ANNUAL REPORT 2020/21

CONSOLIDATED FINANCIAL STATEMENTS

swietelsky.com

CONTENTS

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BUILDING ON IDEAS

Current information about the company and its construction projects can be found on the following media channels:

swietelsky.at / swietelsky.de
wir-swietelskys.at / wir-swietelskys.de
bautv.swietelsky.at
baupod.swietelsky.at
baugeschichten.swietelsky.at
Wir Swietelskys
@wir_swietelskys
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TODAY

The SWIETELSKY Group is a leading construction company in Central and Eastern Europe. With the driving force of around 11,600 employees, more than EUR 3 billion in construction output, and a decentralised organizational structure, we are an international player, a national winner, and a local champion in all sectors of the construction industry.

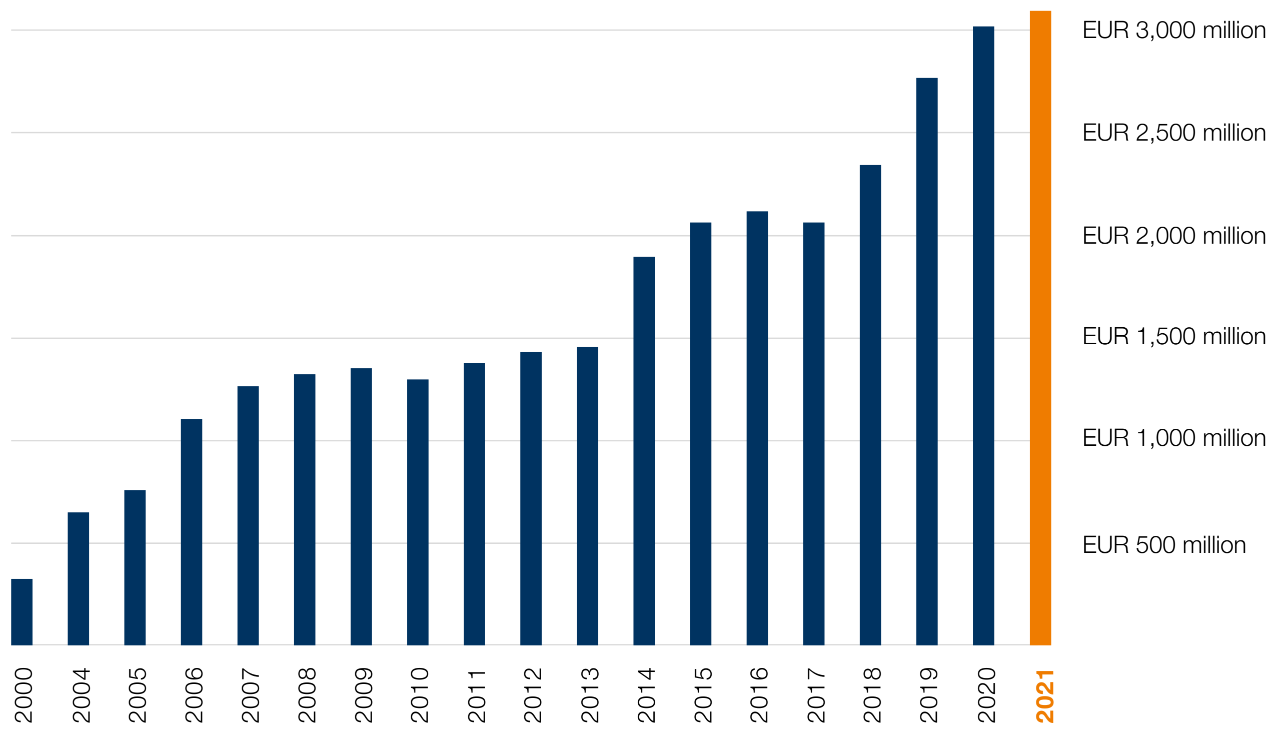
MARKETS

19 COUNTRIES

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

- Core market
- Other countries

CONSTRUCTION OUTPUT DEVELOPMENT

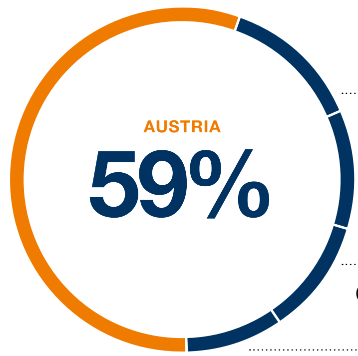


AVERAGE NUMBER OF EMPLOYEES

11,633

7,575 blue-collar workers
4,058 white-collar workers

CONSTRUCTION OUTPUT BY MARKET



GERMANY
12%

HUNGARY
9%

CZECH REPUBLIC
11%

OTHER COUNTRIES
9%

Management Board (from left): Peter Gal, Adolf Scheuchenpflug, Harald Gindl, MBA, Dipl.-Ing. Karl Weidlinger

CONSTRUCTION OUTPUT	YEAR-ON-YEAR
EUR 3,104,511,908	**+2.5%**

EBT	YEAR-ON-YEAR
EUR 157,647,217	**+36.9%**

ORDER BACKLOG	YEAR-ON-YEAR
EUR 3,300,863,639	**+5.0%**

2020 2021

FOREWORD BY THE MANAGEMENT BOARD

Ladies and gentlemen!

In March 2020, the Covid-19 crisis triggered major disruptions in the production and supply chains both at home and abroad. It was during this period that we made every effort to restore our construction activities quickly and in their entirety, as well as under the safest possible conditions. We were able to achieve this within a few weeks, and the Group continued its organic growth throughout the rest of the financial year.

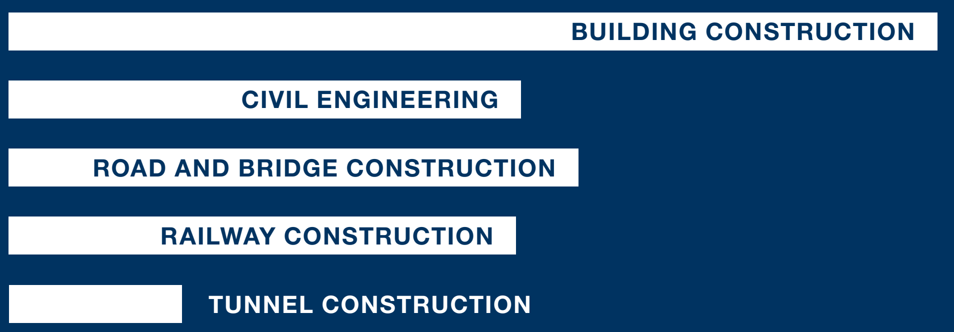
Consequently, in financial year 2020/2021 SWIETELSKY once again exceeded the figures of the previous years, which were already consistently successful. Pleasing profit margins were achieved in all major markets. Construction output increased by 2.5% compared to the previous year. Despite the scheduled completion of major long-term projects, the order backlog of around EUR 3.3 billion is 5% above the very high level of the previous year.

We continue to focus on profitability, an area where we have achieved particularly satisfactory growth. Earnings before taxes (EBT) increased by almost 37%. Moreover, we place great importance on the economical use of our financial resources and a solid capital structure. Despite a high willingness to invest in the modernisation of technical systems and machinery, the equity ratio rose to almost 35%.

The future business development is difficult to forecast, especially against the backdrop of new challenges such as a shortage of building materials and the resulting price volatility. We are nevertheless confident that we will continue to achieve solid results in keeping with the average of the last few years. Our colleague Dipl.-Ing. Walter Pertl retired at the end of the reporting period. His position on the Executive Board was taken over by Harald Gindl as of 1 April 2021.

RANGE OF SERVICES

CONSTRUCTION OUTPUT BY SECTOR



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

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

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

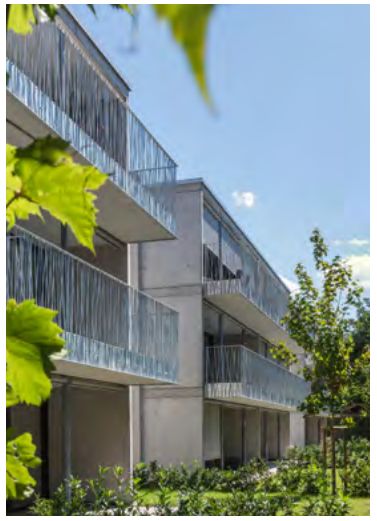
BUILDING CONSTRUCTION

SWIETELSKY BUILDS WITH VISION

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

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

BMW Freimann, Freimann, Germany



WHA Bifangstraße, Feldkirch, Austria

Kindergarten, Silz, Austria

SWIETELSKY builds on solid values: Reliability and economic longevity.

Renovation of Saint Michael Church, Sopron, Hungary

Austro Tower, Vienna, Austria

Vivus Argentinsk residential complex, Prague, Czech Republic

Oertelplatz shopping centre, Munich-Allach, Germany

Health and nursing school, Zwettl, Austria

BUILDING CONSTRUCTION LIGHTHOUSE PROJECT 2020/21

Of the large number of different building construction projects in the financial year 2020/21, we would like to showcase one that is particularly special due to the specific structural challenges it posed.

MARINA TOWER VIENNA, AUSTRIA

The Marina Tower in Vienna’s Leopoldstadt district is a building complex consisting of two structures up to 140 metres high. The two towers of differing heights will become a new landmark on the Danube and will create a vertical village with the utmost level of comfort for the residents. SWIETELSKY shares responsibility for the implementation as general contractor in a consortium. More than 500 residential units will be built over a period of three years on a total of 45,000 m² of net floor space. Other elements include a fitness centre, numerous shops, a medical centre, a kindergarten and many other amenities areas.

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

CIVIL ENGINEERING

SWIETELSKY DRAWS ON PROFOUND TECHNICAL KNOW-HOW

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

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

Sports ground, Děčín, Czech Republic

Pumped storage power station, Kühtai, Austria

HELIX Liechtenstein Gorge, St. Johann im Pongau, Austria

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

Illmanns BA42 elevated tank, Maria Enzersdorf, Austria

Outdoor facilities town hall, Schönau am Königsee, Germany

Bus station subway, Lanzendorf, Austria

Roundabout B304, Teisendorf, Germany

Of the large number of different civil engineering projects in the financial year 2020/21, we would like to showcase one that is particularly special due to the specific structural challenges it posed.

Underground Vienna, Austria

SWIETELSKY is currently expanding underground metro in Austria's capital. As a member of the U2xU5 Rathaus/Frankhplatz consortium, SWIETELSKY was commissioned by Wiener Linien to build a total of more than two kilometres of tunnel and to construct numerous shafts for the station areas. Innovative hydraulic stiffener for securing the excavation pit constitute a special feature of the preliminary work on the Triester Straße shaft. Their modularity results in a remarkable time and cost advantage compared to conventional shoring systems. The U5 is to be opened to traffic by 2026 and the U2 by 2028.

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

ROAD AND BRIDGE CONSTRUCTION

SWIETELSKY BUILDS ON COHESIVE KNOWLEDGE

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

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

Road construction, Taching am See, Germany

Asphalt mixing plant, Múcsony, Hungary

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

Bridge construction, Krivostany, Slovakia

Bridge construction Kolonádový most, Piestany, Slovakia

Motorway D48, Rybí-Rychaltice, Czech Republic

Reconstruction of the railway, Radešov, Czech Republic

Road construction, Prešov-Lipníky, Slovakia

Of the large number of different bridge construction projects in the financial year 2020/21, we would like to showcase one that is particularly special due to the specific structural challenges it posed.

BYPASS WIESELBURG, AUSTRIA

The Wieselburg bypass was for some time considered the largest construction site in Lower Austria's provincial road network and has been an asset to the region since it was opened in June 2021. More than 2,000 HGVs and some 14,000 cars used to pass through Wieselburg every day; the new bypass will reduce the traffic load in the centre by up to 50%. Over the construction period of some 60 months, SWIETELSKY's civil engineering division was responsible for the construction of the bridge structures for the more than eight kilometres long road section as part of a consortium.

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

RAILWAY CONSTRUCTION

SWIETELSKY PUTS INFRASTRUCTURE ON RAILS

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

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

Track construction Denmark, Ringsted, Denmark

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


Renewed foundations, Heerhugowaard-Enkhuizen, The Netherlands


Mechanical track renewal on the WLB line, Traiskirchen-Baden, Austria


Railway station reconstruction, Prosenice, Czech Republic


Track construction, Prosenice, Czech Republic


Ballast levelling machine BDS 2000, Fischamend, Austria

Track relaying & ballast bed cleaning RUS 1000 S, Frohnleiten, Austria

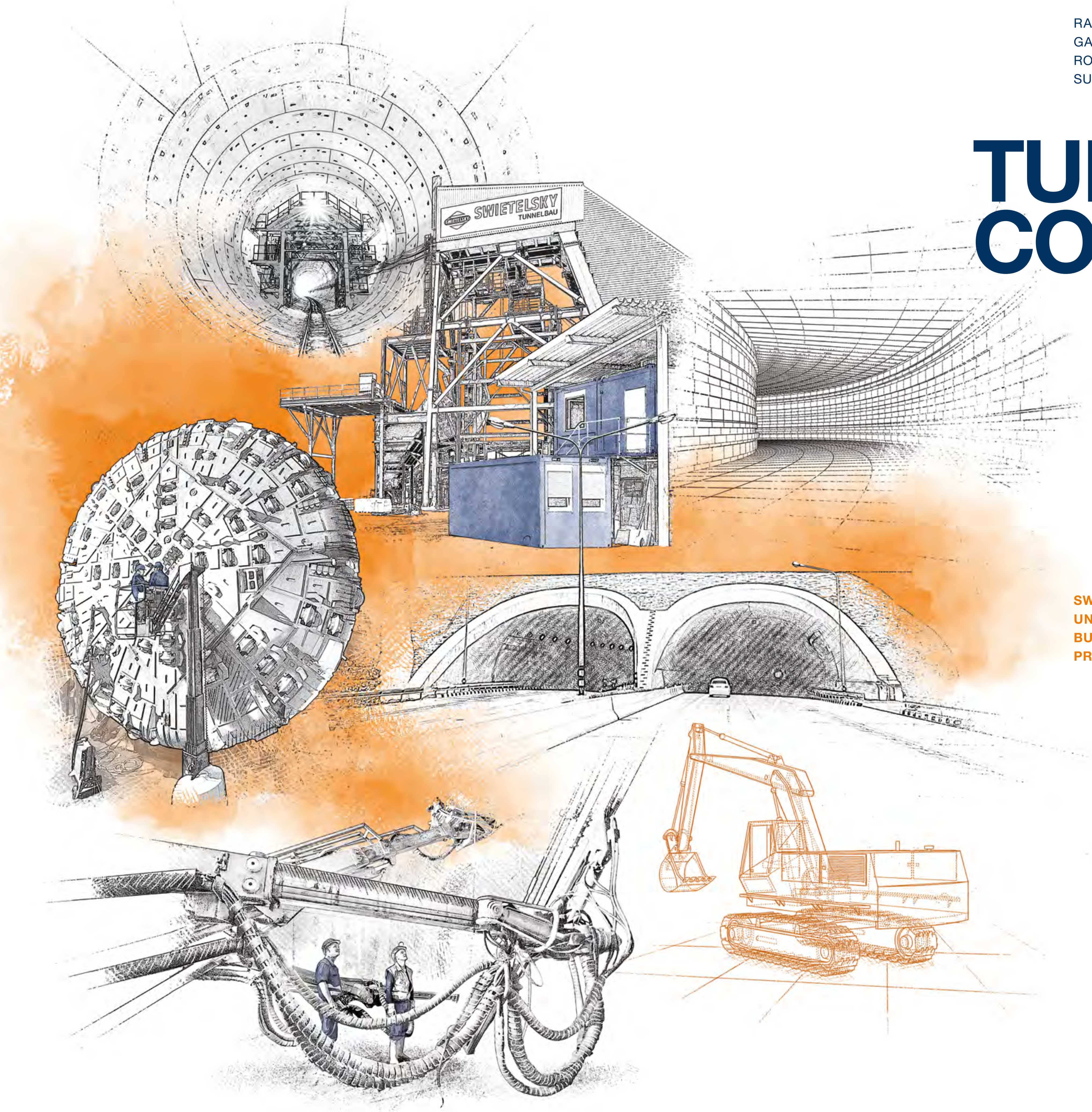
Of the large number of different railway construction projects in the financial year 2020/21, we would like to showcase one that is particularly special due to the specific structural challenges it posed.

