Quarterly Report
2/2020
Flughafen Wien AG

www.viennaairport.com

Key Data on the Flughafen Wien Group

Financial Indicators (in € million. excluding employees)

	H1/2020	C. in %	H1/2019
Total revenue	195.8	-51.2	401.4
thereof Airport	83.4	-56.3	191.0
thereof Handling & Security Services	48.2	-39.3	79.4
thereof Retail & Properties	42.2	-45.9	78.1
thereof Malta	14.9	-66.5	44.6
thereof Other Segments	7.0	-16.7	8.4
EBITDA	48.9	-73.3	183.1
EBITDA margin (in%) [1]	25.0	n.a.	45.6
EBIT	-16.2	-113.8	117.2
EBIT margin (in %) [2]	-8.3	n.a.	29.2
Net profit	-18.2	-121.9	82.9
Net profit parent company	-16.7	-122.0	75.8
Cash flow from operating activities	-6.8	-104.4	156.0
Capital expenditure [3]	39.2	-38.2	63.5
Income taxes	-5.8	-120.7	28.1
Average number of employees [4]	5,634	10.5	5,101

Financial Indicators (in € million)

	30.6.2020	C. in %	31.12.2019
Equity	1,359.3	-1.6	1,380.9
Equity ratio (in %)	60.2	n.a.	60.0
Net debt	149.0	83.0	81.4
Total assets	2,256.1	-1.9	2,300.6
Gearing (in %)	11.0	n.a.	5.9
Number of employees (end of period)	5,628	-2.4	5,767

Industry Indicators

Passenger development of the Group	H1/2020	C. in %	H1/2019
Vienna Airport (in mill.)	5.1	-65.3	14.7
Malta Airport (in mill.)	1.0	-68.7	3.3
Kosice Airport (in mill.)	0.1	-76.8	0.2
Vienna Airport and strat. Investments (VIE, MLA, KSC)	6.2	-66.0	18.1
Traffic development Vienna Airport			
Passengers (in mill.)	5.1	-65.3	14.7
thereof transfer passengers (in mill.)	1.0	-69.3	3.2
Flight movements	53,093	-58.5	127,883
MTOW (in mill. tonnes) [5]	2.3	-55.6	5.2
Cargo (air cargo and trucking; in tonnes)	107,860	-20.7	135,984
Seat load factor (in %) [6]	63.9	n.a.	75.1

Stock Market Indicators

Market capitalisation (as of 30.6.2020; in € mill.)	2,125.2
Stock price: high (2.1.2020; in €)	38.10
Stock price: low (18.3.2020 in €)	17.00
Stock price as of 30.6.2020 (in €)	25.30
Stock price as of 31.12.2019 (in €)	37.75

Ticker Symbols

Reuters	VIEV.VI
Bloomberg	FLU:AV
Nasdaq	FLU-AT
ISIN	AT0000911805
Spot market	FLU
ADR	VIAAY

Definitions:
1) EBITDA margin (Earnings before Interest, Taxes, Depreciation and Amortisation) = EBITDA / Revenue 2) EBIT margin (Earnings before Interest and Taxes) = EBIT / Revenue 3) Capital expenditure: intangible assets, property, plant and equipment, investment property and prepayments including corrections to invoices from previous years, excluding financial assets 4) Average number of employees: Weighted average number of employees including apprentices, excluding employees on official non-paying leave (maternity, military, etc.) and the Management Board and managing directors 5) MTOW: Maximum take-off weight for aircraft 6) Seat load factor: Number of passengers / available number of seats

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Dear Shareholders,

For Flughafen Wien AG, the first half of 2020 was shaped by the major crisis triggered by the COVID-19 pandemic, which has resulted in a global downturn in economic development and world trade. Travel restrictions and bans, quarantine measures and lockdowns have seen aviation hit particularly hard by this crisis. Our Group's airports – Vienna, Malta and Košice – stopped commercial flights almost completely for many weeks. Exceptions were the cargo sector, transfers to return citizens to their home countries, and medically necessary flights, such as to fly in protective equipment or medical personnel.

The ramifications of this global catastrophe are reflected in every single key figure in this report, especially in the assessment of the second quarter in isolation, which is presented in detail on the following pages. In the first six months, the Flughafen Wien Group recorded a year-on-year decline in the number of passengers of 66.0% to 6.2 million. Revenue halved from € 401.4 million in 2019 to € 195.8 million, EBITDA collapsed from € 183.1 million to € 48.9 million, and the net result flipped from plus € 82.9 million to minus € 18.2 million.

Even so, the immediate cost reduction measures, the cutback of non-essential capital expenditure and the use of state aid helped to avert even greater damage to the company. The cost-conscious business management of recent years, which has left Flughafen Wien AG almost entirely free of debt, is also now allowing us to navigate the current crisis with the necessary flexibility and sufficient liquidity.

Our employees at the Vienna site are currently on short-time work, which has significantly reduced personnel expenses and enabled us to avoid redundancies to date. An ambitious savings package totalling over € 220 million gives us more financial freedom, and the planned capital expenditure was drastically cut from € 200 million to less than € 100 million, as mentioned above.

All this is necessary to get us through the current pandemic, the further course of which cannot be reliably projected, while incurring the least possible damage. Due to this lack of reliable projections, we must continue to forgo guidance with regard to our financial figures and passenger numbers. Although our major carriers such as Austrian, Laudamotion and Wizz have announced that they will increase frequencies and expand the number of destinations, demand for seats and the easing or tightening of coronavirus restrictions will ultimately be determined by the development of the pandemic.

