9	75,175.4	0.0	140,566.3
	<b>116,152.1</b>	<b>75,175.4</b>	<b>0.0</b>	<b>191,327.5</b>

› 31.12.2018		Receivables with a remaining term		
Amounts in T€	Up to one year	From one to five years	Over five years	Total
1. Trade receivables	47,760.1	0.0	0.0	47,760.1
2. Receivables due from subsidiaries	11,760.3	0.0	0.0	11,760.3
3. Receivables due from companies in which an investment is held	341.1	0.0	0.0	341.1
4. Other receivables and assets	51,628.4	111,266.8	0.0	162,895.1
	<b>111,489.8</b>	<b>111,266.8</b>	<b>0.0</b>	<b>222,756.6</b>

Valuation allowances of T€ 6,401.6 had been recognised for trade receivables as at the end of the reporting period (2018: T€ 6,795.1). A global individual valuation allowance of T€ 0.0 (2018: T€ 77.1) was recognised.

As in the previous year, receivables due from subsidiaries resulted essentially from invoices for the provision of goods and services and contracts for the transfer of profit and loss.

The key items of other receivables are as follows:

Amounts in T€	2019	2018
Receivables from the investment in time deposits	125,738.5	156,089.4
Receivables from taxes	5,333.4	1,180.8
Receivables from credit card companies	1,280.8	1,324.6
Miscellaneous receivables	8,213.6	4,300.3
<b>Total</b>	<b>140,566.3</b>	<b>162,895.1</b>

Other receivables and assets include T€ 1,280.8 (2018: T€ 1,324.6) in credit card settlements that will be recognised in cash after the end of the reporting period.

In 2019 the receivables from taxes essentially related to corporation tax receivables of T€ 8,005.9 (2018: T€ 5,643.1) and VAT tax credits that were offset against liabilities arising from payroll-related taxes. In the 2019 reporting year, the total receivable amounts to T€ 5,333.4 (2018: T€ 1,180.8).

## › Current securities

Current securities consist of the following:

Amounts in T€	Carrying amount 2019	Market value 2019	Carrying amount 2018	Market value 2018
RLB NÖ tier 2 capital	12,050.0	13,446.6	12,050.0	13,942.9
Hypo NÖ bond	4,982.7	5,137.0	4,982.7	5,026.3
RLB NÖ Cap 01/26	15,000.0	15,826.5	0.0	0.0
RLB NÖ Cap 01/30	15,000.0	15,000.0	0.0	0.0
<b>Total</b>	<b>47,032.7</b>	<b>49,410.1</b>	<b>17,032.7</b>	<b>18,969.2</b>

No write-ups to current securities were possible in the 2019 financial year.

## › Deferred taxes

Deferred taxes as at the balance sheet date were recognised for temporary differences between the tax carrying amounts and those based on the commercial code of the following items:

Amounts in T€	31.12.2019	31.12.2018
<b>Deferred tax assets</b>		
Intangible assets and property, plant and equipment	13,680.5	10,493.3
Personnel provisions	18,183.8	15,631.4
Loans	39.7	59.2
Other provisions	1,614.3	2,026.4
	<b>33,518.2</b>	<b>28,210.2</b>
<b>Deferred tax liabilities</b>		
Property, plant and equipment	-2,062.0	-2,154.4
	<b>-2,062.0</b>	<b>-2,154.4</b>
<b>Total net deferred taxes</b>	<b>31,456.2</b>	<b>26,055.8</b>

# Equity and liabilities

## Equity

### › Share capital

The share capital amounts to € 152,670,000.00 as at 31 December 2019. It is divided into 84,000,000 (2018: 84,000,000) no-par-value bearer ordinary shares with voting and profit-sharing rights, which are securitised by a global certificate deposited with Oesterreichische Kontrollbank. In accordance with section 229 UGB, the acquisition of 47,939 own shares (nominal amount) is recognised as an equity adjustment item of T€ 87.1 (2018: T€ 0.0).

### › Capital reserves

Capital reserves comprise a T€ 92,221.8 premium generated by the stock issue in the 1992 financial year and a T€ 25,435.5 premium from the share capital increase in 1995.

Due to the acquisition of own shares, an amount of T€ 87.1 (nominal amount of own shares) was added to the allocated capital reserves from the unallocated capital reserves in the 2019 financial year.

### › Reserves (retained earnings)

The legal reserve is unchanged year-on-year at T€ 2,579.2.

The own shares of T€ 1,718.1 acquired in the 2019 financial year are counted against the unallocated capital reserves as the difference between the nominal amount and the acquisition cost of the own shares.

Other reserves (including unallocated reserves) changed from T€ 639,092.0 to T€ 693,044.9 due to the addition of T€ 54,040.00 and the reallocation of minus T€ 87.1 to the allocated capital reserves.

### › Net retained profit

Net retained profit amounted to T€ 94,922.3 (2018: T€ 74,766.2).

The following table shows the development of net retained profit in the reporting year:

Amounts in T€	
<b>Net retained profit as at 31.12.2018</b>	<b>74,766.2</b>
- Distribution of profit	-74,760.0
+ Net income for the year	148,956.0
- Addition to reserves (retainend earnings)	-54,040.0
<b>Net retained profit as at 31.12.2019</b>	<b>94,922.3</b>

### › Government grants

The company received non-repayable investment subsidies from public authorities in the period from 1977 to 1985. Flughafen Wien AG also received investment subsidies from the European Union in 1997, 1998 and 1999. The investment allowances received from the Republic of Austria from 2002 to 2004 are accounted for as government grants and recognised in profit or loss over the useful life of the relevant item of property, plant and equipment. Government grants are reported separately after equity in line with the statutory structure for the statement of financial position. The development of government grants can be seen in Appendix 3.