LINE RENOVATION WARSAW-RADOM, POLAND

The modernisation of the Warsaw-Radom railway line has been a long-awaited investment in the Polish region. It will improve travel comfort for commuters and revitalise the Radom region from an economic point of view. Passenger trains will soon be travelling at a speed of 160 kilometres per hour. The travel time of the fastest trains between Warsaw and Radom will now be reduced from 115 to almost 75 minutes, a time saving that will also bring about benefits in freight transport. SWIETELSKY railway construction is working on the 43-kilometre line as part of a consortium, for a contract volume of around EUR 100 million. In our capacity as a general contractor, we offer everything from planning and civil engineering right up to the overhead line.

RAILWAY TUNNEL
GALLERIES, CAVERNS, SHAFTS
ROAD TUNNELS
SUBWAY TUNNEL

TUNNEL CONSTRUCTION



SWIETELSKY UNDERSTANDS BUILDING PROJECTS

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

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


Stuttgart 21 project, Stuttgart, Germany


Altenmarkt Tunnel operating building, Trostberg, Germany



Karawanken Tunnel, Rosenthal, Austria

SWIETELSKY guarantees rapid driving and innovative building in tunnel construction.



Semmering Tunnel SBT 2.1, Steinhaus am Semmering, Austria

Of the large number of different tunnel construction projects in the financial year 2020/21, we would like to showcase one that is particularly special due to the specific structural challenges it posed.

POWER STATION TAUERNMOOS, AUSTRIA

The Tauernmoossee reservoir in the Hohe Tauern National Park has been used by ÖBB (Austrian Federal Railways) for power generation since 1929 together with the Enzingerboden power station and is now being modernised from the ground up. The new pumped storage power plant aims to utilise the existing Weißsee pre-storage reservoir as a storage basin for the flexible coverage of energy demand. SWIETELSKY tunnel construction is responsible for the implementation of this major project: more than ten kilometres of tunnels are being bored through the rock. The underground pressure tunnel between Weißsee and Tauernmoossee will be 1.6 kilometres in length, partly steel-armoured: eighty cubic metres of water per second will be carried to the actual heart of the system, a power plant hidden in a cavern. Completion is scheduled in 2025.

SPECIALTY COMPETENCY

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

ALPINE CONSTRUCTION

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

TIMBER AND HYBRID CONSTRUCTION

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

FACADE CONSTRUCTION

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

PROJECT DEVELOPMENT

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

CONSTRUCTION OF SPORTS AND LEISURE FACILITIES

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

METAL CONSTRUCTION

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

FULL-SERVICE AND GENERAL CONTRACTOR FOR CONSTRUCTION

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

ENVIRONMENTAL ENGINEERING

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

WASTE DISPOSAL AND RECYCLING

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

MECHANICAL ENGINEERING

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

BUILDING SERVICES ENGINEERING

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

LABORATORY AND TESTING FACILITY

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

LANDSCAPING AND GARDEN DESIGN

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

PREFABRICATED HOUSES

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

INDUSTRIAL FLOORING

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

SEWER MAINTENANCE

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

SUSTAINABLE MANAGEMENT

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

SUSTAINABILITY REPORT

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

PERSONNEL DEVELOPMENT

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

YOUTH TRAINING

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

COMPLIANCE MANAGEMENT

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

INNOVATION

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

CONSOLIDATED FINANCIAL STATEMENTS FOR 2020/21

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR 2020/21

FIGURES IN THOUSAND EUR	Notes	2020/21	2019/20
Revenue	(1)	2,895,753	2,830,952
Changes in inventories		880	5,684
Own work capitalised		15,934	20,473
Other operating income	(2)	15,498	23,182
Expenses for material and other purchased construction services	(3)	-1,835,149	-1,889,094
Employee benefits expenses	(4)	-726,258	-667,891
Other operating expenses	(6)	-151,751	-148,037
Share of results of associates	(7)	34,065	22,253
Net income from investments	(8)	2,849	5,158
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**251,821**	**202,680**
Depreciation and amortisation	(5)	-93,771	-84,853
Earnings before interest and taxes (EBIT)		**158,050**	**117,827**
Interest and similar income		2,048	2,220
Interest and similar expenses		-2,693	-4,705
Interest income		**-645**	**-2,485**
Other financial result		242	-208
Earnings before tax (EBT)		**157,647**	**115,134**
Income tax	(9)	-32,589	-24,567
Earnings after tax		**125,058**	**90,567**
Attributable to: hybrid captial owners		1,725	1,313
Attributable to: shareholders of the parent company		123,333	89,254

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR 2020/21

FIGURES IN THOUSAND EUR	2020/21	2019/20
Earnings after tax	**125,058**	**90,567**
Items that cannot be reclassified in the income statement:		
Changes in revaluation reserves	666	146
Changes in actuarial gains and losses	-3,459	-280
Deferred taxes on neutral changes in equity	850	57
	-1,943	**-77**
Items that can be reclassified in the income statement:		
Differences arising from currency translation	1,377	-8,077
Changes in financial instruments	-41	707
Deferred taxes on neutral changes in equity	13	-120
	1,349	-7,490
Other income	**-594**	**-7,567**
Total comprehensive income	**124,464**	**83,000**
Attributable to: hybrid captial owners	1,725	1,313
Attributable to: shareholders of the parent company	**122,739**	**81,687**

CONSOLIDATED BALANCE SHEET

AS OF 31 MARCH 2021

ASSETS

FIGURES IN THOUSAND EUR	Notes	31/3/2021	31/3/2020
Non-current assets			
Intangible assets	(10)	15,693	16,997
Property, plant and equipment	(10)	554,876	503,761
Investments in associates	(11)	13,921	11,679
Other financial assets	(11)	22,864	22,435
Trade receivables	(13)	2,141	5,397
Other receivables and assets	(13)	4,728	4,595
Deferred taxes	(15)	10,410	10,676
		624,633	**575,540**
Current assets			
Inventories	(12)	142,454	120,698
Trade receivables	(13)	385,197	385,396
Other receivables and assets	(13)	76,665	58,966
Cash and cash equivalents	(14)	484,952	481,946
		1,089,268	**1,047,006**
		1,713,901	**1,622,546**

EQUITY AND LIABILITIES

FIGURES IN THOUSAND EUR	Notes	31/3/2021	31/3/2020
EQUITY			
Share capital		7,705	7,705
Capital reserves		58,269	58,269
Hybrid capital		30,462	30,462
Revaluation reserves		10,842	10,240
Revenue reserves		488,230	379,693
	(16)	**595,508**	**486,369**
Non-current liabilities			
Provisions	(17)	34,913	28,658
Financial liabilities	(18)	98,471	73,646
Trade payables	(18)	32,286	35,443
Other liabilities	(18)	19,011	12,049
Deferred taxes	(15)	29,595	23,494
		214,276	**173,290**
Current liabilities			
Provisions	(17)	130,124	115,926
Financial liabilities	(18)	27,171	26,004
Trade payables	(18)	604,099	678,159
Other liabilities	(18)	142,723	142,798
		904,117	**962,887**
		1,713,901	**1,622,546**

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR 2020/21

FIGURES IN THOUSAND EUR	2020/21	2019/20
Earnings after tax	125,058	90,567
Deferred taxes	7,440	-731
Non-cash effective results from associates	-2,242	298
Non-cash effective results from initial consolidations	88	0
Depreciation/reversals of write-downs	94,155	84,853
Changes in non-current provisions	2,796	-230
Gains/losses on disposal of non-current assets	-2,240	-4,855
Consolidated cash flow from results	**225,055**	**169,901**
Changes to the items:		
Inventories	-14,830	-10,051
Trade receivables, contract assets and project consortiums	5,175	-17,072
Intra-group receivables and receivables from other non-current	7,940	-3,520
Other receivables and assets	-27,196	16,484
Current provisions	13,684	-1,108
Trade payables, contract liabilities and project consortiums	-77,164	55,220
Intra-group liabilities and liabilities to other non-current investees and investors	-2,669	185
Other liabilities	4,274	27,030
Consolidated cash flow from operating activities	**134,269**	**237,069**

FIGURES IN THOUSAND EUR	Notes	2020/21	2019/20
Purchase of intangible assets and property, plant and equipment		-99,858	-138,620
Purchase of financial assets		-2,302	-5,513
Inflows from asset disposals		14,293	9,867
Changes in scope of consolidation		282	-2,593
Consolidated cash flow from investing activities		**-87,585**	**-136,859**
Changes in bonded debts		0	-74,080
Changes in liabilities to banks		-2,794	-348
Changes in lease liabilities		-24,211	-20,432
Changes in group financing		-425	96
Paid hybrid coupon		-1,725	-1,313
Distributions		-13,600	-30,000
Consolidated cash flow from financing activities		**-42,755**	**-126,077**
Consolidated cash flow from operating activities		134,269	237,069
Consolidated cash flow from investing activities		-87,585	-136,859
Consolidated cash flow from financing activities		-42,755	-126,077
Net change in liquid funds		**3,929**	**-25,867**
Liquid funds at the beginning of the period		462,352	508,210
Currency translation adjustment relating to liquid funds		-1,182	-19,992
Liquid funds at the end of the period	**(19)**	**465,099**	**462,352**

DEVELOPMENT OF EQUITY

FROM 1 APRIL 2019 TO 31 MARCH 2021

FIGURES IN THOUSAND EUR	Share capital	Capital reserves	Hybrid capital	Revaluation reserves	Revenue reserves	Currency translation	Group equity	Non-controlling interests	Total
As of 1 April 2019	**7,705**	**58,269**	**30,462**	**10,591**	**332,510**	**-4,733**	**434,804**	**-122**	434,682
Earnings after tax	0	0	0	0	90,567	0	90,567	0	90,567
Differences arising from currency translation	0	0	0	-484	0	-7,593	-8,077	0	-8,077
Changes in revaluation reserves	0	0	0	146	0	0	146	0	146
Changes in financial instruments	0	0	0	0	707	0	707	0	707
Changes in actuarial gains and losses	0	0	0	0	-280	0	-280	0	-280
Deferred taxes on neutral changes in equity	0	0	0	-13	-50	0	-63	0	-63
Total comprehensive income	**0**	**0**	**0**	**-351**	**90,944**	**-7,593**	**83,000**	**0**	**83,000**
Paid hybrid coupon	0	0	0	0	-1,313	0	-1,313	0	-1,313
Non-controlling interests	0	0	0	0	-122	0	-122	122	0
Distributions	0	0	0	0	-30,000	0	-30,000	0	-30,000
As of 31 March 2020 = As of 1 April 2020	**7,705**	**58,269**	**30,462**	**10,240**	**392,019**	**-12,326**	**486,369**	**0**	**486,369**
Earnings after tax	0	0	0	0	125,058	0	125,058	0	125,058
Differences arising from currency translation	0	0	0	-49	0	1,426	1,377	0	1,377
Changes in revaluation reserves	0	0	0	666	0	0	666	0	666
Changes in financial instruments	0	0	0	0	-41	0	-41	0	-41
Changes in actuarial gains and losses	0	0	0	0	-3,459	0	-3,459	0	-3,459
Deferred taxes on neutral changes in equity	0	0	0	-15	878	0	863	0	863
Total comprehensive income	**0**	**0**	**0**	**602**	**122,436**	**1,426**	**124,464**	**0**	**124,464**
Paid hybrid coupon	0	0	0	0	-1,725	0	-1,725	0	-1,725
Distributions	0	0	0	0	-13,600	0	-13,600	0	-13,600
As of 31 March 2021	**7,705**	**58,269**	**30,462**	**10,842**	**499,130**	**-10,900**	**595,508**	**0**	**595,508**

NOTES

FOR THE FINANCIAL YEAR 2020/21

General principles

Swietelsky AG, based in 4020 Linz, Edlbacherstraße 10, is the parent company of an international construction group whose business activities are split into five segments: Austria, Germany, Hungary, the Czech Republic and other countries.

Pursuant to Section 245a (2) of the Austrian Business Enterprise Code (UGB), the consolidated financial statements of Swietelsky AG, Linz, of 31 March 2021 were generated in line with the mandatory provisions of the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), including the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as applicable in the European Union. Additionally, the further duties of disclosure set out in Section 245a (1) UGB have been fulfilled.

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

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

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

Amendments to the accounting standards

Standards / interpretations		Application date IASB	Application date EU
	Conceptual framework	1/1/2020	1/1/2020
IAS 1 and IAS 8	Amendments	1/1/2020	1/1/2020
IFRS 3	Amendments to Business Combinations	1/1/2020	1/1/2020
IFRS 9, IAS 39, IFRS 7	Amendments – Interest Rate Benchmark Reform, Phase I	1/1/2020	1/1/2020

The first-time adoption of the IFRS standards and IFRIC interpretations had only an immaterial impact on the consolidated financial statements as at 31 March 2021, as the changes were only applicable in individual cases.

Future amendments to the accounting standards

The following new or modified standards and interpretations already published by the IASB were not yet mandatory for financial years that started on or before 1 April 2020:

Standards / Interpretationen	Application date IASB	Application date EU
Amendments to IFRS 16 Leases – COVID-19: Related Rent Concessions	1/6/2020	1/6/2020
Amendments to IFRS 4 – Deferral of IFRS 9	1/1/2021	1/1/2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform, Phase II	1/1/2021	1/1/2021
Amendments to IFRS 16 Leases – Extension of COVID-19-Related Rent Concessions	1/4/2021	na
Annual Improvements to IFRS 2018 – 2020	1/1/2022	na
Amendments to IFRS 3 – References to Conceptual Framework	1/1/2022	na
Amendments to IAS 16 – Proceeds before Intended Use	1/1/2022	na
Amendments to IAS 37 – Onerous Contracts: Cost to Fulfilling a Contract	1/1/2022	na
IFRS 17 Insurance Contracts	1/1/2023	na
Amendments to IAS 1 – Presentation of Financial Statements	1/1/2023	na
Amendments to IAS 8 – Definition of Accounting Estimates	1/1/2023	na
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1/1/2023	na

The application of the new standards and interpretations is expected to have only a minor impact on the consolidated financial statements. There are no plans to apply the new standards and interpretations prematurely.

Basis of consolidation

Besides Swietelsky AG, all major domestic and foreign subsidiaries controlled by the parent company have been included in the consolidated financial statements of 31 March 2021.

For control, the following criteria must be met:

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

18 affiliated companies (previous year: 18) whose influence on the Group's net assets, financial and earnings position is of minor importance are not included. The decision to include an entity in the scope of consolidation is based on quantitative and qualitative considerations. Companies currently included in the consolidated financial statements can be found in the list of investments. The balance sheet date for all fully consolidated companies is 31 March 2021.

In the 2020/21 financial year, the basis of consolidation developed as follows:

	Full consolidation	Equity measurement
As at 1 April 2020	56	3
of which foreign companies	*26*	*2*
Initial consolidations	7	0
Deconsolidations	-2	0
As at 31 March 2021	**61**	**3**
of which foreign companies	*30*	*2*

Additions to scope of consolidation

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

Company name	Direct share	Date of acquisition or foundation
SWIETELSKY Real Estate CZ s.r.o.	100%	1/4/2020 [1]
Mandarino Kft.	100%	1/4/2020 [1]
Swietelsky Rail Schweiz AG	100%	1/4/2020 [1]
Swietelsky Umwelttechnik GmbH	100%	9/7/2020
Vydrovka Office Center s.r.o.	100%	30/7/2020
Swietelsky Rail Sweden AB	100%	5/6/2020
Wohnanlage Harterhofweg 99 GmbH	100%	31/12/2020 [2]

[1] Due to its increased business volumes, the company was included in the scope of consolidation of the Group for the first time effective 1/4/2020. The foundation/acquisition of the company occurred before 1/4/2020.
[2] Asset deal acc. to IFRS 3.2 (b)

No significant assets and liabilities were included from the first-time consolidations. Companies included for the first time were consolidated at the date of acquisition or a near reporting date, provided this had no significant difference to an inclusion at the date of acquisition. The companies included for the first time in the 2020/21 financial year has contributed kEUR 13,771 to the group revenue and kEUR 1,410 to the comprehensive income.

Disposals from scope of consolidation

Company name	
Terratop Hobmaier Verwaltungs GmbH	Merger
Terratop Hobmaier GmbH & Co. KG	Accretion

The companies listed under Merger/Accretion were merged with already consolidated companies or, as a result of accretion, formed part of consolidated companies.

Consolidation methods

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

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

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

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

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

Currency translation

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

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

In the financial year, currency translation differences of kEUR 1,377 (previous year: kEUR -8,077) were recorded in other comprehensive income as part of the capital consolidation and reported in the currency translation provision in equity. Differences resulting from currency translation between the exchange rate on the balance sheet date within the balance sheet and the average exchange rate used in the income statement were also recognised in other comprehensive income and offset against the currency translation provision in the equity. Revaluations under IAS 29 (Financial Reporting in Hyperinflationary Economies) were not carried out.