Despite this most serious crisis in the history of both aviation and our company, we are in a good position for the future thanks to the financial strength that we have regained over the past decade. We will do everything in our power to seize the opportunities that will undoubtedly return after the COVID-19 pandemic has died down.

Finally, we would like to thank you, our shareholders, for remaining loyal to us in this difficult time, and wish you good health and every success in mastering this challenging year!

Schwechat, August 2020
The Management Board

Günther Ofner
Management Board member, CFO

Julian Jäger
Management Board member, COO

Group Management Report

› Decrease in passenger numbers for Flughafen Wien Group

The passenger volume of the Flughafen Wien Group (Vienna Airport, Malta Airport and Košice Airport) decreased by 66.0% to 6,158,906 in the first half of 2020 as a result of the COVID-19 crisis. In addition to the decrease in the number of local passengers by 65.2% to 5,165,439, the number of transfer passengers also fell by 69.2% to 987,244 passengers. The number of aircraft movements in the Group dropped by 59.1% in the first six months to 63,179 take-offs and landings, with cargo volume decreasing by 19.5% to 115,817 tonnes.

65.3% decline in passenger numbers at Vienna Airport in the first half of the year
Early effects of the global COVID-19 pandemic could be seen at Vienna Airport as early as February. Passenger flights came to a virtual standstill for several months from mid-March as a result of the global travel restrictions and social distancing rules. From the start of June, some airlines restarted their flight operations with reduced capacity and selected destinations.

The accumulated passenger volume in the period from January to June 2020 fell by 65.3% to 5,090,546 (H1/2019: 14,666,255) passengers.

The numbers in detail: In terms of local passengers, Vienna Airport counted a total of 4,104,623 passengers in the first half of 2020, thus recording a decline of 63.9%, whilst the number of transfer passengers fell by 69.3% to 979,878 passengers.

Due to the travel restrictions and social distancing rules as a result of the COVID-19 pandemic, all regions saw a decline in passenger numbers from the second quarter of 2020. Passenger volume to Western Europe fell by 65.8% to 1,717,648 departing passengers. With regard to Eastern Europe, 434,949 passengers were handled, likewise representing a decline of 65.8%. The Far East reported a downturn of 66.3% to 104,298 departing passengers. Passenger traffic to the Middle East dropped by 59.1% to 144,127 departing passengers. Passenger traffic to North America moved down by 72.5% to 52,515 departing passengers. Traffic bound for Africa decreased by 49.9% to 76,837 departing passengers.

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General key figures likewise developed negatively. The average seat load factor on scheduled and charter flights contracted from 75.1% to 63.9%. The number of aircraft movements declined by 58.5% to 53,093 take-offs and landings. The maximum take-off weight (MTOW) deteriorated by 55.6% to 2,318,307 tonnes. Cargo traffic recorded a decline of 20.7% to 107,860 tonnes.

Austrian Airlines, the largest customer at the site, temporarily discontinued scheduled flights from 18 March up to and including 14 June in response to the COVID-19 crisis. 1,897,854 passengers were handled in the first half of the year, corresponding to a year-on-year decrease of 69.5%. Market share declined to 37.3% (minus 5.1 percentage points). (Note: While scheduled flights were discontinued, stranded passengers were returned home and medical equipment was transported on cargo flights.)

With a market share of 12.6% of the total passenger volume (up 4.6 percentage points), the second-largest carrier at the site, Laudamotion, also temporarily suspended flights from 16 March up to and including 23 June. A total of 641,660 passengers were counted in the first two quarters (H1/2019: 1,167,559), a decline of 45.0%.

Wizz Air also stopped scheduled flights from 24 March up to and including 30 April as a result of the COVID-19 crisis. Wizz Air thus saw a decline of 46.3% to 506,764 passengers in the first six months (H1/2019: 943,666). Its market share of the total passenger volume increased by 3.6% percentage points to 10.0% because it resumed flights earlier than its competitors.

Development at Malta and Košice

Flughafen Wien AG's foreign investments are also feeling the effects of the COVID-19 pandemic: Passenger volume at Malta Airport declined by 68.7% to 1,017,850 passengers in the first half of 2020, whilst Košice Airport recorded a drop in passenger numbers by 76.8% to 50,510. (Note: Malta Airport discontinued scheduled flights in the period from 21 March up to and including 30 June. Košice Airport was temporarily closed for all commercial flights from 13 March up to and including 14 June.)

› Earnings in the first half of 2020

Revenue down 51.2% to € 195.8 million

The Flughafen Wien Group (FWAG) generated revenue of € 195.8 million in the first six months of 2020 (H1/2019: € 401.4 million), a decline of 51.2%. The global introduction on limitations on entry to other countries and contact between people due to the COVID-19 pandemic as well as the associated flight cancellations was the key factor driving the revenue decline in all segments.

Revenue in the Airport segment fell by 56.3% to € 83.4 million (H1/2019: € 191.0 million), driven primarily by lower revenue from passenger- and aircraft-related fees (minus € 94.0 million). Infrastructure and other services declined by € 13.6 million.

Revenue from apron handling also moved down from € 47.7 million in H1/2019 to € 26.8 million in H1/2020, also due to lower de-icing revenue. Revenue from traffic handling slumped 71.4% to € 2.4 million. The 13.9% decline in revenue from cargo handling to € 13.8 million was comparatively moderate because cargo volumes were not as severely affected by the pandemic.

Revenue from centre management and hospitality fell by 56.6% to € 16.9 million in the first six months of 2020 (H1/2019: € 39.0 million). Parking revenue also dropped by 56.1% year-on-year to € 11.2 million (H1/2019: € 25.6 million).