### › Provisions

The calculation of the **provision for severance compensation** at Flughafen Wien AG as at 31 December 2019 was based on an actuarial expert opinion, which was prepared in accordance with IFRS (IAS 19). A discount rate of 0.6% (2018: 1.30%) and the projected unit credit method were used for the calculation. The notional retirement age was taken as the earliest possible date for (early) retirement permitted by the 2004 pension reform (2003 Austrian Budget Concomitant Act), taking all transition regulations into account; an early retirement age was applied for manual labourers and night-shift manual labourers. The AVÖ 2018-P mortality tables (mixed) with disability probabilities adapted to the Flughafen Wien Group's workforce were used as the biometric basis (2018: AVÖ 2018-P). An increase in salaries of 3.83% (2018: 3.83%) was assumed. As in the previous year, the provision for severance compensation was recognised on the basis of employee turnover (combined with probability of pay-outs) using a graduated scale ranging from one to 25 years of service, with separate scales for wage-earning employees (6.9% with 28.2% probability of pay-outs to 7.0% with 85.2%) and salaried employees (8.9% with 42.8% probability of pay-outs to 7.1% with 86.6%). The actuarial gains and losses of minus T€ 6,929.2 (2018: minus T€ 5,485.8) are recognised immediately in profit or loss under personnel expenses.

**Provisions for pensions** were calculated in accordance with actuarial principles based on IFRS (IAS 19). A discount rate of 0.6% (2018: 1.30%) and the projected unit credit method were used for the calculation. The AVÖ 2018-P mortality tables (salaried employees) were used as the biometric basis (2018: AVÖ 2018-P). The notional retirement age was taken as the earliest possible date for (early) retirement permitted by the 2004 pension reform (2003 Austrian Budget Concomitant Act), taking all transition regulations into account. An assumed increase of 3.83% (2018: 3.83%) was applied to salaries and a pension increase of 2.10% (2018: 2.10%) was assumed. Employee turnover was not included in the calculation as no active employees (2018: no active employees) have defined benefit claims. The actuarial gains and losses of minus T€ 858.6 (2018: minus T€ 1,014.4) are recognised immediately in profit or loss under personnel expenses.

**Provisions for service anniversary bonuses** were calculated in accordance with the actuarial principles based on the regulations under IFRS (IAS 19). A discount rate of 0.6% (2018: 1.30%) and the projected unit credit method were used. The AVÖ 2018-P mortality tables (mixed) with disability probabilities adapted to the Flughafen Wien Group's workforce were used as the biometric basis (2018: AVÖ 2018-P). The notional retirement age was taken as the earliest possible date for (early) retirement permitted by the 2004 pension reform (2003 Austrian Budget Concomitant Act), taking all transition regulations

into account; an early retirement age was applied for manual labourers and night-shift manual labourers. An increase in salaries of 3.83% (2018: 3.83%) was assumed. The provisions for service anniversary bonuses include employee turnover probabilities ranging from one to 25 years of service, also with separate scales for wage-earning employees (6.9% to 1.1%) and salaried employees (8.9% to 1.0%). The actuarial gains and losses of minus T€ 2,902.4 (2018: minus T€ 2,541.8) are recognised immediately in profit or loss under personnel expenses.

**Provisions for semi-retirement programmes** were calculated in accordance with actuarial principles based on IFRS (IAS 19). A discount rate of 0.2% (2018: 0.3%) and the projected unit credit method were used for the calculation. An increase in salaries of 3.83% (2018: 3.83%) was assumed. Incidental wage costs of 7.28% and employer's social security contributions of 21.23% (up to the maximum contribution threshold under Austrian social security law) were taken into account. The actuarial gains and losses of minus T€ 1,482.7 (2018: minus T€ 1,692.0) are recognised immediately in profit or loss under personnel expenses.

Interest expenses relating to provisions for severance compensation, pensions, semi-retirement programmes and service anniversary bonuses and the effect of a change in the interest rate are recognised under personnel expenses.

**Other provisions** include essentially the following provisions: service anniversary bonuses T€ 33,426.9 (2018: T€ 29,474.2), provisions for semi-retirement programmes T€ 21,300.1 (2018: T€ 20,782.7), unused holiday T€ 10,970.3 (2018: T€ 10,141.4), bonuses for the reporting year and previous years T€ 4,374.5 (2018: T€ 3,030.5), goods and services not yet invoiced T€ 34,224.3 (2018: T€ 19,145.6), discounts T€ 84,054.8 (2018: T€ 37,052.8), various employee-related expenses T€ 8,236.6 (2018: T€ 8,897.0) and a provision for an impending loss from a put option of T€ 6,352.8 granted to Vienna Aircraft Handling Ges.m.b.H for the acquisition of Flugplatz Vöslau BetriebsGmbH (2018: T€ 6,352.8).

## › Liabilities

Liabilities break down as follows:

<b>› 31.12.2019</b>	<b>Liabilities with a remaining term</b>			
<b>Amounts in T€</b>	<b>up to one year</b>	<b>from one to five years</b>	<b>over five years</b>	<b>Total</b>
1. Liabilities to financial institutions	25,055.0	100,000.0	175,000.0	300,055.0
2. Trade payables	37,359.6	0.0	0.0	37,359.6
3. Liabilities due to subsidiaries	96,099.9	20,000.0	45,000.0	161,099.9
4. Liabilities due to companies in which an investment is held	8,698.3	0.0	0.0	8,698.3
5. Other liabilities	29,822.4	0.0	0.0	29,822.4
thereof taxes	0.0	0.0	0.0	0.0
thereof social security liabilities	5,629.7	0.0	0.0	5,629.7
	<b>197,035.2</b>	<b>120,000.0</b>	<b>220,000.0</b>	<b>537,035.2</b>

The remaining terms of the previous year were as follows:

<b>› 31.12.2018</b>	<b>Liabilities with a remaining term</b>			
<b>Amounts in T€</b>	<b>up to one year</b>	<b>from one to five years</b>	<b>over five years</b>	<b>Total</b>
1. Liabilities to financial institutions	57,016.5	100,000.0	200,000.0	357,016.5
2. Trade payables	31,449.6	0.0	0.0	31,449.6
3. Liabilities due to subsidiaries	102,188.6	16,000.0	61,042.7	179,231.2
4. Liabilities due to companies in which an investment is held	10,610.2	0.0	0.0	10,610.2
5. Other liabilities	35,759.0	0.0	0.0	35,759.0
thereof taxes	0.0	0.0	0.0	0.0
thereof social security liabilities	5,980.1	0.0	0.0	5,980.1
	<b>237,023.8</b>	<b>116,000.0</b>	<b>261,042.7</b>	<b>614,066.5</b>

Liabilities due to subsidiaries include T€ 70,000.0 (2018: T€ 88,000.0) relating to financing activities, the investment of affiliates' cash and cash equivalents at the parent company and trade payables.