ACCOUNTING AND VALUATION METHODS

Intangible assets and property, plant and equipment

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

As there are not normally market prices for individual entities, the present value of the net cash inflows is used to calculate the fair value less costs of disposal. It is calculated based on current forecasts in internal reports which in turn are based on experience and expectations in connection with future market developments. The detailed planning period is three years; planning years further in the future will be more heavily weighted. The discount rate for the future cash flows corresponds to the weighted average cost of capital (WACC) after taxes, which is calculated based on a peer group. The costs of capital ranged from 6% to 14%.

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

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

The depreciation of limited-life asset is linear across the asset's foreseeable useful life. If, in connection with assets, indications of impairments arise and if the present values of future cash flows are lower than the carrying amounts, the assets will be written down to the lower fair value under IAS 36. Expenses for repairs and maintenance work which do not significantly extend the planned useful life of an asset are recognised as expenses in the period in which they arose.

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

Intangible assets	
Software and licences	2 – 4 years

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

Government grants

Investment grants are shown as deferred income in other liabilities. The releases take place according to the useful life of the subsidised fixed assets and is shown in the other operating income. Grants were recognised when there is reasonable assurance that the grant will be received, and the Group complies with the necessary conditions for receiving the grant. Many governments have responded to the COVID-19 pandemic by enacting various subsidy programmes to support businesses affected by the crisis. The SWIETELSKY Group has received short-time work compensation, investment subsidies, accelerated tax deductions and direct subsidies. These financial assistance measures had only a minor overall impact on the consolidated financial statements.

Financial assets

Financial assets are recognised in the consolidated balance sheet if SWIETELSKY has a contractual right to receive cash or other financial assets from another party. Regular way purchases and sales of financial assets are recognised using settlement date accounting. Financial assets that are not measured at fair value through profit or loss are initially recognised at fair value plus transaction costs which are directly attributable to the acquisition. Transaction costs which arise upon the acquisition of financial assets measured at fair value through profit or loss are immediately recognised as an expense. Receivables bearing no interest or interest below the market rate are initially recognised at the present value of the expected future cash flows.

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

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

Derivative financial instruments and hedging

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

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

Inventories

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

Contract assets and contract liabilities

Contract assets comprise contracts specifically negotiated for the construction of buildings (construction contracts). In the case of construction contracts, revenue is recognised over time. To determine revenue over a specific period, it is necessary to measure the stage of completion, which is based on the output generated at the reporting date (output method). If one of the parties has fulfilled its contractual obligations in part, the entity must recognise the contract as a contract asset or a contract liability, depending on whether the entity has rendered the service, or the customer has made the payment. If the measured service rendered as part of a construction contract should exceed the prepayments received, it will be recognised as an asset under receivables from construction contracts. If the opposite should happen, the service will be recognised as a liability under trade payables.

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

Impairment of financial assets

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

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

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

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

Deferred taxes

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

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

Provisions

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

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

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

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

Financial liabilities

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

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

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

Contingent liabilities

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

Revenue recognition

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

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

Estimations and assumptions

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

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

Revenue from construction contracts and real estate development

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

Recoverability of goodwill

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

Other provisions

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

COVID-19

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

CONSOLIDATED INCOME STATEMENT

NOTES ON THE ITEMS

(1) Revenue

Revenue 2020/21

FIGURES IN THOUSAND EUR	Austria	Germany	Hungary	Czech Republic	Other countries	Group
Road construction	197,173	138,722	108,042	150,303	30,232	624,472
Railway construction	165,547	36,200	88,725	87,165	186,851	564,488
Building construction	746,993	68,864	74,419	72,384	13,808	976,467
Civil engineering	330,734	82,389	29,425	42,827	68,013	553,388
Tunnel construction	176,938	0	0	0	0	176,938
Revenue	**1,617,385**	**326,175**	**300,611**	**352,679**	**298,903**	**2,895,753**
over time	1,573,013	325,677	278,257	341,724	295,998	2,814,669
at a point in time	44,372	498	22,354	10,955	2,905	81,084

Revenue 2019/20

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

Revenues of kEUR 2,895,753 (previous year: kEUR 2,830,952) relate exclusively to proceeds from contracts with customers, including revenue from construction contracts, revenue from developer projects, trade to and services for project consortia, as well as other services. The revenue from the completion of contracts, which contain the partial profits recognised over a given period based on the degree of completion of each contract (the percentage of completion method), are kEUR 2,814,669 (previous year: kEUR 2,761,834).

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

(2) Other operating income

FIGURES IN THOUSAND EUR	2020/21	2019/20
Profits from the sale of tangible fixed assets	2,240	6,216
Insurance refunds	5,060	5,391
Currency translation gains	2,863	4,851
Furtherances, bonus	2,577	2,972
Others under EUR 1 mio each	2,758	3,752
	15,498	**23,182**

(3) Expenses for material and other purchased construction services

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

FIGURES IN THOUSAND EUR	2020/21	2019/20
Cost of materials	-666,416	-659,113
Cost of purchased services	-1,168,733	-1,229,981
	-1,835,149	**-1,889,094**

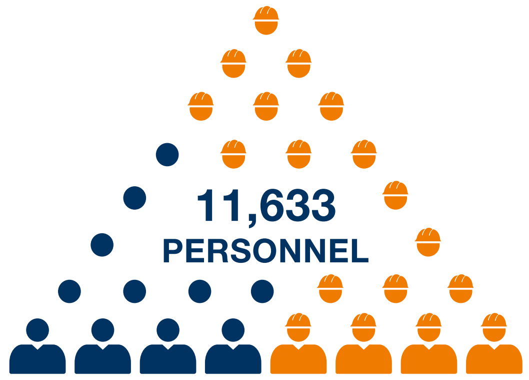
(4) Employee benefits expenses

FIGURES IN THOUSAND EUR	2020/21	2019/20
Wages	-305,916	-284,684
Salaries	-259,526	-233,154
Expenses for severance payments and payments into employee welfare funds	-15,115	-12,074
Post-employment benefit costs	-854	-668
Expenses for mandatory social security contributions and income-based contributions and compulsory contributions	-136,914	-128,046
Voluntary social security expenses	-7,933	-9,265
	-726,258	**-667,891**

Expenses for severance payments and payments into employee welfare and pension funds contain service costs and interest component of the addition to the provision. The expenses from defined pension schemes are kEUR 9,614 (previous year: kEUR 10,042). In the financial year, government grants of kEUR 4,109 (previous year: kEUR 0) were netted against employee benefits expenses through profit or loss. The subsidies result from short-time work compensation in Austria due to COVID-19.

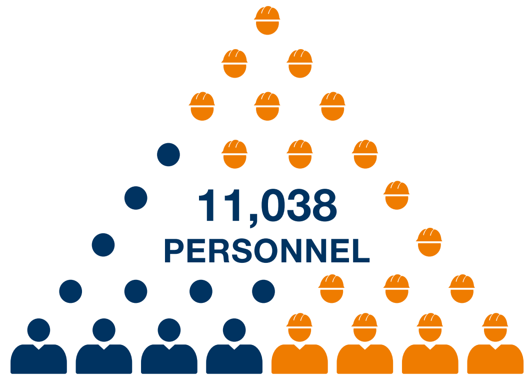
The average number of employees is as follows:

2020/21



Average number of
blue-collar worker 7,575 / white-collar worker 4,058

2019/20



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

(5) Depreciation and amortisation

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

(6) Other operating expenses

FIGURES IN THOUSAND EUR	2020/21	2019/20
Operating taxes	-4,312	-4,766
Fees and charges	-10,586	-8,437
Rentals and leases	-14,460	-15,764
Maintenance and service	-17,048	-17,946
Insurance expenses	-21,066	-19,600
Projects, planning, monitoring	-7,670	-8,625
Vehicle expenses, fleet	-11,540	-10,870
Travel expenses	-12,481	-13,087
Advertising, public relations	-9,344	-13,006
Legal and tax advice, audits	-7,527	-6,940
Currency translation losses	-2,215	-3,404
Other provisions	-3,185	3,011
Others under EUR 8 mio each	-30,317	-28,603
	-151,751	**-148,037**

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

The expenses accrued for the financial year for the group auditor KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft total kEUR 317, of which kEUR 315 results from the audit of the consolidated financial statements (including the financial statements of various affiliated companies) and kEUR 2 results from other services.

(7) Share of results of associates

FIGURES IN THOUSAND EUR	2020/21	2019/20
Income from associated companies	4,492	3,202
Profit from project consortiums	29,882	20,200
Losses from project consortiums	-309	-1,149
	34,065	**22,253**

(8) Net income from investments

FIGURES IN THOUSAND EUR	2020/21	2019/20
Income from non-current equity investments	3,433	5,523
Losses from non-current equity investments	-584	-365
	2,849	**5,158**

(9) Income tax

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

FIGURES IN THOUSAND EUR	2020/21	2019/20
Actual taxes	-25,209	-25,058
Deferred taxes	-7,380	491
	-32,589	**-24,567**

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

FIGURES IN THOUSAND EUR	2020/21	2019/20
Changes to financial instruments	13	-120
Changes in actuarial gains and losses	865	70
Changes to revaluation reserves	-15	-13
	863	**-63**

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

FIGURES IN THOUSAND EUR	2020/21	2019/20
Earnings before tax	**157,647**	**115,134**
Theoretical tax expenditure of 25%	39,412	28,784
Differences to foreign tax rates	-4,915	-4,665
Tax-neutral expenses and income	3,620	911
Changes in tax rates	0	0
Tax-free investment income / equity measurement of associated companies	-1,656	-1,241
Changes to estimates of deferred taxes	-26	611
Aperiodic effects and other non-temporary differences	-3,846	167
Recognised income tax expense	**32,589**	**24,567**

CONSOLIDATED BALANCE SHEET

NOTES ON THE ITEMS

(10) Intangible assets and property, plant and equipment

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

Goodwill

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

FIGURES IN THOUSAND EUR	31/3/2021	31/3/2020
Swietelsky Vasuttechnika Kft.	4,458	4,458
Bahnbau Petri Hoch- und Tiefbau Gesellschaft m.b.H.	2,244	2,244
SWIETELSKY stavebni s.r.o.	1,157	1,157
Metallbau Wastler GmbH	701	701
Ing. Baierl Gesellschaft m.b.H.	700	700
Swietelsky Baugesellschaft m.b.H., Traunstein	565	565
	9,825	**9,825**

The comparison of the carrying amounts with the recoverable amounts of the cash-generating units determined by the annual impairment test revealed no need for goodwill impairment (previous year: kEUR 765).

For the most significant goodwill, Swietelsky Vasuttechnika Kft., a change in material parameters (WACC and FCF) cannot lead to a underfunding, as the net debt is negative and the negative amount of which exceeds the carrying amount (equity + goodwill). This means that even if the DCF calculation results in an entity value of EUR 0, there is no underfunding.

Property, plant and equipment

The cumulative amount of the revaluations for the asset group of land, land rights and buildings, including buildings on third-party land, is kEUR 13,256 (previous year: kEUR 12,643) on the balance sheet date. The carrying amount that would result from measurement at amortised cost is kEUR 222,973 (previous year: kEUR 202,473).

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

Weismann+Pitschmann	from 20/2/2017	for Austria
HUNGAVENT Pénzügyi és Befektetési Tanácsadó Kft	from 31/3/2021	for Hungary
SC LOUISIANA SRL	from 31/3/2021	for Romania

Leases

The development of the rights of use from leases can be found in the consolidated statement of changes in fixed assets. The cash outflows from leases are composed as follows:

FIGURES IN THOUSAND EUR	2020/21	2019/20
Interest expenses for lease liabilities	2,025	2,178
Redemption of lease liabilities	24,211	20,432
Short-term lease expenses	14,460	15,865
Total lease payments	**40,696**	**38,475**

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

Restrictions on disposition / purchase obligations

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

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

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

Disclosures on associated companies

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

FIGURES IN THOUSAND EUR	31/3/2021	31/3/2020
Revenue	101,203	88,803
Earnings after tax	8,644	6,586
Other income	-1,812	-3,162
Total comprehensive income	6,831	3,424
Non-current fixed assets	97,078	94,672
Current fixed assets	30,195	28,584
Non-current liabilities	-73,741	-80,301
Current liabilities	-35,044	-26,798
Net assets	18,488	16,157

Disclosures on project consortia

Within the Group, construction project consortia are classified as joint ventures and their results are recognised under share of results of associates. The table below shows the largest project consortia for the 2020/21 financial year.

Project consortium	(short)	Share in %
Arge ATCOST 21	ATCOST	15.00
Arge Tunnel Fröschnitzgraben	ATF	50.00
Arge Bahntechnik Schwäbische Alb	ABSA	50.00
Arge MTO	MTO	50.00
Arge Tunnel Albaufstieg	ATA	21.00

100% of the financial information has been disclosed.

FIGURES IN THOUSAND EUR	Revenue	Non-current assets	Current assets	thereof cash and cash equivalents	Non-current liabilities	Current liabilities
ATCOST	178,688	2,112	273,688	8,014	0	275,800
ATF	127,667	64,190	73,804	2,622	0	137,994
ABSA	96,300	6,217	34,324	14,893	0	40,541
MTO	58,862	22	25,904	7,056	0	25,926
ATA	42,661	95	94,639	11,993	0	94,734

In the financial year 2020/21, results from joint ventures in the amount of kEUR 12,602 from the above-mentioned joint ventures are reported in the results of associates.

The table below shows the largest project consortia for the 2019/20 financial year.

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

100% of the financial information has been disclosed.

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

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

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

FIGURES IN THOUSAND EUR	31/3/2021	31/3/2020
Services rendered	142,465	115,183
Services received	8,854	802
Receivables as of 31 March	45,400	50,288
Liabilities as of 31 March	18,474	9,043

(12) Inventories

FIGURES IN THOUSAND EUR	31/3/2021	31/3/2020
Raw materials, consumables and supplies	42,972	49,612
Land for development and construction projects	93,448	62,478
Finished products and goods	6,034	8,608
	142,454	**120,698**

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

(13) Trade receivables, other receivables and assets

FIGURES IN THOUSAND EUR			31/3/2021			31/3/2020
Trade receivables	**Total**	**of which current**	**of which non-current**	**Total**	**of which current**	**of which non-current**
Contract assets	1,552,825	1,552,825	0	1,271,277	1,271,277	0
Advances received	-1,367,120	-1,367,120	0	-1,091,143	-1,091,143	0
	185,705	**185,705**	**0**	**180,134**	**180,134**	**0**
Other trade receivables	156,234	154,093	2,141	160,371	154,974	5,397
Receivables from project consortia	45,399	45,399	0	50,288	50,288	0
	387,338	**385,197**	**2,141**	**390,793**	**385,396**	**5,397**
of which financial assets	*201,633*	*199,492*	*2,141*	*210,659*	*205,262*	*5,397*
of which non-financial assets	*185,705*	*185,705*	*0*	*180,134*	*180,134*	*0*

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

In the financial year 2020/21, revenue was recognised in the amount of kEUR 174,460 (previous year: kEUR 181,329) that had been contained under contract liabilities at the beginning of the financial year. As at 31 March 2021, there are unsatisfied performance obligations (order backlog) in the amount of kEUR 3,300,864 (previous year: kEUR 3,142,597). The recognition of revenue from these performance obligations is expected with kEUR 2,130,554 (previous year: kEUR 2,016,651) in the following financial year and with kEUR 1,170,310 (previous year: kEUR 1,125,946) in the next five financial years.

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

FIGURES IN THOUSAND EUR			31/3/2021			31/3/2020
Other receivables and assets	**Total**	**of which current**	**of which non-current**	**Total**	**of which current**	**of which non-current**
Receivables from affiliated companies	2,871	2,871	0	11,490	11,490	0
Receivables from associated companies	4,085	145	3,940	4,332	392	3,940
Receivables from other non-current investees and investors	12,053	11,953	100	12,427	12,427	0
Other receivables and prepaid expenses	62,384	61,696	688	35,312	34,657	655
	81,393	**76,665**	**4,728**	**63,561**	**58,966**	**4,595**
of which financial assets	*64,507*	*59,785*	*4,722*	*48,166*	*43,626*	*4,540*
of which non-financial assets	*16,886*	*16,880*	*6*	*15,395*	*15,340*	*55*

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

FIGURES IN THOUSAND EUR	31/3/2021	31/3/2020
As of 1 April	44,615	42,131
Currency translation	98	-951
Changes to the basis of consolidation	0	50
Addition/utilisation/release	2,042	3,385
As of 31 March	**46,755**	**44,615**
Trade receivables before valuation allowance	434,093	435,408
Valuation allowances	-46,755	-44,615
Carrying amount on 31 March	**387,338**	**390,793**

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

(14) Cash and cash equivalents

FIGURES IN THOUSAND EUR	31/3/2021	31/3/2020
Securities	49,853	94,594
Cash-in-hand, bank balances	435,099	387,352
	484,952	**481,946**

(15) Deferred taxes

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

Deferred taxes on loss carryforwards were capitalised in so far as they can likely be offset against taxable profits in the future. Tax write-downs on investments must be spread over a period of seven years in accordance with the Austrian Corporation Tax Act (KStG). The deferred taxes on open depreciation (one-seventh) of kEUR 492 (previous year: kEUR 926) are reported in the deferred tax assets from reserves.