Revenue at Malta Airport was also down, falling by 66.5% year-on-year to € 14.9 million (H1/2019: € 44.6 million) as a result of lower passenger numbers because of the pandemic.

Other operating income declined by 57.8% year-on-year to € 3.3 million (H1/2019: € 7.9 million). This was mainly attributable to the lower level of own work capitalised for construction projects in the Group and the non-recurring effect from the sale of land in the first quarter of 2019.

Expenses for consumables and services used decreased by 30.9% to € 14.0 million in the first half of 2020 (H1/2019: € 20.3 million). Purchased services passed on and the cost of consumables were lowered by a total of € 4.1 million, due in particular to lower consumption of fuel, other consumables and de-icing materials. Expenses for energy were reduced by 26.0% to € 6.2 million (H1/2019: € 8.4 million).

Overall, personnel expenses were lowered by 28.9% year-on-year from € 153.8 million to € 109.4 million. The reduction is essentially due to the short-time work introduced from 16 March 2020 as well as the accompanying measures to use up holiday time, overtime hours and flexitime credit. Pay increases under collective bargaining agreements from May of the previous year and a higher average headcount due mainly to the change in the scope of consolidation (GET2 fully consolidated from 1 May 2019) had the opposite effect. Wages fell by 41.1% to € 36.9 million as against the previous year (H1/2019: € 62.6 million), while salaries were down 33.8% at € 35.9 million (H1/2019: € 54.2 million). Expenses for severance compensation and pension expenses are on a par with the previous year at € 4.2 million and € 1.4 million respectively. The average headcount (FTE, full-time equivalents) at the Flughafen Wien Group increased by 10.5% year-on-year from 5,101 to 5,634 due to the change in the consolidated group.

Other operating expenses (including impairment and reversals of impairment on receivables) were reduced by 51.1% to € 26.0 million (H1/2019: € 53.3 million) due to cost reductions introduced immediately at the start of the COVID-19 pandemic as well as the lower level of third-party services due to the change in the scope of consolidation >

on 1 May of the previous year. The main reductions in expenses were in the area of maintenance (down € 9.7 million), third-party services (down € 4.1 million) and the third-party services from Group companies due to the inclusion of GET2 in the scope of consolidation from 1 May of the previous year (down € 4.7 million). Expenses for marketing and market communication (down € 4.5 million), other operating costs (down € 2.9 million) and expenses for travel and training (down € 1.0 million) were also reduced.

The operating results of investments recorded at equity declined by € 2.0 million to minus € 0.7 million (H1/2020: plus € 1.3 million). Due to numerous cancellation of flights, the City Airport Train (CAT) temporarily ceased operations from 19 March.

EBITDA down 73.3% to € 48.9 million

As a result of the negative revenue development and the cost-savings measures that impacted only with a time lag, EBITDA declined by 73.3% year-on-year from € 183.1 million to € 48.9 million. The EBITDA margin fell from 45.6% to 25.0%.

EBIT down by € 133.4 million to minus € 16.2 million

Depreciation and amortisation amounted to € 65.0 million in the first half of 2020 (H1/2019: € 65.9 million).

Due to the decrease in EBITDA as well as depreciation and amortisation, EBIT moved down by € 133.4 million to minus € 16.2 million (H1/2019: € 117.2 million). The EBIT margin fell from 29.2% to minus 8.3%.

Financial results at minus € 7.8 million (H1/2019: minus € 6.2 million)

The financial results changed from minus € 6.2 million in the first half of the previous year to minus € 7.8 million. Net interest came to minus € 7.7 million (H1/2019: minus € 8.3 million) and was lowered despite slightly higher financial liabilities compared with the first half of 2019. Other financial results of minus € 0.6 million (H1/2019: plus € 1.5 million) include the measurement of financial instruments.

Net profit for the period fell by € 101.1 million to minus € 18.2 million

Earnings before taxes (EBT) amounted to minus € 24.0 million in the first six months, down € 135.0 million year-on-year (H1/2019: plus € 111.0 million). After income taxes of plus € 5.8 million from the recognition of deferred tax assets on loss carry forwards (H1/2019: minus € 28.1 million), the net profit for the period amounted to minus € 18.2 million (H1/2019: plus € 82.9 million), a decrease of € 101.1 million.

The net loss (previous period: net profit) attributable to shareholders of the parent company amounted to minus € 16.7 million (H1/2019: plus € 75.8 million). The result attributable to non-controlling interests for the first six months was minus € 1.5 million (H1/2019: plus € 7.1 million).

› Earnings in second quarter of 2020

The Flughafen Wien Group's revenue decreased by € 189.6 million, down by 84.6% to € 34.4 million in the second quarter of 2020 (Q2/2019: € 224.0 million). This is due to the sharp decline in passenger development in the Group as a result of the pandemic.

Revenue from the Airport segment was down by € 100.2 million. Revenue at Malta Airport also fell by € 26.9 million in comparison with the same quarter of the previous year. Revenue in the Retail & Properties segment declined by € 31.7 million. The Handling & Security Services segment contributed € 29.3 million to the revenue reduction.

Other operating income was significantly down on the previous year's figure at € 0.9 million (Q2/2019: € 4.7 million). A higher level of own work capitalised and a non-recurring effect from the sale of land were recognised in the previous period.

Compared to 2019, expenses for consumables and services used decreased by € 5.5 million to € 3.6 million. Personnel expenses fell by € 47.3 million to € 32.6 million as a result of the short-time work introduced from 16 March and the accompanying measures to use up holiday time and overtime hours. The changes in the consolidated group (full consolidation of GET2 from 1 May 2019) and pay increases under collective bargaining agreements had the opposite effect. Due to cost-savings measures initiated as soon as the COVID-19 pandemic began, other operating expenses were lowered by € 20.5 million to € 8.7 million in the second quarter of 2020. Maintenance costs were reduced by € 4.7 million, third-party services by € 4.0 million, third-party services from Group companies by € 1.3 million, legal, auditing and consulting costs by € 1.0 million, market communication by € 3.9 million and other operating costs by € 1.7 million. In the second quarter, valuation allowances of € 2.6 million were reversed as a result of collection measures.