Liabilities due to companies in which an investment is held mostly result from bank balances deposited for City Air Terminal Betriebsgesellschaft m.b.H. and "GetService"-Flughafen-Sicherheits- und Servicedienst GmbH.

Other liabilities include the following expenses that will be recognised in cash after the balance sheet date: wages and salaries of T€ 6,718.5 (2018: T€ 6,017.2) from payroll accounting for December 2019/2018, social security expenses of T€ 5,629.7 (2018: T€ 5,980.1) and deferred interest of T€ 154.2 (2018: T€ 166.9). The "Other liabilities" item also includes outstanding payment obligations arising from the environmental fund – Vienna Airport service agreement from the mediation process of T€ 6,088.8 (previous year: T€ 16,779.4) in connection with the environmental fund.



As at 31 December 2019 and in the previous year, time deposits in the amount of T€ 0.0 (previous year: T€ 106,000.0) were pledged to banks.

### › **Deferred income**

Deferred income essentially consists of T€ 16,545.2 (2018: T€ 18,454.3) in rental prepayments received for the air traffic control tower.

### › **Contingent liabilities**

Contingent liabilities amounted to T€ 103,612.6 in total as at 31 December 2019 (2018: T€ 108,548.7). These break down as follows:

In accordance with section 7(4) of the charter of the Schwechat Waste Water Association dated 10 December 2003, Flughafen Wien AG is liable for T€ 555.8 in loans relating to the construction and expansion of the sewage treatment facilities (2018: T€ 672.3).

Flughafen Wien AG has issued a guarantee for the payment of liabilities from leases for the subsidiary Vienna Airport Business Park Immobilienbesitzgesellschaft m.b.H., currently amounting to T€ 42,365.1 (2018: T€ 47,184.7).

Flughafen Wien AG issued an open-ended comfort letter on behalf of VIE Office Park 3 Betriebs GmbH to cover current and future liabilities. This comfort letter carries a maximum liability of T€ 2,800.0 (2018: T€ 2,800.0).

Flughafen Wien AG issued an open-ended comfort letter on behalf of Vienna Airport Health Center GmbH to cover current and future liabilities. This comfort letter carries a maximum liability of T€ 3,000.0.

Flughafen Wien AG issued an open-ended comfort letter on behalf of Alpha Liegenschaftsentwicklungs GmbH to cover current and future liabilities. This comfort letter carries a maximum liability of T€ 210.7.

Flughafen Wien AG issued an open-ended comfort letter on behalf of Office Park 4 Errichtungs- und Betriebs GmbH to cover current and future liabilities. This comfort letter carries a maximum liability of T€ 54,681.0.

### › **Other financial obligations**

The company had purchase obligations for intangible assets and property, plant and equipment totalling € 52.3 million as at the balance sheet date (2018: € 25.1 million).

Flughafen Wien AG is required to assume the costs of the "Flughafen Wien Mitarbeiter-Beteiligung-Privatstiftung" (the employee foundation), which consist essentially of corporate income tax, in the form of subsequent contributions.

The following table shows the obligations to third parties arising from the use of property, plant and equipment not shown on the balance sheet:

› Remaining term from one to five years

Amounts in T€	2020	2021-2024
Liabilities from operating leases	458.5	1,664.6
Liabilities from operating leases with subsidiaries	1,929.0	7,715.8
Liabilities from a contract for participation rights with subsidiaries	8,850.0	35,400.0
<b>Total</b>	<b>11,237.4</b>	<b>44,780.4</b>

If the construction of the third runway is approved, a payment obligation, derived from traffic figures, arising from the environmental fund – Vienna Airport service agreement from the mediation process will be triggered in connection with the environmental fund within eight weeks of the notification of construction commencement. A figure of approx. € 20.0 million is derived for this obligation on the basis of the traffic figures determined as at 31 December 2019.

## Notes to the Income Statement

### › Revenues

Amounts in T€	2019	2018 <sup>1</sup>
Airport revenue	399,943.0	370,285.7
Handling revenue	150,652.8	148,220.2
<b>Aviation revenue</b>	<b>550,595.9</b>	<b>518,505.9</b>
Lease, rental and usage revenue, parking revenue	137,966.7	125,956.1
Other revenue	67,019.9	62,840.9
<b>Non-aviation revenue</b>	<b>204,986.6</b>	<b>188,797.0</b>
<b>Total revenue</b>	<b>755,582.4</b>	<b>707,303.0</b>
Thereof with subsidiaries <sup>2</sup>	31,540.8	31,603.1

1) Adjusted

2) Including companies in which an investment is held

Aviation revenue comprises airport and handling revenue. Non-aviation revenue consists of revenue generated by energy supply and waste disposal services, IT services, rentals and concessions, passenger services and other services.

All revenue was generated in Austria.

Aviation revenue increased by 6.2% to T€ 550,595.9. The revenue upturn is due to the positive traffic growth (passengers: 5.1%, MTOW: 7.2%, cargo: -3.2%) and fee adjustments. However, this is offset by adjustments to incentives which are intended to strengthen airline bases at the Vienna site, as a result of which revenue does not increase at the same rate as traffic growth.

Flughafen Wien AG's non-aviation revenue rose by 8.6% to T€ 204,986.6 and resulted essentially from higher lease, rental and usage revenue.

### › Cost of materials and other purchased services

The cost of materials and other purchased services was T€ 73,956.6 after T€ 69,853.6 in the previous financial year. The increase is attributable to higher consumption of de-icing materials, fuel, other materials and electricity. This increase is countered by lower expenses from charges passed on.

### › Personnel expenses

Flughafen Wien AG's personnel expenses increased by 2.1% year-on-year to T€ 242,956.5 (2018: T€ 237,855.9). In the 2019 financial year, other personnel provisions of T€ 3,183.6 (2018: T€ 2,169.5) were reversed.