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

FIGURES IN THOUSAND EUR	31/3/2021		31/3/2020	
	Assets	Liabilities	Assets	Liabilities
Non-current assets	314	25,272	363	20,441
Current assets	3,022	16,042	3,269	19,296
	3,336	**41,314**	**3,632**	**39,737**
Non-current liabilities	25,278	0	18,180	0
Current liabilities	11,370	18,053	9,864	4,876
Tax losses carried forward	198	0	119	0
Deferred tax assets and liabilities	**40,182**	**59,367**	**31,795**	**44,613**
Offsetting of deferred tax assets and liabilities with the same tax authority	-29,772	-29,772	-21,119	-21,119
Deferred taxes offset	**10,410**	**29,595**	**10,676**	**23,494**

(16) Equity

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

In the financial year 2007/08, hybrid bonds with a nominal value of kEUR 70,000 were placed. Interest: 7.75% for the first 5 years, then 3-month EURIBOR plus 5.85%; duration unlimited; listing: Vienna Stock Exchange – Corporates Prime market segment, trading in the third market – Multilateral Trading Facility (MTF) since 5 May 2016 (before till 4 May 2016 on the regulated OTC market).

The yield from the issuance of the hybrid bond is recognised as a portion of equity as this instrument meets the criteria for equity under IAS 32. In line with this, the coupons to be paid are also recognised as part of the appropriation of net profit.

Repurchases of the hybrid bond by the balance sheet date have been made in the nominal value of kEUR 38,594, so far. In accordance with IAS 32.33, the own repurchased equity instruments are deducted from the equity. Fees paid are recognised directly in the equity. The various components of the equity and the changes they have undergone can be found in the statement of changes in equity.
The hybrid bond was fully repaid on 17 May 2021.

(17) Provisions

FIGURES IN THOUSAND EUR	Balance as of 1/4/2020	Currency translation	Changes to the basis of consolidation	Additions	Reversal	Utilisation	Balance as of 31/3/2021
Provision for:							
Severance payments	28,459	0	0	8,161	0	2,052	34,568
Pensions	199	0	0	34	0	12	221
Other	0	0	0	124	0	0	124
Non-current provisions	**28,658**	**0**	**0**	**8,319**	**0**	**2,064**	**34,913**
Taxes	24,354	59	0	23,837	2,569	13,676	32,005
Other:							
Construction-related	73,205	417	43	32,991	10,525	16,275	79,856
Other	18,367	-4	0	485	14	571	18,263
Current provisions	**115,926**	**472**	**43**	**57,313**	**13,108**	**30,522**	**130,124**
Total	**144,584**	**472**	**43**	**65,632**	**13,108**	**32,586**	**165,037**

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

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

FIGURES IN THOUSAND EUR	31/3/2021	31/3/2020
Present value of the defined benefit obligation (DBO) on 1 April	28,459	28,313
Changes to the basis of consolidation	0	97
Service cost	4,835	1,219
Interest expense	499	430
Severance payments	-2,662	-1,989
Actuarial gains and losses	3,437	389
Present value of the defined benefit obligation (DBO) on 31 March	**34,568**	**28,459**

The amount of provisions for severance payments is calculated using actuarial methods on basis of the pension tables set out in AVOE 2018-P (employees). A discount rate of 1.00% (previous year: 1.76%) and a salary-related promise of salary increase of 2.50% (previous year: 2.50%) was used as the basis.

In the financial year 2020/21, all actuarial losses resulted from financial assumptions – none were caused by demographic assumptions. On the balance sheet date, severance payment obligations had a weighted duration of approximately 11 years (previous year: 11 years).

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

Changes:	Parameters		DBO	
Interest rate	-1.00%	+1.00%	+12.40%	-10.50%
Salary increase	-0.50%	+0.50%	-5.40%	+5.80%

The development of provisions for pensions is shown below:

FIGURES IN THOUSAND EUR	31/3/2021	31/3/2020
Present value of the defined benefit obligation (DBO) on 1 April	199	198
Changes to the basis of consolidation	0	0
Service cost	9	9
Interest expense	3	3
Pension payments	-12	-12
Actuarial gains and losses	22	1
Present value of the defined benefit obligation (DBO) on 31 March	**221**	**199**

The amount of provisions for pensions is calculated using actuarial methods based on the pension tables set out in AVOE 2018-P (employees). A discount rate of 1.36% (previous year: 1.76%) and an increase in the pension commitment of 1.00% (previous year: 1.00%) was used as the basis. In the 2020/21 financial year, all actuarial losses resulted from financial assumptions – none were caused by demographic assumptions. On the balance sheet date, the DBO had a weighted duration of approximately 17 years (previous year: 17 years).

The pension provision is formed for obligations from entitlements and ongoing payments to active and former employees and their survivors. Obligations mainly concern retirement pensions. Individual commitments are normally based on the length of service of the employee on the date of the commitment (including the employee's position and remuneration). No new commitments have been entered since 1993. The company pension scheme consists of an unfunded defined-benefit pension system. Defined-benefit pension plans oblige the company to render promised services to active and former employees.

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

Changes:	**Parameters**		**DBO**	
Interest rate	-1.00%	+1.00%	+18.70%	-14.70%
Pension increase	-0.25%	+0.25%	-2.60%	+2.70%

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

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

In April 2018 another proceeding by the Central Public Prosecutor's Office for Combating Economic Crimes and Corruption became known. The subject of these investigations is primarily the suspicion that predominantly former employees of Swietelsky AG may have acted corruptly in connection with Romanian construction projects. Within the framework of the responsibility of legal entities, SWIETELSKY is accused of being associated with their employees' criminal acts, it is not possible to predict with reasonable certainty what the outcome of the investigation will be or to quantify – even only roughly or indicatively – the pecuniary consequences for SWIETELSKY at the present state of knowledge. SWIETELSKY assumes, however, that there will be no burden on the Group.

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

(18) Liabilities and other liabilities

FIGURES IN THOUSAND EUR			**31/3/2021**			**31/3/2020**
Financial liabilities	**Total**	**of which current**	**of which non-current**	**Total**	**of which current**	**of which non-current**
Liabilities to banks	6,120	2,226	3,894	7,715	2,709	5,006
Lease liabilities	119,522	24,945	94,577	91,935	23,295	68,640
	125,642	**27,171**	**98,471**	**99,650**	**26,004**	**73,646**

No physical securities were supplied to safeguard liabilities to banks.

FIGURES IN THOUSAND EUR	31/3/2021			31/3/2020		
Trade payables:	**Total**	**of which current**	**of which non-current**	**Total**	**of which current**	**of which non-current**
Contract liabilities	-739,044	-739,044	0	-854,128	-854,128	0
Advances received	949,843	949,843	0	1,149,231	1,149,231	0
	210,799	210,799	0	295,103	295,103	0
Other trade payables	407,112	374,826	32,286	409,456	374,013	35,443
Liabilities to project consortia	18,474	18,474	0	9,043	9,043	0
	636,385	**604,099**	**32,286**	**713,602**	**678,159**	**35,443**
of which financial liabilities	*425,586*	*393,300*	*32,286*	*418,499*	*383,056*	*35,443*
of which non-financial assets	*210,799*	*210,799*	*0*	*295,103*	*295,103*	*0*

Other liabilities:						
Liabilities to affiliated companies	1	1	0	239	239	0
Liabilities to associated companies	1,820	1,820	0	0	0	0
Liabilities from other non-current investees and investors	1,347	1,347	0	814	814	0
Other liabilities	158,566	139,555	19,011	153,794	141,745	12,049
	161,734	**142,723**	**19,011**	**154,847**	**142,798**	**12,049**
of which taxes	*13,540*	*13,540*	*0*	*30,501*	*30,501*	*0*
of which social security	*8,140*	*8,140*	*0*	*13,203*	*13,198*	*5*
of which personnel-related liabilities	*121,267*	*105,982*	*15,285*	*97,930*	*86,826*	*11,104*
of which financial liabilities	*17,622*	*14,165*	*3,457*	*12,586*	*11,646*	*940*
of which non-financial liabilities	*144,112*	*128,558*	*15,554*	*142,261*	*131,152*	*11,109*

NOTES ON THE CASH FLOW STATEMENT

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

(19) Cash and cash equivalents

FIGURES IN THOUSAND EUR	31/3/2021	31/3/2020
Securities (Bundesschatzscheine)	30,000	75,000
Cash-in-hand, bank balances	435,099	387,352
Cash funds	**465,099**	**462,352**
Other Securities	19,853	19,594
Cash and cash equivalents	**484,952**	**481,946**

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

FIGURES IN THOUSAND EUR	31/3/2021	31/3/2020
Interest paid (including hybrid interest)	6,754	9,627
Interest received (including hybrid interest)	3,045	3,164
Tax paid	19,693	23,380

NOTES ON THE FINANCIAL INSTRUMENTS AND ON CAPITAL MANAGEMENT

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

(20) Financial instruments, financial risk and capital management

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

ASSETS

FIGURES IN THOUSAND EUR	Category to IFRS 9	Carrying amount 31/3/2021	Carrying amount 31/3/2020
Assets not measured at fair value:			
Other financial assets	AC	16,433	15,336
Loans	AC	6,431	7,099
Trade receivables	AC	201,633	210,659
Other financial receivables	AC	64,507	48,011
Cash-in-hand, bank balances	AC	435,099	387,352
Assets measured at fair value:			
Derivatives for hedging purposes	FVOCI	0	155
Securities	FVPL	49,853	94,594
Total financial assets		**773,956**	**763,206**

LIABILITIES

FIGURES IN THOUSAND EUR	Category to IFRS 9	Carrying amount 31/3/2021	Carrying amount 31/3/2020
Liabilities not measured at fair value:			
Financial liabilities	AC	125,642	99,650
Trade payables	AC	425,586	418,499
Other financial liabilities	AC	16,965	12,167
Liabilities measured at fair value:			
Derivatives for hedging purposes	FVOCI	657	419
Total financial obligations		**568,850**	**530,735**
	AC	155,910	138,141
	FVPL	49,853	94,594
	FVOCI	-657	-264

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

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

FIGURES IN THOUSAND EUR	AC	FVOCI	FLAC	FVPL	Total
2020/21					
Interest and similar income/expenses	2,048	0	-2,693	0	-645
Impairment losses and reversal of impairment losses	2,140	0	0	0	2,140
Fair value measurement	0	-41	0	242	201
Results from disposal	0	0	0	0	0
Net result	**4,188**	**-41**	**-2,693**	**242**	**1,696**
2019/20	**AC**	**FVOCI**	**FLAC**	**FVPL**	**Total**
Interest and similar income/expenses	2,220	0	-4,705	0	-2,485
Impairment losses and reversal of impairment losses	2,434	0	0	0	2,434
Fair value measurement	0	707	0	-208	499
Results from disposal	0	0	0	0	0
Net result	**4,654**	**707**	**-4,705**	**-208**	**448**

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

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

Principles of financial risk management

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

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

As in the previous year, the derivatives at 31 March 2021 were closed to hedge currency risk, there were no derivatives for which no hedging relationships could be established.

Interest rate risk

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

Bank balances subject to variable interest rates

FIGURES IN THOUSAND EUR	Carrying amount 31/3/2021	Average interest rate 2020/21	Carrying amount 31/3/2020	Average interest rate 2019/20
EUR	192,526	0.01%	85,951	0.02%
HUF	137,941	0.00%	230,235	0.00%
RON	28,784	0.00%	27,773	0.00%
CZK	40,943	0.01%	17,387	0.00%
GBP	4,894	0.11%	4,364	0.03%
PLN	7,101	0.00%	9,528	0.75%
HRK	7,894	0.01%	3,151	0.01%
DKK	11,626	-0.06%	6,448	0.00%
Other	3,390	0.01%	2,515	0.01%
	435,099		**387,352**	

Liabilities to banks subject to variable interest rates

FIGURES IN THOUSAND EUR	Carrying amount 31/3/2021	Average interest rate 2020/21	Carrying amount 31/3/2020	Average interest rate 2019/20
AUD	5,840	2.14%	7,230	3.46%
RON	253	4.03%	430	4.20%
Other	27	0.00%	55	0.12%
	6,120		**7,715**	

If the market interest rate on 31 March 2021 were 50 basis points higher, the earnings after tax and equity would have been kEUR 1,609 (previous year: kEUR 1,404) higher. A drop in the market interest rate by 50 basis points would have caused an equal reduction in earnings after tax and equity.

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

Foreign exchange risk

Essentially, risk results from bank balances, liabilities to banks in foreign currencies and trade payables and receivables in Euros in connection with subsidiaries whose functional currencies are not the Euro.

However, the decentralised structure of the Group means that most foreign currency items are naturally closed because most receivables and liabilities from business activities are recognised in the same currency. The credit financing and assessment of the group companies mainly took place in the currency of the country in question.

Performance of the major group currencies

Currency:		Closing rate 31/3/2021 1 Euro =	Closing rate 31/3/2020 1 Euro =	Average rate of exchange 2020/21 1 Euro =	Average rate of exchange 2019/20 1 Euro =
Australian dollar	AUD	1.5409	1.7980	1.6198	1.6398
Swiss franc	CHF	1.1065	1.0585	1.0788	1.0948
Czech crown	CZK	26.1280	27.3300	26.5293	25.7258
Danish crown	DKK	7.4375	7.4682	7.4448	7.4677
British pound	GBP	0.8525	0.8857	0.8913	0.8747
Croatian kuna	HRK	7.5740	7.6200	7.5584	7.4409
Hungarian forint	HUF	363.3000	359.5000	357.9717	332.5683
Norwegian crown	NOK	9.9918	11.4900	10.6645	10.1019
Polish zloty	PLN	4.6622	4.5450	4.5111	4.3228
Romanian leu	RON	4.9258	4.8270	4.8632	4.7658
Swedish crown	SEK	10.224	11.085	10.3159	11.085

A 10% appreciation or devaluation of the Euro on 31 March 2021 would have resulted in a change in earnings after tax and equity of kEUR 1,080 (previous year: kEUR 116).

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

In the financial year 2018/19, SWIETELSKY concluded foreign currency forward transactions in GBP in the amount of kEUR 22,067 for hedging future payments, in the period from 2019 to 2021, and designated them as a cash flow hedge. At the time of the transaction, the relationship between the underlying and the hedging transaction, including the risk management objectives and the corporate strategy underlying the hedging relationships, was documented. Thereafter, it is regularly demonstrated that foreign exchange forward contracts are effective in terms of currency risk. In the 2020/21 financial year, changes in the value of the hedging relationship in the amount of kEUR -600 were recognised in the income statements. The changes in value of kEUR -41 and the related deferred taxes in the amount of kEUR 13 were recognised in equity (change in financial instruments).

Other market price risks

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

Credit risk

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

Receivables from contract assets of kEUR 185,705 (previous year: kEUR 180,134) and receivables from project consortia amounting to kEUR 45,399 (previous year: kEUR 50,288) relate to ongoing construction projects and are therefore largely not yet due. From the other receivables from deliveries and services in the amount of kEUR 156,234 (previous year: kEUR 160,371), only a negligible amount is overdue and not impaired.

Additionally, as is standard in the industry, project consortia in which companies of the SWIETELSKY Group hold a stake are jointly and severally liable with the other partners and there are bank guarantees, mainly for tender, contractual fulfilment and guarantee obligations and advance payments. Counter-liabilities for performance guarantees where an outflow of resources is improbable exist to the value of kEUR 140,854 (previous year: kEUR 158,854) on 31 March 2021. Additionally, a derived credit risk of kEUR 4,126 (previous year: kEUR 5,266) resulting from the liabilities for associated companies and other investments assumed through payment guarantees.

Liquidity risks

A major goal of financial risk management in the SWIETELSKY Group is always to ensure liquidity and financial flexibility. For this purpose, a liquidity reserve has been organised in the form of unused credit lines (cash and guarantee credit), and in the form of cash reserves if necessary, at creditworthy banks. Most of these unused credit lines have a term of up to twelve months and are continuously prolonged. The group's liquidity needs in the medium and long terms are ensured by the issuance of corporate bonds and bank loans.

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

FIGURES IN THOUSAND EUR	Carrying amount 31/3/2021	Cash flows 1/4/2021-31/3/2022	Cash flows 1/4/2022-31/3/2026	Cash flows from 1/4/2026
Liabilities to banks	6,120	2,226	4,033	0
Lease liabilities	119,522	27,222	71,193	36,800
Trade payables	636,385	604,099	32,286	0
Other financial liabilities	17,622	14,165	3,457	0
	779,649	**647,712**	**110,969**	**36,800**

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

Interest payments were calculated based on the most recently fixed interest rates on or before 31 March 2021 and 31 March 2020. Planned figures for new liabilities in the future are not included. Financial liabilities that can be repaid at any time are always allocated to the earliest maturity bucket.