The pro rata share of net profit for the period of the investments recorded at equity fell year-on-year from plus € 0.9 million to minus € 0.5 million. Despite cost reductions, the decline in revenue resulted in a negative EBITDA of minus € 10.1 million for the second quarter of 2020 (Q2/2019: plus € 111.5 million).

Depreciation and amortisation fell slightly by € 0.2 million to € 32.4 million (Q2/2019: € 32.7 million). The negative EBITDA resulted in EBIT falling by € 121.4 million as against Q2/2019 to minus € 42.6 million (Q2/2019: plus € 78.8 million).

Financial results amounted to minus € 2.8 million in the second quarter of 2020 after minus € 2.7 million in Q2/2019. This was chiefly due to the subsequent measurement of securities under other financial results.

At minus € 45.4 million, profit before taxes was lower than the previous year's figure of plus € 76.1 million. After income taxes of plus € 11.1 million (Q2/2019: minus € 18.7 million), net profit for the period declined by € 91.8 million to € 34.3 million (Q2/2019: plus € 57.5 million).

Net profit for the period of the parent company amounted to minus € 32.3 million, thus also falling by € 84.0 million (Q2/2019: plus € 51.7 million). Net profit for the second quarter attributable to non-controlling interests was minus € 2.0 million (Q2/2019: plus € 5.7 million).

› Financial, asset and capital structure

Net debt of € 149.0 million (31 December 2019: € 81.4 million)
Net debt amounted to € 149.0 million as at 30 June 2020, up € 67.6 million as against the start of the year. The equity ratio increased by 0.2 percentage points to 60.2% due to lower total assets. Gearing amounted to 11.0% after 5.9% as 31 December 2019.

Cash flow from operating activities of minus € 6.8 million (H1/2019: plus € 156.0 million)
Net cash flow from operating activities was minus € 6.8 million in H1/2020 after plus € 156.0 million in the previous year. Operating earnings (EBT plus depreciation and amortisation less measurement of financial instruments) fell by € 133.8 million to € 41.7 million (H1/2019: € 175.5 million). In the first half of 2020, the Group posted a decrease in receivables of € 23.3 million (H1/2019: increase of € 5.7 million). Liabilities and provisions were down € 73.3 million (H1/2019: up € 14.1 million). Payments for income taxes totalled € 0.1 million in the first six months (H1/2019: € 24.9 million).

Net cash flow from investing activities amounted to minus € 62.2 million after minus € 79.9 million in the previous year. While € 57.3 million was paid for investment projects (including financial assets) in the first six months of 2020, payments of € 72.4 million were made in the previous year. Furthermore, € 55.6 million (previous year: € 40.7 million) was invested in current and non-current investments (term deposits) in the first six months of 2020. In the first quarter of 2019, € 15.0 million was invested in securities. This was offset by proceeds from matured term deposits of € 50.6 million (previous year: € 45.0 million).

Free cash flow (net cash flow from operating activities plus net cash flow from investing activities) therefore amounted to minus € 69.0 million (H1/2019: plus € 76.0 million).

The net cash flow from financing activities of plus € 72.0 million (H1/2019: minus € 72.2 million) is attributable to the change in financial liabilities (repayments less borrowings) in the amount of plus € 75.0 million (H1/2019: plus € 9.0 million). Short-term loans of € 100.0 million were taken up as a result of the COVID-19 pandemic. A dividend of € 81.0 million was distributed in the first half of 2019 (€ 74.8 million of which for shareholders of Flughafen Wien AG and € 6.3 million for non-controlling interests).

Cash and cash equivalents amounted to € 87.8 million as at 30 June 2020 after € 33.9 million as at 31 December 2019.

Assets
Non-current assets rose by € 26.2 million in net terms to € 2,025.8 million since the start of the year. This essentially stemmed from the € 54.3 million increase in other assets as a result of new investments. Current additions to intangible assets, property, plant and equipment and investment property of € 39.2 million are offset by depreciation and amortisation of € 65.0 million. The carrying amounts of investments recorded at equity fell from € 43.7 million to € 41.5 million as a result of distributions and the negative operating results.

Compared with the end of the year, current assets were down by € 70.7 million at € 230.3 million (31 December 2019: € 301.1 million). This was primarily the result of the decrease in current term deposits by € 50.0 million and reclassifications to non-current assets due to reinvestments in term deposits. As at the end of the reporting period, net trade receivables were also down € 53.2 million at € 15.2 million (31 December 2019: € 68.4 million) due to the sharp decline in revenue. However, this was offset by an increase in other receivables of € 34.1 million to € 51.3 million, which primarily resulted from the deferred short-time working allowance.

The securities item declined by € 0.6 million to € 58.1 million due to the ongoing measurement in the amount of € 0.6 million. Cash and cash equivalents grew to € 87.8 million as at 30 June 2020 (31 December 2019: € 84.8 million).

Equity and liabilities

Equity fell by 1.6% to € 1,359.3 million (31 December 2019: € 1,380.9 million). While net profit for the current period (including the results of non-controlling interests) was recognised in the amount of minus € 18.2 million, net actuarial losses on employee-related provisions and the measurement of financial instruments (FVOCI) were recognised in the amount of € 0.7 million. Also, own shares valued at € 2.7 million were purchased in the first half year. No dividend was distributed to the shareholders of Flughafen Wien AG in the first half of 2020. The Management Board's current proposal for the distribution of profits is to carry forward the net retained profit for 2019. As at 30 June 2020, the equity ratio was 60.2% (31 December 2019: 60.0%).