Wage costs decreased by T€ 6,281.1 to T€ 83,702.1, and salary costs rose by T€ 5,925.4 to T€ 88,134.3.

Expenses for severance compensation and contributions to employee severance compensation funds break down as follows:

Amounts in T€	2019	2018
Expenses for severance compensation	17,416.1	11,951.9
Contributions to employee severance compensation funds	1,749.6	1,707.1
<b>Total expenses for severance compensation</b>	<b>19,165.7</b>	<b>13,659.0</b>

Personnel expenses include the following components for service anniversary bonuses:

Amounts in T€	2019	2018
Addition to/reversal of the provision for service anniversary bonuses		
in wages (addition)	1,413.2	836.3
in salaries (addition)	3,659.5	3,630.2
in wages (utilisation)	-310.7	-287.3
in salaries (utilisation)	-809.3	-506.8
<b>Total change in provision</b>	<b>3,952.7</b>	<b>3,672.4</b>

In the 2019 financial year, T€ 3,761.2 (2018: T€ 3,933.7) was recognised as expenses for pensions, T€ 2,733.4 of which (2018: T€ 2,736.7) was paid into defined contribution pension funds and T€ 1,027.8 (2018: T€ 1,197.0) into defined benefit pensions.

### › Depreciation, amortisation and impairment

Depreciation and amortisation decreased by 3.9% or T€ 3,953.0 year-on-year to T€ 96,346.0.

No impairment was recognised in the 2019 financial year.

## › Other operating expenses

Other operating expenses comprise the following:

Amounts in T€	2019	2018
Services from Group companies	89,046.8	94,055.6
Maintenance	37,707.5	28,403.1
Third-party services	18,194.0	10,377.7
Marketing and market communication	10,791.2	9,327.2
Legal, audit and consulting fees	4,288.9	4,595.2
Other operating expenses	5,450.6	3,590.4
Travel and training costs	2,389.9	2,502.4
Insurance	2,082.7	2,046.5
Rentals and leasing	2,819.5	1,733.7
Postage and telecommunication expenses	1,380.5	1,306.9
Damages	1,009.1	1,118.8
Additions to valuation allowances	13.6	1,156.2
Transportation	629.9	675.0
Other taxes	530.5	553.8
Losses on disposals of fixed assets	335.1	97.3
Miscellaneous	7,137.4	4,997.9
<b>Total</b>	<b>183,807.3</b>	<b>166,537.7</b>

Information on expenses for the auditor of the annual financial statements in the financial year can be found in the notes to the consolidated financial statements of Flughafen Wien AG.

## › Financial result

Income from investments includes income from the transfer of profit by Vienna Aircraft Handling GmbH of T€ 1,286.3 (2018: T€ 1,964.7).

## › Income taxes

Flughafen Wien AG has been the head of a tax group as defined in section 9 of the Körperschaftsteuergesetz (KStG – Austrian Corporate Income Tax Act) since 2005. The Group parent apportions and charges or credits (in the event of a loss) the applicable share of corporation taxes to the member companies of the Group. Income tax expenses (not including deferred taxes) amounted to T€ 42,580.1 (2018: T€ 37,038.5) and include the tax expense of the parent company for the current financial year and prior-period income of T€ 1,232.6 (2018: prior-period expense of T€ 1,128.7).

Deferred tax income amounts to T€ 5,400.4 (2018: T€ 4,657.2). The net amount of negative tax allocations is T€ 300.1 (2018: T€ 526.1), while the net amount of positive tax allocations is T€ 7,438.1 (2018: T€ 9,388.0).

## Other Disclosures

### › Significant events after the balance sheet

There were no relevant events after the balance sheet date.

### › Appropriation of earnings

It is proposed to use the net retained profits of T€ 94,922.3 to pay a dividend of € 1.13 per share, or T€ 94,920.0 in total, less a pro rata amount for own shares (47,939 shares as at 31 December 2019), and to carry forward the remainder to new account.

<sup>9)</sup> Notice for the publication of the Annual Financials Statements and Consolidated Financial Statements: Please note the current proposal for the distribution of profits by the Board and the Report of the Supervisory Board, which contain the call for the profit to be carried forward.

### › Corporate bodies and employees

**The members of the Supervisory Board in the 2019 financial year are listed below:**

Bettina GLATZ-KREMSNER  
Ewald KIRSCHNER  
Wolfgang RUTTENSTORFER  
Karin REST  
Gerhard STARSICH  
Herbert PAIERL  
Robert LASSHOFER  
Susanne HÖLLINGER  
Lars BESPOLKA  
Werner KERSCHL

**Delegated by the Works Council:**

Thomas SCHÄFFER  
Heinz STRAUBY  
Herbert FRANK  
Thomas FAULHUBER  
David JOHN

**Chairman/Chairwoman of the Supervisory Board:**

Bettina GLATZ-KREMSNER

**His/her Deputies:**

Ewald KIRSCHNER  
Wolfgang RUTTENSTORFER

**The members of the Management Board in 2019 were:**

Julian JÄGER  
Günther OFNER

The average number of employees (not including the Management Board) was as follows:  
The members of the Management Board of Flughafen Wien AG received the following remuneration for their work in 2017 and 2018 financial years:

	2019	2018
Wage-earning employees	1,920	1,982
Salaried employees	1,252	1,177
<b>Total employees</b>	<b>3,172</b>	<b>3,159</b>

The members of the Management Board of Flughafen Wien AG received the following remuneration for their work in 2019 and 2018 financial years:

#### › Management Board remuneration in 2019 (payments)

Amounts in T€	Fixed remuneration 2019	Performance-based remuneration	Non-cash remuneration 2019	Total remuneration 2019
Günther Ofner	348.4	343.4	8.6	700.4
Julian Jäger	348.4	343.4	8.6	700.4
	<b>696.8</b>	<b>686.8</b>	<b>17.3</b>	<b>1,400.9</b>

#### › Management Board remuneration in 2018 (payments)

Amounts in T€	Fixed remuneration 2018	Performance-based remuneration for 2017	Non-cash remuneration 2018	Total remuneration 2018
Günther Ofner	338.2	164.5	8.6	511.4
Julian Jäger	338.2	164.5	8.9	511.7
	<b>676.5</b>	<b>329.0</b>	<b>17.6</b>	<b>1,023.1</b>

The remuneration system for the members of the Management Board and first and second level of management is comprised of fixed and performance-based components. The performance-based compensation paid out in 2019 was for bonuses for the 2018 financial year, including the long-term bonus. In 2018, the performance-based compensation paid out represents bonuses for the 2017 financial year. There are no stock option plans for management.