Fair value hierarchy

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

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

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

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

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

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

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

FIGURES IN THOUSAND EUR	31/3/2021	Carrying amount	Fair Value	Level 1	Level 2	Level 3
ASSETS						
Securities		49,853	49,853	49,626	227	0
Derivatives for hedging purposes		0	0	0	0	0
LIABILITIES						
Derivatives for hedging purposes		657	657	0	657	0

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

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

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

Offsetting of financial assets and financial liabilities

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

Capital management

The goal of capital management is to achieve a strong capital basis that continues to generate a rate of return for the shareholders that matches the risk situation of the Group, supports the future development of the Group and can be put to good use for other interest groups as well. The management exclusively considers the booked equity as capital in accordance with IFRS. The equity ratio on the balance sheet date was 35% (previous year: 30%).

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

(21) Disclosure of business segments

Division of segments

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

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

The following construction output were rendered in the segments:

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

Segment report

The disclosure of business segments takes place based on internal reporting and is further reconciled to the revenue and EBT of the individual business segments. External construction output are services rendered in the segment in question with no internal cost allocation. The segment investments contain additions to intangible assets, property, plant and equipment and non-current financial assets. No segment assets have been disclosed as this is not a component of regular management reports.

Information on major customers

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

SEGMENT INFORMATION 2020/21

FIGURES IN THOUSAND EUR	Austria	Germany	Hungary	Czech Republic	Other countries	Consoli-dation	Group
Construction output	1,817,095	362,761	294,325	340,209	290,122	0	3,104,512
Reconciliation with IFRS financial statements							-208,759
Revenue	1,743,462	337,511	326,558	363,450	301,785	-177,013	2,895,753
Segment result	83,217	13,878	24,521	22,090	14,840	0	158,546
Included in the segment result:							
Interest income	5,712	17	901	136	44		
Interest expense	-5,648	-830	-35	-159	-546		
Depreciation and amortisation	-41,527	-12,358	-3,267	-4,560	-6,951		
Share of results of associates	30,584	5,545	0	2,940	-18		
Reconciliation with IFRS financial statements							-899
Earnings before tax (EBT)	110,048	18,529	24,903	19,693	15,049	-30,575	157,647
Investments	100,556	19,444	5,317	6,898	33,253	0	165,468
Order backlog	2,064,018	240,166	326,486	279,557	390,637	0	3,300,864

SEGMENT INFORMATION 2019/20

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

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

Reconciliation of the construction output with revenue:

FIGURES IN THOUSAND EUR	2020/21	2019/20
Other non-current equity investments, project consortia	-207,605	-193,954
IFRS measurements	-1,154	-4,571
Reconciliation	**-208,759**	**-198,525**

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

FIGURES IN THOUSAND EUR	2020/21	2019/20
Investment income	-5,916	-6,490
IFRS measurements	5,017	2,961
Reconciliation	**-899**	**-3,529**

(22) Disclosures on affiliated companies

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

Dr. Günther Grassner (Vice-chairman of the supervisory board) was until 31/12/2020 a partner of the office RECHTSANWÄLTE GRASSNER LENZ THEWANGER + PARTNER, Linz, which renders consultancy services for the Group at standard market rates. Dr. Norbert Nagele (Chairman of the supervisory board) is a partner of the office HASLINGER/NAGELE & PARTNER RECHTSANWÄLTE GMBH which renders consultancy services for the Group at standard market rates.

	Services rendered		Receivables	
FIGURES IN THOUSAND EUR	**2020/21**	**2019/20**	**31/3/2021**	**31/3/2020**
Thumersbacher Geräteverleih GmbH	253	345	48	60
RECHTSANWÄLTE GRASSNER LENZ THEWANGER + PARTNER	41	50	0	0
Catharine Brustmann	220	0	328	0

	Services received		Liabilities	
FIGURES IN THOUSAND EUR	**2020/21**	**2019/20**	**31/3/2021**	**31/3/2020**
Thumersbacher Geräteverleih GmbH	4	4	0	0
RECHTSANWÄLTE GRASSNER LENZ THEWANGER + PARTNER	527	522	41	134
HASLINGER/NAGELE & PARTNER RECHTSANWÄLTE GMBH	82	51	0	0

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

(23) Notes on the Management and Supervisory Boards

Management Board

Peter Gal
Harald Gindl, MBA (since 1/4/2021)
Dipl.-Ing. Walter Pertl (until 31/3/2021)
Adolf Scheuchenpflug
Dipl.-Ing. Karl Weidlinger

Supervisory Board

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

Salary expenses include the total remuneration of the Management Board in the amount of kEUR 11,047 (previous year: kEUR 9,039). The severance payments for Management Board members amount to kEUR 4,815 (previous year: kEUR 1,577). Remuneration of kEUR 591 (previous year: kEUR 476) was granted to the members of the Supervisory Board.

(24) Date of approval for publication

In Austrian companies organised as corporations limited by shares, the consolidated financial statements prepared by the Management Board are approved by the Supervisory Board. The meeting of the supervisory board of Swietelsky AG to approve the consolidated financial statements of 31 March 2021 will take place on 26 July 2021.

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

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

Linz, 7 July 2021

Management Board

Peter Gal Harald Gindl, MBA Adolf Scheuchenpflug Dipl.-Ing. Karl Weidlinger

CONSOLIDATED STATEMENT OF CHANGES IN FIXED ASSETS

AS OF 31 MARCH 2021

	Historical costs						Cumulative depreciation						Carrying amounts	
FIGURES IN THOUSAND EUR	**As of 1/4/2020**	**Currency translation**	**Reclassifi-cations**	**Additions**	**Disposals**	**As of 31/3/2021**	**As of 1/4/2020**	**Currency translation**	**Reclassifi-cations**	**Additions**	**Disposals**	**As of 31/3/2021**	**As of 31/3/2021**	**As of 31/3/2020**
I. Intangible assets:														
1. Software and licences	17,788	4	35	1,165	372	18,620	10,615	3	0	2,483	348	12,753	5,867	7,172
2. Goodwill	13,836	0	0	0	0	13,836	4,011	0	0	0	0	4,011	9,825	9,825
	31,623	**4**	**35**	**1,165**	**372**	**32,456**	**14,626**	**3**	**0**	**2,483**	**348**	**16,763**	**15,693**	**16,997**
II. Property, plant and equipment:														
1. Land, land rights and buildings, including buildings on third-party land (basic value kEUR 62,379; previous year: kEUR 56,888)	278,141	739	10,809	26,197	11,126	304,760	63,026	281	0	12,126	6,901	68,532	236,228	215,115
thereof Right of use Assets IFRS 16	*53,911*	*326*	*0*	*12,744*	*6,714*	*60,266*	*5,505*	*61*	*0*	*6,302*	*1,437*	*10,431*	*49,835*	*48,406*
2. Technical equipment and machinery	502,167	5,602	16,810	74,546	14,753	584,373	316,484	3,319	-19	56,486	11,492	364,778	219,595	185,684
thereof Right of use Assets IFRS 16	*15,503*	*333*	*0*	*27,860*	*1,600*	*42,096*	*3,617*	*91*	*0*	*5,209*	*715*	*8,202*	*33,894*	*11,886*
3. Other equipment, operating and office equipment	126,967	263	1,832	27,671	8,948	147,785	64,295	98	19	22,676	7,131	79,957	67,828	62,672
thereof Right of use Assets IFRS 16	*42,886*	*267*	*0*	*17,547*	*4,813*	*55,888*	*11,135*	*103*	*0*	*13,844*	*3,923*	*21,160*	*34,728*	*31,751*
4. Assets under construction	40,290	132	-29,486	29,095	8,805	31,224	0	0	0	0	0	0	31,224	40,290
	947,566	**6,736**	**-35**	**157,509**	**43,633**	**1,068,142**	**443,805**	**3,698**	**0**	**91,288**	**25,523**	**513,267**	**554,876**	**503,761**
thereof Right of use Assets IFRS 16	*112,300*	*925*	*0*	*58,151*	*13,127*	*158,249*	*20,257*	*255*	*0*	*25,356*	*6,075*	*39,793*	*118,456*	*92,043*
	979,189	**6,740**	**0**	**158,674**	**44,005**	**1,100,598**	**458,431**	**3,701**	**0**	**93,770**	**25,871**	**530,031**	**570,569**	**520,758**

CONSOLIDATED STATEMENT OF CHANGES IN FIXED ASSETS

AS OF 31 MARCH 2020

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

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

LIST OF INVESTMENTS

AS OF 31 MARCH 2021

Fully consolidated companies			Currency	Registered capital	Group share
					31/3/2021
A.S.T. Baugesellschaft m.b.H.	AT	Zirl	kEUR	35	100%
Bahnbau Petri Hoch- und Tiefbau Gesellschaft m.b.H.	AT	Fischamend	kEUR	40	100%
Baumeister Karl Sedlmayer Gesellschaft mit beschränkter Haftung	AT	Grafenwörth	kEUR	400	100%
C. Peters Baugesellschaft m.b.H.	AT	Linz	kEUR	105	100%
Duswald Bau GmbH	AT	Neumarkt im Hausruckkreis	kEUR	37	100%
Georg Fessl GmbH	AT	Zwettl	kEUR	150	100%
HN-CW Errichtungsgesellschaft mbH in Liqu.	AT	Vienna	kEUR	35	100%
HTB Baugesellschaft m.b.H.	AT	Arzl im Pitztal	kEUR	40	100%
Ing. Baierl Gesellschaft m.b.H.	AT	Steinakirchen am Forst	kEUR	86	100%
J & K Fassadenprofi GmbH	AT	Ober-Grafendorf	kEUR	37	100%
Jos. Ertl GmbH	AT	Hörsching	kEUR	105	100%
Kallinger Bau GmbH	AT	Fischamend	kEUR	35	100%
Klaus Hennerbichler GmbH	AT	Hagenberg im Mühlkreis	kEUR	37	100%
Kontinentale Baugesellschaft m.b.H.	AT	Waidhofen an der Thaya	kEUR	75	100%
Metallbau Wastler GmbH	AT	Linz	kEUR	73	100%
Romberger Fertigteile GmbH	AT	Gurten	kEUR	900	100%
RTS Rail Transport Service GmbH	AT	Graz	kEUR	100	100%
SWIETELSKY - INTERNATIONAL Baugesellschaft m.b.H. in Liqu.	AT	Linz	kEUR	730	100%
Swietelsky Bauträger Ges.m.b.H.	AT	Linz	kEUR	85	100%
Swietelsky Developments GmbH	AT	Vienna	kEUR	35	100%
Swietelsky Energie GmbH	AT	Traun	kEUR	37	100%
Swietelsky Immobilien GmbH in Liqu.	AT	Vienna	kEUR	40	100%
Swietelsky Liegenschaftsverwaltung Bauhof Asten GmbH	AT	Linz	kEUR	35	100%
Swietelsky Liegenschaftsverwaltung Fischamend GmbH	AT	Linz	kEUR	40	100%
Swietelsky Liegenschaftsverwaltung Klagenfurt GmbH	AT	Linz	kEUR	10	100%
Swietelsky Liegenschaftsverwaltung Trumau GmbH	AT	Linz	kEUR	10	100%

Fully consolidated companies			Currency	Registered capital	Group share
					31/3/2021
Swietelsky Tunnelbau GmbH	AT	Salzburg	kEUR	35	100%
Swietelsky Tunnelbau GmbH & Co KG	AT	Salzburg	kEUR	35	100%
Transportbeton und Asphaltgesellschaft m.b.H.	AT	Zams	kEUR	73	100%
Wohnanlage Harterhofweg 99 GmbH	AT	Innsbruck	kEUR	35	100%
SWIETELSKY RAIL (AUSTRALIA) PTY LTD	AU	Potts Point NSW 2011	kAUD	5,400	100%
Swietelsky Rail Schweiz AG	CH	Rotkreuz	kCHF	100	100%
JB Stavební s.r.o.	CZ	Brno	kCZK	200	100%
Swietelsky Rail CZ s.r.o.	CZ	České Budějovice	kCZK	200	100%
SWIETELSKY Real Estate CZ s.r.o.	CZ	České Budějovice	kCZK	200	100%
SWIETELSKY stavební s.r.o.	CZ	České Budějovice	kCZK	250,000	100%
Vydrovka Office Center s.r.o	CZ	Praha 8	kCZK	20	100%
Detect Rail Technologies GmbH	DE	Schönhausen (Elbe)	kEUR	25	100%
RTS Rail Transport Service Germany GmbH	DE	Munich	kEUR	25	100%
Swietelsky Baugesellschaft m.b.H.	DE	Traunstein	kEUR	1,600	100%
SWIETELSKY Umwelttechnik GmbH	DE	Traunstein	kEUR	25	100%
Wadle Bauunternehmung GmbH	DE	Essenbach	kEUR	25	100%
Swietelsky Rail Danmark ApS	DK	Copenhagen	kDKK	700	100%
SWIETELSKY CONSTRUCTION COMPANY LTD.	GB	Reading	kGBP	100	100%
Swietelsky d.o.o.	HR	Zagreb	kHRK	5,812	100%
CELL-BahnBau Danubia Kft.	HU	Celldömölk	kHUF	6,000	100%
DS VASÚT Kft.	HU	Celldömölk	kHUF	17,000	100%
Mandarino Kft.	HU	Budapest	kHUF	3,000	100%
SWIETELSKY Építő Kft.	HU	Budapest	kHUF	5,001	100%
SWIETELSKY Magyarország Kft.	HU	Budapest	kHUF	1,579,120	100%
Swietelsky Vasúttechnika Kft.	HU	Celldömölk	kHUF	3,000	100%
Vasútgép Kft.	HU	Celldömölk	kHUF	3,000	100%
Swietelsky Rail Benelux B.V.	NL	JR Oisterwijk	kEUR	18	100%
Swietelsky Rail Norway AS	NO	Drammen	kNOK	800	100%
Swietelsky Rail Polska Spolka Z o.o.	PL	Krakow	kPLN	50	100%
Swietelsky Spolka Z o.o.	PL	Lublin	kPLN	880	100%

Fully consolidated companies			Currency	Registered capital	31/3/2021 Group share
S.C. DRUMSERV SA	RO	Tirgu Mures	kRON	7,082	100%
Swietelsky Constructii Feroviare S.R.L.	RO	Bucharest	kRON	699	100%
Swietelsky Rail Sweden AB	SE	Stockholm	kSEK	25	100%
Swietelsky Slovakia spol.s.r.o	SK	Bratislava	kEUR	89	100%

Associated companies			Currency	Registered capital	31/3/2021 Group share
Umfahrung Zwettl Errichtungs- und Betriebsgesellschaft m.b.H.	AT	Linz	kEUR	35	50%
Eurailpool GmbH	DE	Ismaning	kEUR	5,000	50%
Swietelsky-Faber GmbH Kanalsanierung	DE	Schlierschied	kEUR	50	50%

Other non-current equity investments – not consolidated			Currency	Registered capital	31/3/2021 Group share
Baldauf Fliesen und Baustoffe Gesellschaft m.b.H.	AT	Linz	kEUR	40	100%
Diks und Swiera Immobilientreuhand GmbH	AT	Feldkirch	kEUR	36	100%
Swietelsky Liegenschaftsentwicklungs GmbH	AT	Linz	kEUR	35	100%
TB Betonwerk Zams GmbH	AT	Zams	kEUR	35	52%
ASB Nörsach GmbH	AT	Linz	kEUR	35	50%
ASW - Asphaltmischanlage Zams GmbH	AT	Zams	kEUR	36	50%
ASW - Asphaltmischanlage Zams GmbH & Co. KG	AT	Zams	kEUR	150	50%
AWM Asphaltwerk Mötschendorf Gesellschaft m.b.H.	AT	Graz-St.Peter	kEUR	35	50%
AWM Asphaltwerk Mötschendorf Gesellschaft m.b.H. & Co. KG	AT	Graz-St.Peter	kEUR	40	50%
Hausruck Baugesellschaft m.b.H.	AT	Schlüßlberg	kEUR	240	50%
PAM-Pongauer Asphaltmischanlagen GmbH	AT	St. Johann im Pongau	kEUR	36	50%
PAM-Pongauer Asphaltmischanlagen GmbH & Co KG	AT	St. Johann im Pongau	kEUR	36	50%
SWIETELSKY-FABER Kanalsanierung GmbH	AT	Leonding	kEUR	35	50%
Asphaltmischwerk Weißbach GmbH & Co. Nfg. KG	AT	Weißbach bei Lofer	kEUR	73	45%
AWB Asphaltmischwerk Weißbach Betriebs-GmbH	AT	Vienna	kEUR	35	45%
Asphaltwerk Seibersdorf GmbH	AT	Linz	kEUR	35	40%
Kieswerk-Betriebs-Gesellschaft m.b.H.	AT	Zams	kEUR	40	38%