Non-current liabilities decreased from € 572.5 million to € 540.9 million, primarily due to reclassifications of financial liabilities based on their maturity profile as well as the reversal of deferred tax liabilities.

Current liabilities increased by € 8.7 million to € 356.0 million. The € 100.0 million increase in current financial and lease liabilities to € 125.4 million resulted mainly from taking up new short-term loans. As of the end of the reporting period, trade payables decreased by € 13.1 million to € 32.4 million. Current provisions were down € 107.4 million at € 105.2 million. One of the reasons for this decline is the credit note for incentives in the previous year. The tax provision amounted to € 10.9 million (31 December 2019: € 11.4 million)

› Capital expenditure

A total amount of € 39.2 million (H1/2019: € 63.5 million) was invested in intangible assets, property, plant and equipment and investment property or paid as advance payments in the first six months of 2020. The biggest investment projects at the Vienna site relate to the terminal alteration (€ 12.5 million), the skywalk to car park 3 (€ 2.0 million), land (€ 2.0 million) new advertising space (€ 1.1 million), aircraft towing vehicles (€ 1.3 million), passenger buses (€ 1.2 million) and Office Park 4 (€ 1.2 million). A total of € 5.5 million was invested at Malta Airport in the first half of the year.

› Risks of future development

The aviation industry is strongly affected by general political and economic trends at national and international level, which are therefore closely monitored. That said, the overall risk position of the Flughafen Wien Group (FWAG) has changed significantly as a result of the COVID-19 pandemic.

The COVID-19 pandemic has far-reaching ramifications for commercial aviation. The economic environment and industry development are particularly affected.

Economic environment

The outbreak of the COVID-19 pandemic in the first half of 2020 was followed around the world by sweeping measures to contain the further spread of the disease and to protect the population. However, these measures led to a massive slump in economic output. Current forecasts assume that the world economy will contract by between 5% and 7% in 2020, depending on the scenario used. A recovery is predicted in 2021, but the effects of the pandemic are not likely to be remedied quickly, and global economic output in 2021 will still be approximately 7% behind the forecasts made in 2019. Nevertheless, the forecasts by the IMF and OECD remain subject to a wide range of variation, as current estimates regarding the further development of the pandemic are highly uncertain (IMF World Economic Outlook, June 2020; OECD Economic Outlook, June 2020).

Austrian economic output is expect to decline by 7% in 2020, a much deeper recession than the one that followed the financial and economic crisis in 2008/2009. This decline constitutes the deepest recession since the Second World War.

However, the recession seems to have bottomed out already. A significant recovery in GDP growth is forecast for 2021 (+4.3%), but the level of economic output from before the outbreak of the COVID-19 pandemic is not expected to be regained next year. Due to the high level of uncertainty with regard to the further progression of the pandemic and the necessary countermeasures, however, these forecasts are subject to a wide range of variation. (WIFO, 26 June 2020).

Because of the COVID-19 pandemic, 2020 is expected to be the worst year in the history of commercial aviation in terms of earnings. The decline in global economic output and world trade, the extensive measures with regard to the restriction of international travel by individuals, and the generally low demand for flights are having a very heavy impact on the aviation industry.

According to a forecast by the IATA (International Air Transportation Association), the global passenger volume in 2020 will shrink by 50.6% compared with the previous year. The cargo sector will suffer primarily under the global recession and lower world trade and report a decline for the first time since 2009 (minus 16.8% in 2020).

The IATA also expects a significant recovery in both passenger and cargo volume in 2021 as a result of the recovery of the economy and world trade. However, 2019's level is unlikely to be regained in 2021.

Market and industry development

The COVID-19 pandemic is the greatest crisis in the history of commercial aviation, with far-reaching ramifications for the airlines operating at Vienna Airport. European air traffic effectively came to a standstill for three months. This situation is an existential threat for all airlines.

The survival of Austrian Airlines, the main carrier at Vienna Airport, was guaranteed only with the assistance of a government rescue package totalling € 600 million. The grant of € 150 million from the Austrian government was approved by the European Commission at the beginning of July. Lufthansa will inject another € 150 million as equity capital, and € 300 million will be raised via a bank loan (90% of which guaranteed by the Austrian government). The Austrian government has tied the package to conditions and covenants with a focus on environmental protection and sustainability as well as site-related commitments. The plans include increasing fuel efficiency by 2030, moving short-haul flights onto the railways and halving Austrian Airlines' CO2 emissions within Austria by 2030.

The airline will also be extensively restructured. In the years to come, up to 1,000 jobs are expected to be cut and the fleet reduced from 80 to approximately 60 aircraft by 2022 (source: Austrian Airlines press release dated 21 April 2020).

Overall, the rescue package and the restructuring measures are a positive sign of the survival of Austrian Airlines and of the confidence that the parent company, Lufthansa, places in the airline. The rescue package will help to safeguard the Viennese hub for flights to Central and Eastern Europe and long-haul destinations in the long term.

The low-cost carrier segment is likewise heavily affected by the currently very challenging industry environment.

For example, IAG's low-cost subsidiary Level Europe filed for bankruptcy in June 2020.

The Ryanair subsidiary Laudamotion has also carried out restructuring in order to survive the crisis. After lengthy negotiations, the base in Vienna will remain, but it was announced that the fleet would be downsized from 16 to an estimated 10 aircraft.