The company makes payments equalling 15% of their respective salary into a pension fund on behalf of Julian Jäger and Günther Ofner. The contribution for each member of the Management Board regarding the 2019 financial year amounted to T€ 103.8 (2018: T€ 75.4).

Total remuneration paid to former members of the Management Board amounted to T€ 464.9 (2018: T€ 452.9).

Total expenses for severance compensation and pensions for the members of the Management Board and key employees, not including former members of the Management Board, amounted to T€ 363.6 (2018: T€ 321.8). The comparable amount for other employees was T€ 22,563.30 (2018: T€ 17,270.9).

The members of the Supervisory Board received attendance fees (payments) of T€ 177.6 in 2019 (2018: T€ 180.4).

There were no outstanding receivables from advances or loans granted to the members of the Supervisory Board or Management Board as at the balance sheet date.

Schwechat, 6 March 2020

**The Management Board**



**Günther Ofner**  
Member, CFO



**Julian Jäger**  
Member, COO





# Appendix to the Notes

## Appendix 1 to the Notes

### ► Statement of changes in fixed assets from 1 January to 31 December 2019

Development of acquisition/production cost						
Fixed assets	As at 1.1.2019	Additions	Reclassi- fications	Disposals	As at 31.12.2019	As at 1.1.2019
<b>I. Intangible assets</b>						
1. Concessions and rights	44,160,468.03	1,053,066.43	1,770,732.24	762,313.52	46,221,953.18	35,713,346.18
<b>Total</b>	<b>44,160,468.03</b>	<b>1,053,066.43</b>	<b>1,770,732.24</b>	<b>762,313.52</b>	<b>46,221,953.18</b>	<b>35,713,346.18</b>
<b>II. PROPERTY, PLANT AND EQUIPMENT</b>						
1. Land and buildings, including buildings on third-party land	1,472,236,955.01	8,355,776.02	14,200,634.82	27,157,191.90	1,467,636,173.95	584,726,020.26
2. Technical equipment and machinery	823,046,369.47	518,269.48	23,640,663.57	4,284,453.04	842,920,849.48	671,088,081.89
3. Other equipment, operating and office equipment	254,800,449.69	18,946,670.85	2,103,932.01	11,389,899.46	264,461,153.09	190,309,677.29
4. Prepayments made and construction in progress	79,568,720.22	88,875,855.65	-41,715,962.64	32,218.92	126,696,394.31	0.00
<b>Total</b>	<b>2,629,652,494.39</b>	<b>116,696,572.00</b>	<b>-1,770,732.24</b>	<b>42,863,763.32</b>	<b>2,701,714,570.83</b>	<b>1,446,123,779.44</b>
<b>III. Financial assets</b>						
1. Shares in subsidiaries	267,391,897.39	5,170,875.72	0.00	3,822,994.54	268,739,778.57	17,000.00
2. Loans granted to subsidiaries	144,472,361.05	22,130,000.00	0.00	11,450,000.00	155,152,361.05	324,908.52
3. Investments in other companies	4,120,886.50	61,666.67	0.00	0.00	4,182,553.17	0.00
4. Non-current securities (rights)	659,538.52	5.00	0.00	0.00	659,543.52	0.00
5. Other loans granted	758,177.39	14,034.16	0.00	39,834.16	732,377.39	0.00
<b>Total</b>	<b>417,402,860.85</b>	<b>27,376,581.55</b>	<b>0.00</b>	<b>15,312,828.70</b>	<b>429,466,613.70</b>	<b>341,908.52</b>
<b>Total</b>	<b>3,091,215,823.27</b>	<b>145,126,219.98</b>	<b>0.00</b>	<b>58,938,905.54</b>	<b>3,177,403,137.71</b>	<b>1,482,179,034.14</b>

Development of accumulated depreciation					Carrying amounts		
	Additions	Write-ups	Reclassifications	Disposals	As at 31.12.2019	As at 31.12.2019	As at 1.1.2018
	2,575,895.47	0.00	0.00	746,429.55	37,542,812.10	8,679,141.08	8,447,121.85
	2,575,895.47	0.00	0.00	746,429.55	37,542,812.10	8,679,141.08	8,447,121.85
	50,681,835.52	0.00	0.00	22,022,789.37	613,385,066.41	854,251,107.54	887,510,934.75
	25,408,482.73	0.00	0.00	4,098,090.51	692,398,474.11	150,522,375.37	151,958,287.58
	17,679,747.71	0.00	0.00	11,308,068.87	196,681,356.13	67,779,796.96	64,490,772.40
	0.00	0.00	0.00	0.00	0.00	126,696,394.31	79,568,720.22
	93,770,065.96	0.00	0.00	37,428,948.75	1,502,464,896.65	1,199,249,674.18	1,183,528,714.95
	0.00	0.00	0.00	0.00	17,000.00	268,722,778.57	267,374,897.39
	0.00	75,766.00	0.00	0.00	249,142.52	154,903,218.53	144,147,452.53
	0.00	0.00	0.00	0.00	0.00	4,182,553.17	4,120,886.50
	0.00	0.00	0.00	0.00	0.00	659,543.52	659,538.52
	0.00	0.00	0.00	0.00	0.00	732,377.39	758,177.39
	0.00	75,766.00	0.00	0.00	266,142.52	429,200,471.18	417,060,952.33
	96,345,961.43	75,766.00	0.00	38,175,378.30	1,540,273,851.27	1,637,129,286.44	1,609,036,789.13

&gt;