Other non-current equity investments – not consolidated			Currency	Registered capital	31/3/2021 Group share
Pinzgau Beton GmbH	AT	Salzburg	kEUR	40	37%
Pinzgau Beton GmbH & Co KG	AT	Salzburg	kEUR	40	37%
Gaspix Beteiligungsverwaltungs GmbH	AT	Zirl	kEUR	35	36%
RBA - Recycling- und Betonanlagen Ges.m.b.H. & Co. Nfg. KG	AT	Zirl	kEUR	581	36%
AMS - Asphaltmischwerk Süd Gesellschaft m.b.H.	AT	Linz	kEUR	36	35%
FMA Asphaltwerk GmbH	AT	Feldbach	kEUR	35	35%
FMA Asphaltwerk GmbH & Co KG	AT	Feldbach	kEUR	44	35%
AMG - Asphaltmischwerk Gunskirchen Gesellschaft m.b.H.	AT	Linz	kEUR	44	33%
AMG - Asphaltmischwerk Gunskirchen Gesellschaft m.b.H. & Co. KG	AT	Linz	kEUR	654	33%
AMW Asphaltwerk GmbH.	AT	Weitendorf	kEUR	727	33%
AMW Leopoldau GmbH & Co OG	AT	Vienna	kEUR	70	33%
AWT Asphaltwerk GmbH	AT	Stadtschlaining	kEUR	700	33%
GT Baustoff Recycling GmbH	AT	Grafenstein	kEUR	60	33%
TAM Traisental Asphaltmischwerk Ges.m.b.H.	AT	Nußdorf ob der Traisen	kATS	600	33%
TAM Traisental Asphaltmischwerk Ges.m.b.H. & Co KG	AT	Nußdorf ob der Traisen	kATS	1,000	33%
TB Transportbeton GmbH	AT	Linz	kEUR	36	33%
AHRENTAL ABBAU- UND AUFBEREITUNGSGESELLSCHAFT M.B.H.	AT	Hall in Tirol	kEUR	35	30%
AMA Linz GmbH	AT	Linz	kEUR	35	30%
Kieswerk - Betriebs - Gesellschaft m.b.H. & Co. Kommanditgesellschaft	AT	Zams	kEUR	80	29%
Petschl Frästechnik GmbH	AT	Arbing	kEUR	450	29%
ASW - Asphaltmischanlage Innsbruck GmbH	AT	Innsbruck	kEUR	36	26%
ASW - Asphaltmischanlage Innsbruck GmbH & Co KG	AT	Innsbruck	kEUR	150	26%
Hemmelmair Frästechnik GmbH	AT	Linz	kEUR	73	25%
VAM - Valentiner Asphaltmischwerk Gesellschaft m.b.H.	AT	Linz	kEUR	36	25%
VAM-Valentiner Asphaltmischwerk Gesellschaft m.b.H. & Co. KG	AT	Linz	kEUR	73	25%
Swietelsky d.o.o.	BA	Sarajevo	kBAM	2	100%
HTB Bau AG	CH	Scuol	kCHF	100	100%

Other non-current equity investments – not consolidated			Currency	Registered capital	Group share 31/3/2021
Strakonická obalovna s.r.o.	CZ	Sousedovice	kCZK	24,258	51%
Obalovna Lipník s.r.o.	CZ	České Budějovice	kCZK	30,000	50%
Obalovna Ostrava s.r.o.	CZ	České Budějovice	kCZK	17,930	50%
Obalovna Středokluky s.r.o.	CZ	Praha 10	kCZK	5,000	50%
Obalovna Tábor s.r.o.	CZ	České Budějovice	kCZK	5,000	50%
SČO s.r.o.	CZ	České Budějovice	kCZK	10,000	50%
Západočeská obalovna s.r.o.	CZ	Plzeň - Koterov	kCZK	40,000	50%
TBG SWIETELSKY s.r.o.	CZ	České Budějovice	kCZK	10,000	49%
Chebská obalovna, spol. s r.o.	CZ	Štěnovice	kCZK	17,744	33%
Obalovna Louny s.r.o.	CZ	České Budějovice	kCZK	30,000	33%
Obalovna Týniště s.r.o.	CZ	České Budějovice	kCZK	30,000	33%
Brněnská obalovna, s.r.o.	CZ	Brno	kCZK	24,000	25%
Hrušecká obalovna, s.r.o.	CZ	Hrušky	kCZK	1,540	20%
RPM Wiebe & Swietelsky & Co KG	DE	Achim	kEUR	1,000	49%
RPM Wiebe & Swietelsky Beteiligungs-GmbH	DE	Achim	kEUR	26	49%
SWIETELSKY TRAVAUX FERROVIAIRES	FR	Metz	kEUR	5	100%
SICE LIMITED	GB	Edinburgh	GBP	50	100%
FSP (2004) LIMITED	GB	Blantyre	GBP	100	50%
BELVÁROS TETÖTÉR Kft.	HU	Budapest	kHUF	3,000	100%
G.K.S. SWIETELSKY Kft.	HU	Dunakeszi	kHUF	3,000	100%
Harmatház Kft.	HU	Budapest	kHUF	3,000	100%
ZED-TBM Kft.	HU	Budapest	kHUF	3,001	100%
EULAB Kft.	HU	Dunakeszi	kHUF	80,000	50%
SWIERA SRL in Liquidazione	IT	Nalles	kEUR	100	82%
Cosbau S.r.l. in Liquidazione	IT	Nalles	kEUR	6,000	28%
Swietelsky Rail Luxembourg S.àr.l.	LU	Windhoff	kEUR	13	100%
SWIETELSKY-FABER NEDERLAND RELINING BV	NL	KK DRUTEN	kEUR	18	50%
S.C. AMFIBOSWIN SRL	RO	Sibiu	kRON	11,757	57%
Swietelsky gradbeno d.o.o.	SI	Laibach	kEUR	9	100%
Športfinal s.r.o	SK	Bratislava	kEUR	7	100%
Obaľovačka Martin, s.r.o.	SK	Bratislava	kEUR	50	50%

GROUP MANAGEMENT REPORT

FOR THE FINANCIAL YEAR 2020/21

I. Overall economic environment

According to the IMF, the global economy contracted by 3.3% in 2020. While China's economy expanded by 2.3%, the U.S. economic growth rate slipped to -3.5%, Japan's to -4.8% and Great Britain's to -9.8%. However, the recovery in the second half of 2020 was better than anticipated, and current data for the first quarter of 2021 shows that global economic activity and global trade continued their recovery. The comprehensive US stimulus package and a vaccination roll-out that is gaining momentum are likely to lead to faster-than-expected recovery in the second half of 2021. Available national accounts data confirms that the global economy (excluding the eurozone) returned to pre-pandemic GDP levels in the last quarter of 2020, triggered by a reduction in uncertainty and more favourable economic and financing conditions as governments and central banks provided considerable support.

The eurozone was heavily affected by the COVID-19 pandemic, with economic output falling by 6.6% in 2020. Still, at -7.5%, the decline was slightly lower than the original forecast. In most countries, sometimes draconian measures were taken to fight the continued spread of the virus; these resulted in far-reaching restrictions to public life and economic activity. Wide-ranging monetary and fiscal policy measures in response thereto were introduced to alleviate these negative implications.

In 2020, the economies of the Euroconstruct countries contracted by 6.5% overall; at -3.9%, the Eastern European states of the Czech Republic, Hungary, Poland and Slovakia (EC-4 states) suffered much less from the effects of the COVID-19 pandemic. With the exception of Ireland (3.4%), all member states were hit by a drop in economic output, even if each was affected differently. In the Nordic countries (Norway, Sweden, Finland, Denmark), it fell by less than 3%, much less than in other large economies such as Spain (-10.8%), Great Britain (-9.8%), Italy (-8.9%) and France (-8.1%).

The labour market was also severely hit by the COVID-19 pandemic. Despite government aid programmes such as short-time work schemes, the unemployment rate has risen sharply. The number of unemployed persons within the Euroconstruct area increased by more than 1.7 million (2019: 15.2 million, 2020: 17.0 million). Spain (15.5%), Italy (9.3%) and Sweden (8.3%) saw a very sharp rise in unemployment. However, the unemployment rates do not fully reflect the true extent of underemployment. Taking short-time work and other forms of involuntary part-time employment into account, eurozone unemployment would actually be above 20%. The number of unemployed persons is expected to continue to rise because the number of companies filing for bankruptcy is likely to increase, while public spending will have to be cut for budgetary reasons.

The overall construction volume declined in the Euroconstruct countries in 2020. An increase of 2.8% in 2019 was followed by a 5.1% slump in 2020 to a total construction output of EUR 1,639.6 billion, with numbers varying greatly for each individual member state. The Nordic countries Denmark (6.1%), Sweden (1.4%), and Finland (1.4%) made gains, as did Portugal (3.4%), while other countries such as France (-12.7%), Great Britain (-11.1%) and Spain (-10.4%) recorded substantial losses.

At -2.0% in 2020, compared with 4.1% in 2019, the drop in civil engineering output was much lower than for building construction, down -5.9% from 2.4% in 2019. Building construction makes up EUR 1,281.9 billion (compared to EUR 1,362.3 billion in 2019) of the overall construction output, while civil engineering makes up EUR 357.8 billion (compared to EUR 367.9 billion in 2019).

Markets

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

Austria

The collapse of the economy during the spring of 2020 was far less severe and the ensuing recovery since May 2020 stronger than first expected. However, the "second wave" of infection in the fall of 2020 and the necessary health policies implemented by many countries to contain the spread temporarily halted the recovery. By the end of 2020, Austria's economic performance recorded a 6.6% decline, in line with the Euroconstruct country average (-6.5%).

The development was marked by very different impacts on the individual economic sectors. Faced with difficulties at first, businesses managed to adapt their operations to the existing circumstances and, after receiving a strong international tailwind, are now set to grow in the second half of the year. While some sectors of the economy were only briefly affected by the pandemic, some service sectors, especially the hospitality industry, suffered heavy losses that continued into the spring of 2021. The strong impact COVID-19 had on the tourism industry, which contributes heavily to Austria's economy compared to Europe overall, together with comparatively longer lockdowns with in part more severe restrictions, are the key drivers for Austria's poor economic performance in comparison to European averages.

Seeing a drop 3.3% in 2020, the Austrian construction industry proved to be more stable than the euro area average (-5.1%). Compared to the final figures for 2019 (+3.6%), this is a downward movement, mainly attributable to the building construction sector. Total construction output in Austria was EUR 45.0 billion in 2020, of which EUR 36.3 billion were in building construction (-4.0%) and EUR 8.7 billion in civil engineering (-0.6%). Housing construction contracted by -2.9% in 2020 (EUR 19.9 billion) after growing by 4.3% in 2019. Despite rising construction prices and slowing population growth, demand for home ownership remains high due to the long-term, low-interest financing options. After seeing strong growth in 2019 (3.5%), the other building construction sectors had the most significant drop in 2020, at an output volume of EUR 16.4 billion (compared to -5.2% in 2020).

Civil engineering was much less affected by the COVID-19 pandemic and achieved an annual construction output of EUR 8.7 billion, down 0.6%. Road construction (EUR 2.1 billion) decreased by 2.1%. A positive boost came entirely from railway infrastructure investments (EUR 1.8 billion; 4.1%). The remaining sectors telecommunications (-0.8%), water supply (-3.4%) and other civil engineering (-0.1%) contracted slightly.

In contrast, SWIETELSKY was able to significantly increase its output in Austria in the past business year. The increase in output amounted to 7%, or approximately EUR 118.1 million. Apart from the slightly declining road construction industry (-4%), growth for all others was positive. Tunnel construction (33%) and railway construction (21%) saw a significant increase. At EUR 1,817.1 million, Austrian construction output made up 59% of the Group's overall construction output. Building construction and road and railway construction remainedat the previous year's level, at 46% and 22% respectively. Tunnel construction was able to increase its output from 9% to 11% at the expense of civil engineering (now 21%).

Germany

Germany's gross domestic product (GDP) fell by 4.9% in 2020. Foreign trade and the level of investment in equipment declined sharply. Private consumption fell by around 6.1%, which had a significant negative impact. Overall, the service industry experienced a stronger shock than the industrial sector, which remained relatively robust in the face of the pandemic. The German government has taken a number of measures to support businesses and prevent a rise in unemployment. VAT rates were reduced in the second half of 2020 to boost the economy.

With a total construction volume of EUR 390.6 billion, the German construction industry continued to hold the lion's share of the output of the Euroconstruct countries and remained stable for the most part, at -0.9% in 2020 (compared to 1.6% in 2019). The decline was seen across all sectors: At a construction output of EUR 223.3 billion, housing construction – the largest segment by volume – dropped only 0.4%. At, -2.4%, other building construction saw the biggest drop. Civil engineering as a whole declined by 0.5% to EUR 70.7 billion, driven only slightly by the energy and water supply sectors. The other areas of civil engineering (road construction, other transport infrastructure and telecommunications) declined slightly.

SWIETELSKY generated an output of EUR 362.8 million in the past financial year, a decline of about 7%. Building construction output in particular decreased significantly (-24.8%) and now makes up around 21% of the output, or EUR 76.6 million. Road construction, the largest segment by volume (42%), shrank by only about 2% year-on-year and generated an output of EUR 152.0 million. Civil engineering declined by 3.4% to EUR 91.6 million. Railway construction gained pace, increasing by 14.7% (EUR 40.3 million).

Hungary

After significant growth in the past years, Hungary's economy suffered a 5% decline in 2020.

While Hungary's GDP growth rate still counted among the top 25% within the EU in 2019 at 4.6%, the country's economy also slowed in 2020. Temporary restrictions and closures (most notably in the automotive industry) paired with a lack of consumption led to a 5% year-on-year decline. Emerging as a ray of hope is, however, a slight 1.1% quarter-on-quarter growth over the last three months, driven primarily by the industrial sector and the IT and communications industry. As a result of the COVID-19 pandemic, the tourism, hospitality, creative and passenger transport industries recorded major losses. The manufacturing industry – notably, car manufacturers, the main force driving Hungary's economy – also shut down their plants temporarily, with the supplier industry partially having followed suit. The government has introduced numerous measures to alleviate the negative impact on the economy, such as tax relief for certain sectors, tax cuts, tax administration relief and wage subsidy programmes.

The output of the Hungarian construction industry contracted by -7.1% in total over the past year, of which about -4% was attributable to building construction and about -13% to civil engineering. Hungary has traditionally been one of the EU's biggest net recipients, ranking second in absolute terms behind Poland last year, as a percentage of GDP. With relief plans set to expire in 2020, their positive influence was for the most part missing. Nevertheless, output in December was again well above the low of May 2020 and other building construction was up by 1.7%. Over the course of twelve-months, construction output totalled EUR 15.7 billion.

SWIETELSKY recorded a 15% drop in output in Hungary in 2020. The significant declines in the civil engineering, road construction and railway construction segments could not be compensated for by an increased building construction output. Of the overall construction output of EUR 294.3 million, some 63% are due to road and track construction and around 27% to the growing building construction sector. The share of the output of civil engineering declined to around 10%.

Czech Republic

The COVID-19 pandemic, with all its national and international implications, hit the very open Czech economy hard in 2020. Real GDP fell by 5.6%, a historic decline and the largest since the country's independence.

Government wage subsidy schemes helped maintain the high employment levels. At 2.6% in 2020, the Czech Republic still has by far the lowest unemployment rate of the Euroconstruct countries.

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

The construction industry as a whole declined by 3.6% to EUR 23.1 billion in 2020, with each individual segment developing differently. Publicly funded civil engineering increased slightly by around 1.9%. New housing construction (-9.2%) and other building construction (-11.1%) suffered from the postponement of investments due to a general sense of uncertainty. The renovation sector in building construction, on the other hand, was able to slightly pick up.

SWIETELSKY was able to increase its output in the Czech Republic despite the adverse conditions. Overall, output increased by EUR 16.8 million, or 5%. However, the development was not equal across all sectors. Only building construction recorded a fall in output, while the other sectors saw gains. The percentages spread across the sectors only slightly changed year-on-year, at 64% for road and railway construction, 24% for building construction and 12% for civil engineering.

Other countries

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

The SWIETELSKY Group generated EUR 290.1 million, some 9% of its total construction output, in Romania, Croatia, Norway, Poland, Great Britain, Slovakia, Italy, the Netherlands, Denmark, Sweden, Switzerland and Australia.