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

Vienna Airport has also taken measures to boost incoming tourism and passenger volumes again and to help the airlines hit hard by the COVID-19 pandemic to resume their flight connections.

The landing fee has been suspended retroactively for all airlines from 29 March 2020 to 31 December 2020, which results in a temporary fee reduction of between 20% and 30% for the airlines. From 2021, Vienna Airport will offer a refund of between € 2 and €4 per departing passenger for the resumption of seating capacity.

The COVID-19 pandemic is also posing major challenges for handling services. For years, the airlines' high price pressure on upstream service providers has been responsible for shrinking margins in aircraft and cargo handling and is now being exacerbated by declining volumes. The decline in aircraft movements tends also to result in a reduction in labour productivity, as economies of scale can be achieved only to a lesser extent.

With a year-on-year drop of around 21% in the first half of 2020 (Group: around minus 20%), the cargo sector at the Vienna site has also been heavily affected by the COVID-19 pandemic, although the impact in this area is still much smaller than in passenger and aircraft handling. However, the possibility of a longer-lasting recession is also an uncertainty factor in cargo, especially as the cargo sector is highly sensitive to economic fluctuations. It is not yet possible to estimate the specific future impact, as current econo- >

mic forecasts still cite wide variation ranges due to the uncertainty over the further course of the COVID-19 pandemic.

As a traditional holiday destination, the fully consolidated Malta Airport has also been very significantly affected by the COVID-19 pandemic. Like at most European airports, traffic came virtually to a complete standstill from around mid-March, which resulted in a decline in traffic volume in the first half of the year of 68.7% compared with the first half of 2019.

Malta Airport reopened for travellers from most European countries on 1 July. The home carrier Air Malta (2019 market share: 28.7%) also started flying again on 1 July. It remains to be seen how the pandemic will affect the airline's already difficult economic situation. The loss of the airline would have negative repercussions on passenger traffic and thus the results of Malta Airport in the short term. In the medium and long term, however, it is expected that new airlines or those already represented at the site would increase their capacity and serve the existing demand.

The COVID-19 pandemic is the gravest crisis in the history of Vienna Airport. Vienna Airport currently expects that the traffic volume seen in 2019 will be regained only in the medium term. Experience from previous crises such as 9/11 (2001), the 2008/2009 financial crisis and earlier pandemics such as SARS (2003) shows that air traffic is generally highly resilient and recovers from downturns completely within a few years. In the most negative of the scenarios analysed in a study by the consulting company Roland Berger, the global passenger volume (measured in revenue passenger kilometres) of 2019 will be regained in 2025 at the latest (Roland Berger, COVID-19 – How we will need to rethink the aerospace industry, 8 April 2020)

In light of the import of the described effects of the COVID-19 pandemic on aviation, the risks that are not directly affected have fallen in significance. Nevertheless, they will of course continue to be monitored and assessed on an ongoing basis as usual.

Political environment

There are uncertainties for the aviation industry arising from the European Union's goal of significantly reducing CO2 emissions in the member states by 2030. Currently, the individual countries are working on defining specific measures to achieve this goal. The extent to which this will affect the aviation industry therefore is not yet clear. However, higher taxation of CO2 emissions would drive up flight prices and thus entail decreases in value added along the entire value chain.

Both at national and European level, there are currently intensive discussions about new measures to reduce CO2 emissions. Aviation will potentially also be affected by any new regulations or changes to the taxation of fossil fuels. The increase in air ticket tax for short- and medium-haul flights announced by the Austrian federal government in its coalition deal would make tickets more expensive, have a negative effect on traffic volume at Vienna Airport, and result in competitive disadvantages for the site.

In connection with the rescue package for Austrian Airlines, the Austrian government has already announced the initial concrete measures in pursuit of these targets. For example, the government plans to pass an anti-dumping law that would stipulate that flight tickets must cost at least as much as the levies and taxes for the flight, i.e. around € 40. In addition, air ticket tax for short-haul flights (<350km) is to be raised from € 12 to € 30 on 31 August 2020.

Uncertainties in the geopolitical field persist in the shape of the political ties between the European Union and Russia. On 29 June 2020, the sanctions imposed on Russia by the European Union were extended until 31 January 2021. This will not have any significant negative effects on traffic volume for Flughafen Wien AG.

The political tensions in the Gulf region, which have flared up again in recent months because of the reintroduction of US sanctions against Iran, the withdrawal from the nuclear deal and the shooting down of a Ukrainian passenger aircraft, are also being monitored closely. Due to the low traffic volume in Iran (less than 0.3% in 2019), notable effects for Vienna Airport are expected only if the conflict spreads to the entire Gulf region (around 6% on the basis of departing passengers in 2019).

Political tension and terrorist threats in individual countries and regions have a negative impact on bookings in the respective tourist destinations. In the past, however, it has been observed that such declines were of a short-term nature or were compensated by other destinations. Negative effects on the volume of traffic at Vienna Airport would arise if these substitution effects are only partial or alternative destinations are served by other means of transport.

Given the relatively weak economic ties, IHS believes that the UK's departure from the European Union at the end of January 2020 will have only relatively minor consequences for the Austrian economy and thus for traffic volume at Vienna Airport, even in the event of a no-deal Brexit. This view is also shared by the IMF in its latest report regarding the impact of Brexit on countries of the euro zone (source: IHS, February 2017; IMF July 2018).

The withdrawal agreement stipulated a transition period until 31 December 2020, which, because no joint decision was reached before 1 July 2020, can no longer be extended. If no deal on trade between the UK and the EU is agreed before the end of the year, there is a risk that it will be subject to WTO rules, as the UK will obtain the status of a third country. This would mean that customs duties according to WTO agreements would apply again, with drastic consequences for supply chains in the EU's foreign trade with the UK.