# Investments of Flughafen Wien AG<sup>1</sup>

## Appendix 2 to the Notes

### › Flughafen Wien Immobilienverwertungsgesellschaft m. b. H. (IVW)

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	100% VIE

**Object of the company:** The object of IVW comprises the commercial leasing of assets, in particular property, and the acquisition of properties and buildings at the site of Flughafen Wien AG.

in T€	2019	2018
Equity	41,093.8	60,860.7
Revenue	8,850.0	18,282.6
Net income for the year	2,233.2	8,543.1

### › Vienna Aircraft Handling Gesellschaft m. b. H. (VAH)

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	100% VIE

**Object of the company:** This company offers a full range of services for all divisions of general aviation and for business aviation in particular. Its key revenue drivers are private aircraft handling and aircraft handling services for Flughafen Wien AG in the general aviation sector (including fuelling and parking).

in T€	2019	2018
Equity	8,699.8	8,699.8
Revenue	13,270.4	13,840.6
Net income for the year	1,286.3	1,964.7

<sup>1)</sup> Austrian companies according to UGB

### › Vienna Airport Technik GmbH (VAT)

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	100% VIE

**Object of the company:** The company provides services for the electrical facilities sector. It also builds electrical and supply facilities, in particular technical equipment for airports, and installs electrical infrastructure.

in T€	2019	2018
Equity	3,066.9	1,353.7
Revenue	43,530.5	41,338.9
Net income for the year	1,713.2	43.7

### › Vienna International Airport Security Services Ges. m. b. H. (VIAS)

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	100% VIE

**Object of the company:** VIAS is responsible for the performance of security controls (passengers and hand luggage) on behalf of Flughafen Wien AG. It also performs services for other aviation customers (wheelchair transport, oversize baggage control, document control, etc.). The company also participates in tenders for the provision of security services for airports through its Austrian subsidiaries.

in T€	2019	2018
Equity	13,900.3	14,046.1
Revenue	58,508.1	51,518.5
Net income for the year	6,294.2	6,442.2

### › VIE Liegenschaftsbeteiligungsgesellschaft m. b. H. (VIEL)

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	100% VIE

**Object of the company:** The company serves as a holding company for the BPIB, VOPE, MAZUR, LZW, IMB, ALG, BLG, BPL, VHC and VWTC subsidiaries, the purpose of which is the purchase, development and marketing of the properties they own.

in T€	2019	2018
Equity	52,685.1	47,216.4
Revenue	0.0	0.0
Net income for the year	7,468.7	5,170.6

### › Vienna International Airport Beteiligungsholding GmbH (VIAB)

**Registered office:** Schwechat

**Share owned:** 100% VIE

**Object of the company:** Acquisition of and investment in international subsidiaries and equity investments, participation in international airport privatisation projects. The company serves as a holding company for the subsidiary VINT.

in T€	2019	2018
Equity	125,423.0	122,655.7
Revenue	0.0	0.0
Net income for the year	6,279.3	3,504.6

### › VIE Shops Entwicklungs- und Betriebsges. m. b. H. (VIE-Shops)

**Registered office:** Schwechat

**Share owned:** 100% VIE

**Object of the company:** Planning, development, marketing and operation of shops at airports in Austria and other countries, and the acquisition and management of other companies.

in T€	2019	2018
Equity	5,184.7	15.1
Revenue	0.0	0.0
Net loss for the year	-1.2	-3.1

### › City Air Terminal Betriebsgesellschaft m. b. H. (CAT)

**Registered office:** Schwechat

**Share owned:** 50.1% VIE

**Object of the company:** Operation of the City Airport Express as a railway operator from the "Wien-Mitte" transit centre to and from Vienna International Airport; operation of check-in facilities at the "Wien-Mitte" transit centre combined with baggage logistics for airport passengers; consulting for third parties on the organisation and implementation of traffic connections between airports and cities.

in T€	2019	2018
Equity	12,298.7	12,124.6
Revenue	15,323.0	14,519.9
Net income for the year	174.1	1,955.5

### › SCA Schedule Coordination Austria GmbH (SCA)

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	49% VIE

**Object of the company:** Schedule coordinator for airports in Austria, e.g. the company allocates time slots to aircraft in accordance with EU law, principles defined by the IATA and applicable legal regulations, and also carries out other activities that are directly or indirectly related to the business of the company.

	2019 <sup>1</sup>	2018
Equity	759.2	632.6
Revenue	1,086.4	954.2
Net income for the year	152.6	34.4

1) Preliminary figures

### › BTS Holding a. s. (BTSH)

<b>Registered office:</b>	Bratislava, Slovakia
<b>Share owned:</b>	47.7% VIE 33.3% VINT

**Object of the company:** Performance of consulting and other services for airports. It was also intended that the company will hold the planned equity investment in Bratislava Airport.

IFRS figures in T€	2019	2018
Equity	347.4	493.7
Revenue	0.0	0.0
Net loss for the year	-146.3	-13.2

### › KSC Holding a. s. (KSCH)

<b>Registered office:</b>	Bratislava, Slovakia
<b>Share owned:</b>	47.7% VIE 52.3% VINT

**Object of the company:** The object of the company, in addition to holding the 66% investment in Košice Airport, is the performance of consulting services.