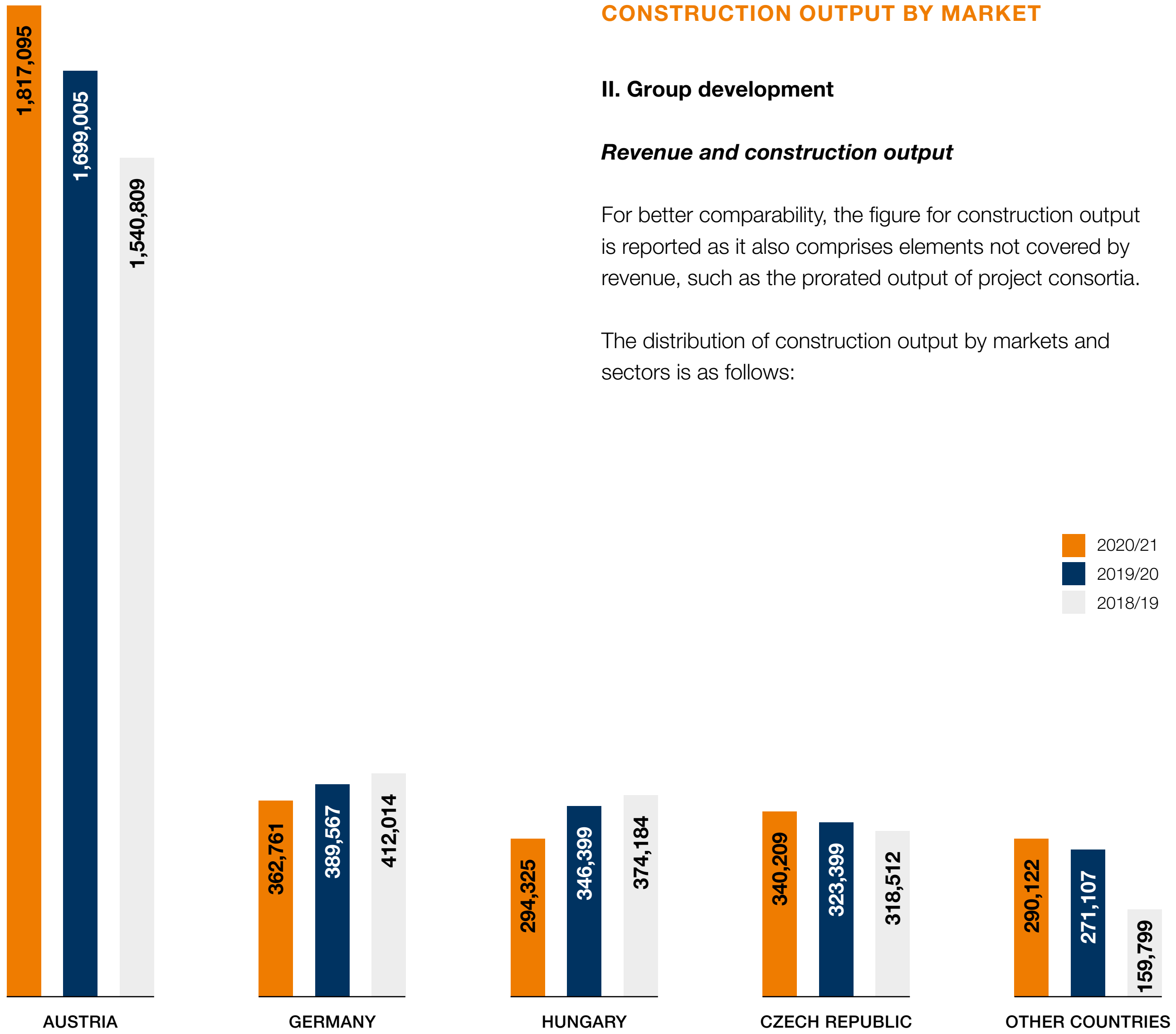
CONSTRUCTION OUTPUT BY MARKET

II. Group development

Revenue and construction output

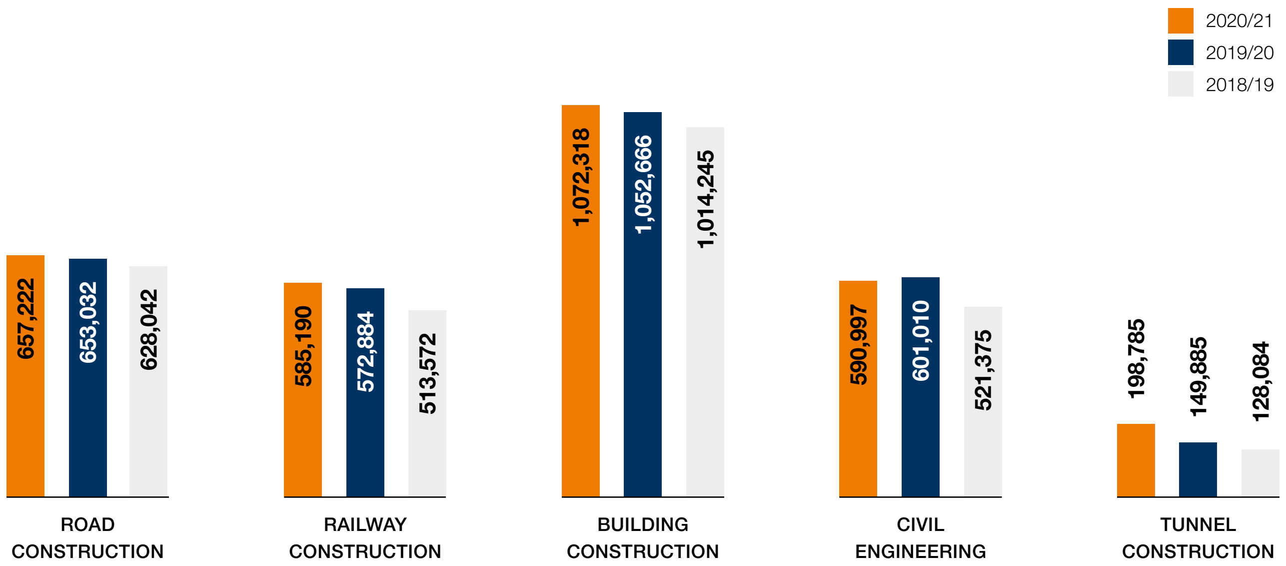
For better comparability, the figure for construction output is reported as it also comprises elements not covered by revenue, such as the prorated output of project consortia.

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



FIGURES IN THOUSAND EUR	2020/21	%	2019/20	%	2018/19	%
by market:						
Austria	1,817,095	59	1,699,005	56	1,540,809	55
Germany	362,761	12	389,567	13	412,014	15
Hungary	294,325	9	346,399	11	374,184	13
Czech Republic	340,209	11	323,399	11	318,512	11
Other countries	290,122	9	271,107	9	159,799	6
Total	**3,104,512**	**100**	**3,029,477**	**100**	**2,805,318**	**100**

CONSTRUCTION OUTPUT BY SECTOR

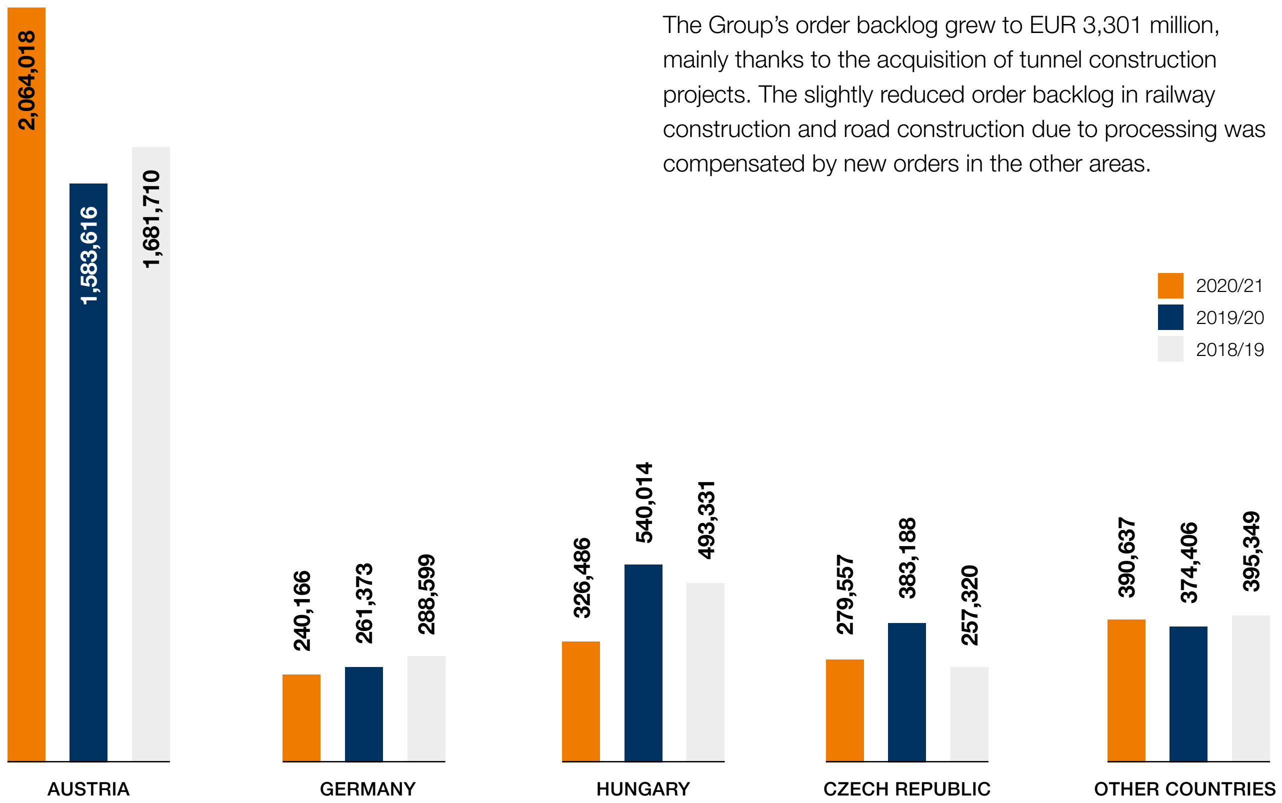


FIGURES IN THOUSAND EUR	2020/21	%	2019/20	%	2018/19	%
by sector:						
Road construction	657,222	21	653,032	22	628,042	22
Railway construction	585,190	19	572,884	19	513,572	18
Building construction	1,072,318	35	1,052,666	35	1,014,245	36
Civil engineering	590,997	19	601,010	20	521,375	19
Tunnel construction	198,785	6	149,885	4	128,084	5
Total	**3,104,512**	**100**	**3,029,477**	**100**	**2,805,318**	**100**

Analogous to construction output, the revenue reported in the IFRS financial statements was EUR 2,895.8 million, around EUR 64.8 million or 2.3% above the previous year. At EUR 0.9 million, the positive change in inventory from the erection of own building projects was marginal this year.

Both own work capitalised as well as other operating income were lower. Expenses for material and other purchased construction output decreased by around EUR 53.9 million, in part because subcontractor expenses were replaced by in-house efforts. In line with the increase in the number of employees, personnel expenses rose by EUR 58.4 million to EUR 726.3 million.

ORDER BACKLOG BY MARKET



Order backlog

The Group's order backlog grew to EUR 3,301 million, mainly thanks to the acquisition of tunnel construction projects. The slightly reduced order backlog in railway construction and road construction due to processing was compensated by new orders in the other areas.

FIGURES IN THOUSAND EUR	2020/21	%	2019/20	%	2018/19	%
by market:						
Austria	2,064,018	63	1,583,616	51	1,681,710	54
Germany	240,166	7	261,373	8	288,599	9
Hungary	326,486	10	540,014	17	493,331	16
Czech Republic	279,557	8	383,188	12	257,320	8
Other countries	390,637	12	374,406	12	395,349	13
Total	**3,300,864**	**100**	**3,142,597**	**100**	**3,116,309**	**100**

Earnings position

Financial year 2020/21 was extremely satisfactory and the already very good result of the previous year could be exceeded despite the COVID-19 pandemic. Earnings before interest, taxes, depreciation and amortisation rose year-on-year by EUR 49.1 million, with earnings contributions from all core markets being very pleasing. At EUR 158.1 million, EBIT was significantly higher than the average of previous years. As a result of the earnings contributions from countries with low tax rates, the tax burden is relatively low at EUR 32.6 million and results in a Group tax rate of 20.7% (2019/20: 21.3%). Ultimately, the result after taxes was EUR 125.1 million, 38.1% higher than in the previous year.

Financial position

FIGURES IN THOUSAND EUR	2020/21	%	2019/20	%	2018/19	%
Non-current assets	624,633	36	575,540	35	406,646	27
Current assets	1,089,268	64	1,047,006	65	1,089,937	73
ASSETS	**1,713,901**	**100**	**1,622,546**	**100**	**1,496,583**	**100**
Equity	595,508	35	486,369	30	434,682	29
Non-current liabilities	214,276	13	173,290	11	93,970	6
Current liabilities	904,117	52	962,887	59	967,931	65
EQUITY and LIABILITIES	**1,713,901**	**100**	**1,622,546**	**100**	**1,496,583**	**100**

Net Debt	2020/21	2019/20	2018/19
Financial liabilities	125,642	99,650	79,957
Provision for severance payments	34,913	28,658	28,511
Cash and cash equivalents	-484,952	-481,946	-525,003
Net debt	**-324,397**	**-353,638**	**-416,535**
Gearing	**-0.54**	**-0.73**	**-0.96**

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

The Group-wide total investments of EUR 158.7 million are slightly above the previous year's value (EUR 154.4 million). Significant investments were made in new and existing locations, most notably in Austria, Germany and the Netherlands. There have been considerable additions to machinery throughout the Group, especially in Austria, Germany, Great Britain and Australia. The level of investment in other facilities and office equipment was more restrained (EUR 27.7 million, 2019/20: EUR 31.0 million). Installations under construction and investments in intangible assets also declined. The total book values – taking into account the disposal of assets and depreciation – are EUR 49.8 million higher than in the previous year (EUR 520.8 million) at EUR 570.6 million and represent around one third of the balance sheet total on the assets side (33.3%).

Although EUR 13.6 million in dividends was distributed to the shareholders of Swietelsky AG and the hybrid coupons were paid out in the amount of EUR 1.7 million, equity increased further to EUR 595.5 million. The equity ratio was thus increased to 34.7%. Liabilities from deliveries and services declined by a total of EUR 77.2 million, while provisions (+EUR 20.5 million), financial liabilities (+EUR 26.0 million), other liabilities (+EUR 6.9 million) and deferred taxes (+EUR 6.1 million) increased. On the whole, the balance sheet total increased by EUR 91.4 million to EUR 1,713.9 million, whereby equity increased by EUR 109.1 million and debt decreased by EUR 17.7 million.

Selected key figures and financial performance indicators

FIGURES IN THOUSAND EUR	2020/21	2019/20	2018/19
Construction output	3,104,512	3,029,477	2,805,318
Revenue	2,895,753	2,830,952	2,672,762
Order backlog	3,300,864	3,142,597	3,116,309
Staff (annual average)	11,633	11,038	10,351
Construction output/staff	267	274	271
Earnings before interest, taxes, depreciation and amortisation **(EBITDA)**	**251,821**	**202,680**	**161,379**
Earnings before interest and taxes **(EBIT)**	**158,050**	**117,827**	**109,788**
Interest income	-645	-2,485	-2,338
Earnings before tax **(EBT)**	**157,647**	**115,134**	**107,431**
Earnings after tax	125,058	90,567	81,965
Operating Cash flow	225,055	169,901	131,001
Cash flow/Construction output	**7.2%**	**5.6%**	**4.7%**
Return on sales **(ROS)**	**5.5%**	**4.2%**	**4.1%**
Return on equity **(ROE)**	**29.1%**	**25.0%**	**26.9%**
Return on investment **(ROI)**	**9.5%**	**7.6%**	**7.7%**
Total assets	1,713,901	1,622,546	1,496,583
Equity	595,508	486,369	434,682
Equity ratio	**34.7%**	**30.0%**	**29.0%**

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

III. Risk management

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

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

Market risk

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

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

Operational risks

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

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

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

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

Human resource risk

Human resource risks arise from employee turnover, the resulting loss of knowhow and the lack of specialist and management staff and suitable trainees. SWIETELSKY therefore strives to further develop their employees’ qualifications and to support the internal career opportunities within the SWIETELSKY Group. Monetary incentive systems make SWIETELSKY an attractive prospect, especially to business-minded employees. Additional initiatives for health promotion and the improvement of working conditions and employee satisfaction contribute to the company’s reputation. As a consequence of the COVID-19 pandemic, SWIETELSKY was unexpectedly confronted with completely new personnel risks. Great importance has been placed on ensuring the best possible protection for our employees. Clearly defined regulations on the minimum distances to be maintained as well as protective measures in the event that this is not possible were in the foreground. Regular coronavirus tests were also offered. In the spring of 2021, the willingness to receive COVID-19 vaccinations was surveyed and preparatory measures were taken for 10 “vaccination lanes” in Austria.