All in all, however, the extent of this risk is limited. In 2019, the UK accounted for 6.2% of the total passenger volume at Vienna Airport.

Legal risks

The construction of the "Parallel runway 11R/29L" (third runway) is a key project for FWAG's long-term development and growth potential. The environmental impact assessment has been finally concluded.

As a rule, all assets are measured based on the assumption that Vienna Airport will maintain its position as an east-west hub and the current negative developments are not deemed an existential threat.

› Other disclosures

Information on significant transactions with related parties can be found under note 9 in the notes to the condensed consolidated interim financial statements.

› Guidance 2020

Due to the massive reduction in flight offers from the airlines operating at Vienna Airport, the revenue and earnings forecast of Flughafen Wien AG for financial year 2020 cannot be achieved. Due to the uncertain development in the coming months, a new forecast cannot be issued.

Emergency measures to safeguard operations and reduce costs are being implemented. Flughafen Wien AG has responded to the ongoing COVID-19 crisis, which has led to a reduction of passenger volume of about 80%, with an extensive savings and liquidity protection programme. The savings programme comprises a volume of over € 220 million, which corresponds to more than 25% of planned revenue for 2020. In addition, employees are working reduced hours.

Usage of state aid packages, the provision of sufficient credit lines and the successful implementation of saving measures guarantee the liquidity of the company, even if the crisis prevails until the end of the year. Planned capital expenditure for 2020 will be reduced to a figure below € 100 million. Office Park 4 and Terminal 2 will be completed; all other substantial construction projects, such as the southern extension and the refurbishment of Pier East, will be delayed. A new schedule will not be available before the end of 2020.

The Annual General Meeting for financial year 2019 was rescheduled to Friday, 4 September 2020. Like at other listed European Airports, the proposal for the distribution of profits of Flughafen Wien AG for 2019 will call for the profit to be carried forward and will no longer provide for a dividend payment for financial year 2019. This measure also safeguards access to further state aid if needed.

The development of operational and financial key performance indicators is negative due to the significantly reduced traffic volume, but is not a risk to the survival of the company.

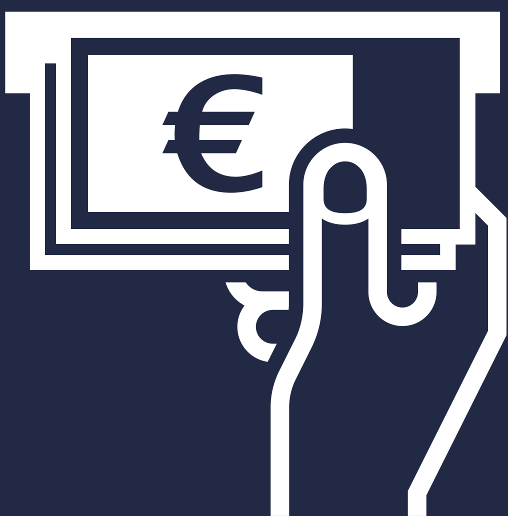
Flughafen Wien Group: Passenger decrease in July 2020
Vienna Airport and its investments in Malta Airport and Košice together handled 0.7 million passengers in July, a decrease of 81.9% as against July 2019. The accumulated passenger volume in the period from January to July fell by 68.9% to 6.9 million passengers.

Vienna Airport in July 2020
Passenger volume handled at the Vienna Airport site in July 2020 declined by 81.8% to 576,370 passengers compared with July of the previous year. The number of local passengers was down 79.4% and transfer passengers fell by 88.7%. In July 2020, the number of aircraft movements decreased by 69.6% year-on-year.

Schwechat, 12 August 2020
The Management Board

Günther Ofner
Management Board member, CFO

Julian Jäger
Management Board member, COO



Condensed Consolidated Interim Financial Statements as of 30 June 2020

Consolidated Income Statement

from 1 January to 30 June 2020

in T€	H1/2020	H1/2019	C. in %	Q2/2020	Q2/2019
Revenue	195,784.8	401,384.3	-51.2	34,392.7	224,040.7
Other operating income	3,322.2	7,870.0	-57.8	919.2	4,668.5
Operating income	**199,107.0**	**409,254.2**	**-51.3**	**35,311.9**	**228,709.3**
Expenses for consumables and purchased services	-14,022.5	-20,284.8	-30.9	-3,580.7	-9,063.0
Personnel expenses	-109,446.0	-153,848.0	-28.9	-32,633.4	-79,922.4
Other operating expenses	-25,595.2	-53,471.6	-52.1	-11,244.2	-29,136.3
Impairment/reversals of impairment on receivables	-454.0	172.5	n.a.	2,545.7	-47.3
Pro rata results of companies recorded at equity	-736.9	1,290.5	-157.1	-528.8	922.8
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**48,852.3**	**183,112.8**	**-73.3**	**-10,129.5**	**111,463.0**
Depreciation and amortisation	-65,020.0	-65,922.0	-1.4	-32,437.4	-32,667.8
Earnings before interest and taxes (EBIT)	**-16,167.7**	**117,190.9**	**-113.8**	**-42,567.0**	**78,795.2**
Income from investments, excluding companies recorded at equity	538.5	694.1	-22.4	317.8	254.5
Interest income	354.5	416.4	-14.9	202.9	257.3
Interest expense	-8,060.2	-8,718.2	-7.5	-3,906.6	-3,916.6
Other financial result	-645.4	1,458.6	-144.2	584.8	735.2
Financial results	**-7,812.7**	**-6,149.0**	**-27.1**	**-2,801.0**	**-2,669.6**
Earnings before taxes (EBT)	**-23,980.4**	**111,041.9**	**-121.6**	**-45,368.0**	**76,125.7**
Income taxes	5,814.4	-28,125.9	-120.7	11,065.4	-18,671.1
Net profit for the period	**-18,166.0**	**82,916.0**	**-121.9**	**-34,302.6**	**57,454.6**
Thereof attributable to:					
Equity holders of the parent	**-16,684.8**	**75,812.4**	**-122.0**	**-32,324.1**	**51,709.4**
Non-controlling interests	-1,481.2	7,103.5	-120.9	-1,978.4	5,745.2
Number of shares outstanding (weighted average)	83,892,997	84,000,000	-0.1	83,874,681	84,000,000
Earnings per share (in €, basic = diluted)	-0.20	0.90	-122.0	-0.39	0.61