IFRS figures in T€	2019	2018
Equity	38,095.2	36,414.0
Revenue	0.0	0.0
Net income for the year	1,681.1	1,653.9

>

**› Airport Co-Working & Conferences GmbH (ACS)  
formerly VIE Airport Baumanagement GmbH (VAB)**
**Registered office:** Schwechat

**Share owned:** 100% VIE

**Object of the company:** Provision of all types of construction and construction-related services, including for construction projects of Flughafen Wien AG and other contractors.

in T€	2019	2018
Equity	-77.8	30.6
Revenue	34.6	1.182.7
Net loss/income for the year	-108.4	-4.8

**› Vienna Passenger Handling Services GmbH (VPHS)**
**Registered office:** Schwechat

**Share owned:** 100% VIE

**Object of the company:** Provision of ground handling services as defined by the Flughafen-Bodenabfertigungsgesetz (Austrian Airport Ground Handling Act). The services are consistent with those detailed in the appendix to the Austrian Airport Ground Handling Act.

in T€	2019	2018
Equity	498.4	515.1
Revenue	8,852.9	6,737.3
Net income for the year	27.2	43.9

**› VIE Finance Holding GmbH (VFH)**
**Registered office:** Bad Vöslau

**Share owned:** 99,95% VIE 0,05% VIAB

**Object of the company:** Holding company for the subsidiary VIE Malta Finance Ltd.

IFRS figures in T€	2019	2018
Equity	16,606.3	16.,861.2
Revenue	0.0	0.0
Net income for the year	-254.9	57.0

**› Load Control International SK s.r.o (LION)**
**Registered office:** Košice, Slovakia

**Share owned:** 100% VIE

**Object of the company:** The object of the company is the preparation of load sheets.

IFRS figures in T€	2019	2018
Equity	46.6	23.6
Revenue	650.4	400.6
Net income for the year	23.0	11.5



# Development of Government Grants

## Appendix 3 to the Notes

Amounts in €	As at 1.1.2019	Disposal	Reversal	Addition	As at 31.12.2019
<b>Property, Plant and Equipment</b>					
1. Land and buildings	391,748.92	0.00	159,590.81	340,273.97	572,432.08
2. Technical equipment and machinery	52,468.28	-3,790.23	9,575.48	697.38	47,380.41
3. Other equipment, operating and office equipment	14,796.63	0.00	2,889.47	0.00	11,907.16
<b>Total</b>	<b>459,013.83</b>	<b>-3,790.23</b>	<b>172,055.76</b>	<b>340,971.35</b>	<b>631,719.65</b>

# Statement by the Members of the Management Board

In accordance with Section 124 (1) Z3 of the Austrian Stock Corporation Act 2018

We confirm to the best of our knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Schwechat, 6 March 2020

## The Management Board



**Günther Ofner**  
Member, CFO



**Julian Jäger**  
Member, COO

# Auditor's report

## Report on the Financial Statements

### Audit Opinion

We have audited the financial statements of

**Flughafen Wien Aktiengesellschaft,  
Schwechat**

which comprise the Balance Sheet as of 31 December 2019, the Income Statement for the year then ended, and the notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2019, and its financial performance for the year then ended in accordance with Austrian Generally Accepted Accounting Principles.

### › Basis for our Opinion

We conducted our audit in accordance with the Regulation (EU) 537/2014 ("AP Regulation") and 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 Company, 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 financial statements. These matters were addressed in the context of our audit of the financial statements as a whole, however, we do not provide a separate opinion thereon.

In our opinion the key audit matters are the following:

1. Valuation of property, plant and equipment
2. Recognition of investments in property, plant and equipment

## › 1. Valuation of Property, Plant and Equipment

Refer to notes pages 6,9 and 19

### **Risk for the Financial Statements**

Valuation of property, plant and equipment is of particular significance, because property, plant and equipment in the amount of EUR 1,199.2 million. represent approx. 61% of Flughafen Wien AG's total assets.

At each reporting date, Management assesses whether there is any indication that an asset may be impaired or an impairment loss recognized in prior periods may no longer exist or may have decreased. In case of such triggering events, Management assesses property, plant and equipment through comparing the carrying amount to its fair value. Fair value is determined by discounting future cash flows by a discounted cash flow method.

Determination whether impairment tests have to be performed is based on estimates and judgement. Valuation depends substantially on Management's estimate of future cash flows for purposes of the discounted cash flow calculation, the underlying discount rates, growth rates as well as the underlying planning periods. As such, the valuation is subject to significant estimation uncertainties.

There is a risk that property, plant and equipment is over- or understated in the financial statements.

### **Our Response**

We assessed the valuation of property, plant and equipment as follows:

- › In order to assess whether triggering events have occurred, we obtained an understanding of the planning assumptions as well as the relevant processes and internal controls through inquiry of the Management. Additionally, we tested the operating effectiveness of selected internal controls. We further analysed the documentation ("trigger list") provided to us and compared the underlying estimates and assumptions with our understanding gained in the course of the audit of the financial statements, in particular with the analyses of actual results.
- › We evaluated the process and methods applied to the impairment testing of Property, Plant, and Equipment and critically questioned whether these processes are adequate to appropriately value Property, Plant, and Equipment. For those items of Property, Plant, and Equipment, for which a formal determination of the fair value was made, we assessed the valuation model, the planning assumptions and the parameters used in the valuation.

- › On a sample basis, we agreed the planning figures on which the valuation is based to the mid-term planning approved by Management.
- › In consultation with our valuation specialists we evaluated the appropriateness of the underlying estimates in determining the discount rates by comparison with market and industry specific benchmarks and we obtained an understanding of the calculation model for determining the discount rates.
- › On a sample basis we compared actual cash flows of 2019 as well as current planning figures with prior periods forecasts. We discussed deviations identified with Management.
- › We agreed the respective carrying amounts to the fixed assets subledger.

## › 2 . Recognition of Investments in Property, Plant and Equipment

Refer to notes page 6 and the management report page 19

### Risk for the Financial Statements

Investments in property, plant and equipment amount to EUR 117 million in 2019.

The Company assesses whether Property, plant and equipment should be capitalized and in which amount. In particular in the case of construction projects not yet finalized, capitalisation of services performed requires estimates related to the stage of completion of the project.

Due to the requirements of the audit of the ongoing construction projects, the determination of acquisition and construction costs of property, plant and equipment is subject to uncertainties.

There is a risk that assets are recognized incorrectly resulting in an incorrect result for the period.

### Our Response

We assessed the recognition of property, plant and equipment as follows:

- › In the course of our audit, we gained an understanding of the processes of and internal controls over the recognition of property, plant and equipment and we tested the operating effectiveness of selected internal controls.
- › For the purpose of assessing existence and accuracy of accrued acquisition and production costs, we analysed to which extent additions to property plant and equipment resulted from invoices received or cost accruals.
- › For a sample of projects, we discussed the status of the project and further development of the project with the responsible persons.
- › Moreover, we agreed a sample of additions to property plant and equipment to the underlying invoices.