Procurement risk

SWIETELSKY strives to cooperate on a long-term basis with its partners. In central procurement, framework contracts and framework price agreements are closed with selected suppliers. The operative units can reach these suppliers if needed using a central procurement portal. Through observation of the market for energy and raw materials and constant monitoring processes, we attempt to minimise the risk of possible losses due to price increases in this area, whereby primary measures (for example physical procurement and threshold agreements in construction contracts) provide a fundamental advantage over derivative instruments. There are currently some shortages of various building materials such as wood, construction steel, petroleum-based plastics and insulation materials. This in turn leads to increases in construction costs and, in individual cases, to delays in delivery times.

Financial risks

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

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

All Group companies have access to sufficient cash and guarantee credit capacities to finance operations as well as new projects.

The high down payments, mostly from public funds, that are routine in some countries strengthen our liquidity. As a result of the processing of orders with substantial advance payments, liquidity has been reduced, especially in Hungary.

As of the last quarter of 2020, banks are increasingly charging negative interest. Through the broad distribution of our bank balances among different institutions and the agreement of base amounts up to which no negative interest is incurred, we are still able to mostly avoid this. Nevertheless, owing to our high credit balances, the interest-free base amounts are being exceeded on a regular basis and this results in the payment of negative interest.

During the COVID-19 pandemic, special attention was paid to liquidity. Over the entire financial year, we fulfilled our payment obligations on time and took advantage of early payment discounts. In Austria, deferred tax amounts were already paid in full by the end of 2020, long before the expiry of the deferral period.

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

IT risk

As construction processes continue to become increasingly digitalised, the dependency on available and secure IT systems also continues to grow. For this reason, the IT infrastructure is undergoing constant modernisation in order to optimise the aspects of security, high availability and performance. In the context of the Information Security Management System (ISMS), risk management identifies and evaluates significant risks in the IT environment and ensures that effective processes and tools are used to minimise and avoid risks. The ISMS was certified this past financial year and conforms to international standards in accordance with ISO 27001.

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

Training measures were again carried out in the past financial year to further raise the awareness of our employees regarding the topic of cyber security.

Misconduct risk and compliance

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

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

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

Introduction

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

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

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

Control environment

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

Risk assessment

Risks relating to the financial reporting process are raised and monitored by management. The focus here is on significant risks.

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

Control measures

All control measures are applied in the ongoing business process, in order to ensure that errors or discrepancies in financial reporting are avoided. Control measures range from reviews of interim results by management through to reconciliation of accounts and monitoring of cost centres.

A clear separation of functions, various control and plausibility checks and a continuous application of the "four-eyes principle" ensure accurate and reliable accounting. The departments and areas involved in the financial reporting process are appropriately equipped both in terms of expertise and personnel. The staff deployed are carefully selected, trained and receive ongoing further training.

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

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

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

Information and communication

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

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

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

V. Employees

In the past financial year, SWIETELSKY employed an average of 11,633 employees (2019/20: 11,038). Of these, 7,575 were blue-collar workers and 4,058 were white-collar workers (2019/20: 7,162 blue-collar workers and 3,876 white-collar workers). In the past financial year, we again hired a significant number of people. The additions primarily concern Austria (496 people) and the Czech Republic (62 people).

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

As a result of the COVID-19 pandemic, SWIETELSKY registered for short-time work in Austria from 23 March to 21 June 2020. This allowed us to keep our industrial workers employed, especially in the months of March and April 2020.

In the spirit of sustainable human resources development, appropriate attention is paid to training and further education whether in internal training events or external seminars. To maintain and nurture the relevant qualifications, the requirements for continuing and further training measures are continuously measured as part of staff development. In view of the COVID-19 pandemic and in the interest of protecting our staff, most of the face-to-face trainings have been postponed or cancelled. Instead, we are increasingly relying on online formats for the training. We recorded over 6,000 participations in the online trainings in the 2020/21 financial year.

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

With the demographic trends in mind, we continue to invest in apprenticeships in Austria. Compared to the previous year, 30% more young people were taken on as apprentices in the 2020/21 financial year. As of 31 March 2021, the SWIETELSKY Group in Austria was training 270 apprentices in 16 different occupations. Our apprenticeship academy has been very well received. In 2 teaching blocks of 3 weeks each, the apprentices are taught theoretical knowledge such as hazard avoidance on construction sites as well as practical skills. The stations are led by experienced foremen and cover the laying of paving stones and slabs, special masonry techniques, formwork techniques, as well as basic principles of carpentry.

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

Our commitment to promoting health in the SWIETELSKY Group in Austria was awarded a quality seal for workplace health promotion (Gütesiegel Betriebliche Gesundheitsförderung (BGF) in January 2021.

The Management Board would like to thank all of our employees who contributed, through their commitment and technical skills, to our being able to largely reach our corporate goals even in this difficult economic environment.

We would also like to thank our works council for its professional and constructive collaboration.

VI. Quality management

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

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

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

Mission statement and company policy

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

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

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

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

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

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

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

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

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

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

VII. Environment and energy

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

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

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

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

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

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

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

A continuous recording of the energy used to manufacture construction products enables us to discover savings potentials by comparing the production costs of different production sites.

The founding of the new SWIETELSKY Energie division brought together all the competences of building services and electrical engineering in a single division. Particular emphasis is placed on incorporating the new techniques with regard to environmentally friendly technologies, alternative forms of energy and control automation into the projects. Numerous projects have already been realised in the SWIEtimber division (timber and hybrid construction), with special emphasis being placed on hybrid construction with concrete core activation.

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

The publication of our first sustainability report in November 2019 was a step towards keeping our stakeholders informed of the sustainability activities at SWIETELSKY. By introducing our own ESG software, the data, key figures and information on the environment and energy are now systematically collected. In this way, the goals for saving energy and reducing CO_2 can be clearly defined and implemented. This can be viewed at any time via the homepage.

VIII. Technology and innovation

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

In addition to concrete research and development projects, a major share of innovations occurs during running construction projects whose schedule, geological or technical conditions require innovative solutions. We regularly develop new technologies or apply, further develop and improve innovative procedures in the tunnel construction, mountain construction and railroad construction sectors.

In the past few years, the civil engineering division submitted research and development projects for R&D funding for the first time. For this purpose, new construction methods were successfully applied for the first time through solution-oriented thinking.

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

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

The construction industry also stands to benefit from the new digital possibilities in the form of increased efficiency in production and management processes. We rely on model-based work processes and connected and mobile work in all phases of construction. To this end, we invest in new technologies and in the digital transformation of all our business processes. Our goal is to create a work environment in which transparency, shared knowledge, and working from everywhere at any time with real-time data are truly lived. Sources of errors can thus be removed, time and money be saved, quality increased and decisions based on a solid foundation. We are gearing up for the future: technology is no longer just a means to an end, but has become a key driver of change. Our digitalisation is being driven by the implementation of artificial intelligence and big data in our construction and business processes. This means that ever larger amounts of data can be processed and evaluated and processes can be designed more efficiently.

This is based on the safe and responsible development of the artificial intelligence that is used, because only if the right information is available in the right place at the right time is it possible to create a secure basis for making decisions.

IX. Outlook

Even as the global economy is recovering from the COVID-19 shock, supplier delivery times have become longer and are currently equal to those experienced during the peak of the pandemic in the second quarter of 2020, especially in developed countries. This poses a short-term risk to the recovery. Commodity price increases due to demand could exert temporary upward pressure on overall inflation. At the same time, however, low capacity utilisation is curbing inflation. In its latest World Economic Outlook of April 2021, the IMF has revised its growth forecast for the global economy upwards to 6.0% in 2021. The growth rate is expected to flatten out to 4.4% in 2022. The forecast for the Euroconstruct countries (EC-19) is 4.5% for 2021 and 4.4% for 2022.

This positive development should also be reflected in the construction industry. Overall, the construction industry is expected to grow by 3.8% in 2021 in the EC-19 countries, and should then flatten out in 2022 (3.0%) and 2023 (2.1%). It is expected that both building construction and civil engineering will grow by 3.8% in 2021 and that further development will differ slightly (building construction 2022: 2.7%, 2023: 1.8% and civil engineering 2022: 3.8%, 2023: 3.1%).

The economic situation around the world is improving, and this also has a bearing on the expected recovery in Austria. Leading indicators point to the beginning of an economic boom phase, which in 2021 will be predominantly fuelled by the favourable industrial activity. In 2022, tourism is expected to account for a disproportionately high share of domestic economic growth. Following the decline in the previous year, WIFO is now forecasting real GDP growth of 4% and 5% for 2021 and 2022, respectively. It is thus once again revising its spring forecast of a growth rate of 3.4% ("optimistic scenario") upwards. Further economic growth of 5.0% (spring forecast WIFO 4.3%) in 2022 should mean that the downturn of 6.6% from 2020 will be overcome.

Looking further ahead to 2023, Austrian economic growth is expected to flatten out to 2.5%.

The Austrian construction industry is also projected to develop positively. A substantial performance increase of 3.5% is expected for 2021. Further growth is forecast for 2022 and 2023 (2022: 2.4%, 2023: 1.9%). Remaining building construction – especially new construction – should to increase by around 4.1% after the sharp downturn in 2020 (-5.7%). Following a moderate decline of -2.6% in 2020, residential construction should grow by 3.8% in the coming year. The growth will also be stimulated by an increased desire, triggered by the COVID-19 pandemic, for owning one's own home in the countryside. Overall building construction is expected to reach EUR 37.6 billion, just short of the figure for 2019 (EUR 37.8 billion). On the other hand, civil engineering is expected to significantly offset its slight losses from 2020 (-0.6%) and grow by 3.2%. The growth will affect all areas of civil engineering to a similar extent. Altogether, at EUR 46.6 billion, the total volume of the Austrian construction output will be slightly above its pre-crisis level following the growth in 2021. If the current shortage of raw materials continues for a longer period of time, this could have a negative impact on margins, as increased procurement costs often cannot be passed on, at least not sufficiently, and construction site logistics become increasingly difficult.

In Austria, SWIETELSKY expects construction output to remain at the previous year's level with a slightly reduced profit margin.

According to the IFO, the Institute for Economic Research in Germany, the further economic development of the German economy in 2021 will be decisively determined by how infection the infection continues. While the easing of individual infection control measures began in March, the current easing may be taking place at a time when the spread of infection is not yet under control and the vaccination campaign is in danger of coming to a standstill. The demand for services that involve close social contact, however, is unlikely to be fully realised even if previously relaxed measures are maintained as incidence levels continue to rise. With this in mind, overall economic activity should expand at similar rates of around 2% in the second and third quarters of 2021. It is still expected that the production of goods and services will reach its pre-crisis level by the end of 2021. Overall, gross domestic product is expected to grow by 3.5% this year. Quarterly growth rates will gradually normalise in the coming year. On an annual average, gross domestic product in 2022 is nevertheless expected to be 4.0% higher than this year owing to the strong recovery at the end of the current year.

With a decline of -0.9%, the expected downturn of 2.4% in the German construction industry in 2020 has turned out to be substantially more moderate. However, the expected upturn of 1.2% in 2021 will probably not occur, because other building construction is developing considerably more weakly at -4.1%. A further decline in output of -0.6% is expected for 2021. Residential construction, the largest sector in terms of volume (2020: EUR 223.3 billion), is developing positively at 1.3%, but fails to help building construction as a whole to grow (2020: -0.3%). Publicly funded civil engineering will also decline by -1.7%. Marginal growth of 0.2% is expected for both 2022 and 2023, which is insufficient to reach the 2019 pre-crisis level of EUR 394.4 billion (2022: EUR 389.2 billion, 2023: EUR 389.8 billion).

In Germany, SWIETELSKY anticipates an increase in output of around 7% for the financial year already underway and a similar return on earnings as in the past.

The majority of forecasts expect Hungary's economy to return to its former high growth in 2021. The Hungarian market research institute buildecon expects economic growth of 5.0%. Measures taken by the government to mitigate the consequences of the coronavirus and to promote investment are believed to have played no small part in this. Nonetheless, there are also some risks that could slow down the recovery of the economy or even lead to stagnation. These include in particular the Hungarian government's confrontational approach towards the European Commission. At the same time, Hungary expects substantial contributions from the European Union budget in the coming years, especially from the Next Generation EU recovery package.

The projected development of the Hungarian construction industry is very heterogeneous. Thanks to increased renovation activity, building construction should be able to increase by around 1.6%, even if new residential construction shrinks by a further 15%. By contrast, at -7.6%, civil engineering will continue to lose considerable ground in 2021 and will only start to benefit from the EU funding programmes in 2022 (+9.9%) and 2023 (+13.1%). Residential construction, which is still showing a negative trend in 2021 (-2.1%), should grow significantly in 2022 (12.0%) and 2023 (9.0%). The total construction output of 2019 (EUR 16.9 billion) will only be reached or exceeded in 2023 (2021: EUR 15.5 billion, 2022: 16.7 billion, 2023: 18.0 billion).

For Hungary, SWIETELSKY projects an increase in performance of 8% together with a clearly positive earnings yield.

The Czech economy was severely affected by the crisis in 2020. As a result of persistent further waves and a tightened lockdown, the 1st quarter of 2021 also saw a decline. Since the end of April 2021, however, the economy has been picking up again – thanks to falling infection rates and the easing of restrictions. Nevertheless, uncertainty regarding the development remains high. Much like the Czech government, the European Commission expects real GDP growth of more than 3% for the year as a whole, while the Czech National Bank only expects an increase of 1.2% in real terms. The market research institute Stemmark, whose data is included in the Euroconstruct report, expects economic growth of 2.3% and a slight increase in the unemployment rate (2021: 3.6%).

Although the dramatic decline of -7.8% predicted for the Czech construction industry last year turned out to be considerably more modest at -3.6%, a slight decline of -0.9% is still forecast for 2021. Building construction, which is more significant in terms of volume, is down by 1.4%, while other building construction in particular will still decline by -2.8%. Residential construction is only slightly in decline at -0.4%. At 0.4%, civil engineering remains largely stable compared to the previous year. Continued positive development is forecast for 2022 (2.8%) and 2023 (2.3%). The 2019 figure (EUR 24.0 billion) will not be reached until 2023 with a construction volume of EUR 24.1 billion.

SWIETELSKY anticipates an increase in performance of around 10% in the Czech Republic with a reduced profit margin.

In the other countries, and depending on conditions in the sector or the market, SWIETELSKY will attempt to acquire promising projects.

With regard to the current financial year 2021/22, SWIETELSKY expects a slightly higher output for the Group as a whole compared to the previous year. Even though the recent development of infection figures in our core markets indicates that the COVID-19 pandemic has been overcome, it cannot at present be ruled out with certainty that any new restrictions that may become necessary will have an impact on our forecasts for performance and results. We are confident that given the high capacity utilisation and order levels throughout the Group, we will also perform well in the current financial year.

Linz, July 7, 2021

Management Board

Peter Gal | Harald Gindl, MBA | Adolf Scheuchenpflug | Dipl.-Ing. Karl Weidlinger

AUDITOR'S REPORT

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Audit Opinion

We have audited the consolidated financial statements of **Swietelsky AG, Linz, Austria,** and its subsidiaries ("the Group"), which comprise the consolidated Balance Sheet as at 31 March 2021, and the Consolidated Income Statement and Statement of total Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements comply with the legal requirements and present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2021, 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 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 up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date.

Key Audit Matters

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

Measurement of construction contracts and revenue and earnings from construction contracts

Refer to notes page 63 and 65.

Risk for the Consolidated Financial Statements

Revenues recognised in the consolidated financial statements of Swietelsky AG as at 31 March 2021 mainly results from construction contracts, which are realised in accordance with IFRS 15 Revenue from Contracts with Customers (over time recognition using an output-oriented method based on the work already performed).

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

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

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

Our Response

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

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

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

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

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

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.

Responsibilities of Management and Audit Committee for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities

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

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

Moreover:

- We identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

- We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.

- We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.

- From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor's report unless laws or other legal regulations preclude public disclosure about the matter or when in very rare cases, we determine that a matter should not be included in our audit report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

REPORT ON OTHER LEGAL REQUIREMENTS

Group Management Report

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

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

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

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.

Engagement Partner

The engagement partner is Mr Mag. Christoph Karer.

Linz, 7 July 2021

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Christoph Karer
Wirtschaftsprüfer (Austrian Chartered Accountant)

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

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