### › Responsibilities of Management and the Audit Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### › Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement – whether due to fraud or error – and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with the AP Regulation and 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 financial statements.

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

#### **Moreover:**

- › We identify and assess the risks of material misstatements in the 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 the override of internal control.
- › We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the respective note in the 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 Company to cease to continue as a going concern.
- › We evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- › We communicate with the audit committee regarding, 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

## › Management Report

In accordance with the Austrian company law, the management report is to be audited as to whether it is consistent with the financial statements and prepared in accordance with legal requirements. It is our responsibility to determine whether the non-financial statement has been prepared as part of the management report, to read and assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the financial statements or any apparent material misstatement of fact.

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

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

## Opinion

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

## Statement

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



### › **Additional information in accordance with Article 10 AP Regulation**

We were elected as auditors at the Annual General Meeting on 3 May 2019 and were appointed by the supervisory board on 23 September 2019 to audit the financial statements of Company for the financial year ending 31 December 2019.

We have been auditors of the Company, without interruption, since the financial statements as of 31 December 2007.

We declare that our opinion expressed in the "Report on the Financial Statements" section of our report is consistent with our additional report to the audit committee, in accordance with Article 11 AP Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 AP Regulation) and that we have ensured our independence throughout the course of the audit, from the audited Company.

### › **Engagement Partner**

The engagement partner is Mr Walter Reiffenstuhl.

Vienna, 6 March 2020

#### **KPMG Austria GmbH**

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:

**Walter Reiffenstuhl**

Wirtschaftsprüfer

(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid.

# Glossary

- › **Austro Control:** Agency responsible for safe and economical air traffic operations in Austrian air space
- › **Catchment Area:** Geographical region where passengers can reach Vienna International Airport within a two-hour drive, or where the travelling time to Vienna is shorter than to any other comparable airport
- › **Flight Movements:** Take-offs and landings
- › **Handling:** Various services required by aircraft before and after flights
- › **Home Carrier:** Domestic airline
- › **Hub:** Transfer airport
- › **Incentive:** Promotional measure that uses tariffs to encourage airlines to add new flight connections and increase frequencies
- › **Maximum Take-off Weight (MTOW):** Maximum allowable take-off weight determined by manufacturer for each type of aircraft
- › **Minimum Connecting Time:** The minimum amount of time needed for passengers and their baggage to make their connecting flights without difficulty
- › **Noise Protection Programme:** Agreement reached as part of the mediation contract; under certain conditions, the installation of special windows to protect the health and living quality of neighbouring residents is financed at least in part by Flughafen Wien
- › **Noise Charge:** A charge based on the amount of noise produced by aircraft; part of this fee has been charged since July 2010
- › **Noise Zone:** Sector in which a specific noise level is exceeded
- › **Trucking:** Air cargo transported by lorries (substitute means of transportation)
- › **Terminal 3:** An extension of the existing terminal constructed in stages and connected with the existing Terminal 2 on the northeast side

## Calculation of Financial Indicators

- › **Asset Coverage:** Fixed assets / total assets
- › **Asset Coverage 2:** (Equity + long-term borrowings) / fixed assets
- › **Capital Employed:** Property, plant and equipment + intangible assets + noncurrent receivables + working capital
- › **EBITDA Margin:** (EBIT + amortisation and depreciation) / revenue
- › **EBIT Margin:** EBIT / revenue
- › **Equity Ratio:** Equity / balance sheet total
- › **Gearing:** Net debt / equity
- › **Net Debt:** (Current and non-current financial liabilities) – cash and cash equivalents – current securities – current and non-current investments (time deposits)
- › **ROCE (Return on Capital Employed after Tax):** EBIT after taxes / average capital employed
- › **ROE (Return on Equity after Tax):** Net profit for the period / average equity
- › **ROS (Return on Sales):** EBIT / turnover
- › **WACC:** Weighted average cost of equity and debt
- › **Working Capital:** Inventories + current receivables and other assets – current tax provisions – other current provisions – trade payables – other current liabilities

## Abbreviations

- › **ACI:** Airports Council International
- › **BMVIT:** Austrian Federal Ministry for Transport, Innovation and Technology
- › **CO<sub>2</sub>:** Carbon dioxide
- › **IATA:** International Air Transport Association (umbrella organisation of the airlines)
- › **ICAO:** International Civil Aviation Organization
- › **PAX:** Passenger
- › **TU:** Traffic unit

# Imprint

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### **Flughafen Wien AG website:**

[www.viennaairport.com](http://www.viennaairport.com)

### **Investor Relations:**

[www.viennaairport.com/en/company/investor\\_relations](http://www.viennaairport.com/en/company/investor_relations)

### **Noise protection programme**

#### **at Vienna International Airport:**

[www.laermschutzprogramm.at](http://www.laermschutzprogramm.at)

### **The environment and aviation:**

[www.vie-umwelt.at](http://www.vie-umwelt.at)

### **Facts & figures on the third runway:**

[www.viennaairport.com/en/company/flughafen\\_wien\\_ag/third\\_runway\\_project](http://www.viennaairport.com/en/company/flughafen_wien_ag/third_runway_project)

### **Dialogue forum at**

#### **Vienna International Airport:**

[www.dialogforum.at](http://www.dialogforum.at)

### **Mediation process (archive):**

[www.viemediation.at](http://www.viemediation.at)

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on behalf of Flughafen Wien AG.

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Gabriele Rosenzopf (Creative Director)

### **Table Layout and Layout:**

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### **Information Graphics:**

René Gatti

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**Disclaimer:** This annual financial report contains assumptions and forecasts, which are based on information available up to the copy deadline in March 2020. If the premises for these forecasts do not occur or risks indicated in the risk report arise, actual results may vary from these estimates. Although the greatest caution was exercised in preparing data, all information related to the future is provided without guarantee. The Annual Financial Report 2019 of Flughafen Wien AG is also available on our homepage [www.viennaairport.com/en/company/investor\\_relations](http://www.viennaairport.com/en/company/investor_relations) under the menu point "Publications and reports".





[www.viennaairport.com](http://www.viennaairport.com)