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Consolidated Statement of Comprehensive Income

from 1 January to 30 June 2020

in T€	H1/2020	H1/2019	C. in %	Q2/2020	Q2/2019
Net profit for the period	**-18,166.0**	**82,916.0**	**-121.9**	**-34,302.6**	**57,454.6**
Other comprehensive income from items that will not be reclassified to the consolidated income statement in future periods					
Revaluation from defined benefit plans	-213.5	-2,712.4	-92.1	-213.5	-2,283.2
Market valuation of equity investments	-690.0	-640.0	7.8	-690.0	-640.0
Thereof deferred taxes	225.9	839.0	-73.1	225.9	731.6
Other comprehensive income	**-677.6**	**-2,513.4**	**-73.0**	**-677.6**	**-2,191.6**
Comprehensive income	**-18,843.6**	**80,402.6**	**-123.4**	**-34,980.2**	**55,263.0**
Thereof attributable to:					
Equity holders of the parent	**-17,362.4**	**73,299.0**	**-123.7**	**-33,001.7**	**49,517.8**
Non-controlling interests	-1,481.2	7,103.5	-120.9	-1,978.4	5,745.2

Consolidated Statement of Financial Position

As at 30 June 2020

in T€	30.6.2020	31.12.2019	C. in %
ASSETS			
Non-current assets			
Intangible assets	164,300.7	166,064.1	-1.1
Property, plant and equipment	1,506,573.6	1,530,346.5	-1.6
Investment property	178,446.1	178,729.5	-0.2
Investments in companies recorded at equity	41,458.5	43,706.9	-5.1
Other assets	135,029.7	80,723.5	67.3
	2,025,808.6	**1,999,570.6**	**1.3**
Current assets			
Inventories	6,331.6	6,201.5	2.1
Assets available for sale	58,064.4	58,709.9	-1.1
Receivables, other assets and contract assets	78,135.4	151,375.2	-48.4
Cash and cash equivalents	87,803.1	84,782.9	3.6
	230,334.6	**301,069.5**	**-23.5**
Total assets	**2,256,143.2**	**2,300,640.1**	**-1.9**
EQUITY & LIABILITIES			
Equity			
Share capital	152,670.0	152,670.0	0.0
Capital reserves	117,885.1	117,744.4	0.1
Other reserves	-14,285.5	-10,699.4	n,a,
Retained earnings	999,916.9	1,016,561.2	-1.6
Attributable to equity holders of the parent	1,256,186.5	1,276,276.3	-1.6
Non-controlling interests	103,118.1	104,632.6	-1.4
	1,359,304.7	**1,380,908.8**	**-1.6**
Non-current liabilities			
Provisions	174,535.5	175,013.0	-0.3
Financial and lease liabilities	305,462.7	330,432.9	-7.6
Other liabilities	27,937.3	28,576.2	-2.2
Deferred tax liabilities	32,931.7	38,483.5	-14.4
	540,867.2	**572,505.6**	**-5.5**
Current liabilities			
Tax provisions	10,883.8	11,428.7	-4.8
Other provisions	105,151.8	212,563.7	-50.5
Financial and lease liabilities	125,393.3	25,443.7	392.8
Trade payables	32,363.1	45,423.4	-28.8
Other liabilities	82,179.3	52,366.1	56.9
	355,971.3	**347,225.8**	**2.5**
Total equity and liabilities	**2,256,143.2**	**2,300,640.1**	**-1.9**

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Consolidated Cash Flow Statement

from 1 January to 30 June 2020

	in T€	H1/2020	H1/2019	C. in %
	Earnings before taxes (EBT)	-23,980.4	111,041.9	-121.6
+/-	Depreciation and amortisation/reversals thereof	65,020.0	65,922.0	-1.4
+/-	Fair value measurement of financial instruments	645.4	-1,458.6	-144.2
-	Pro rata results of companies recorded at equity	736.9	-1,290.5	-157.1
+	Dividends from companies recorded at equity	1,511.5	2,093.9	-27.8
+	Losses/- gains on the disposal of assets	-70.9	-3,295.4	-97.8
-	Reversal of investment subsidies from public funds	-114.7	-90.5	26.7
+	Interest and dividend result	7,167.3	7,607.6	-5.8
+	Dividends received	538.5	439.6	22.5
+	Interest received	345.9	362.0	-4.4
-	Interest paid	-8,430.2	-8,952.4	-5.8
-	Increase/+ decrease in inventories	-130.1	150.7	-186.3
-	Increase/+ decrease in receivables	23,266.5	-5,742.9	-505.1
+	Increase / - decrease in provisions	-108,102.9	14,981.6	n.a.
+	Increase/- decrease in liabilities	34,850.0	-867.2	n.a.
	Net cash flow from ordinary operating activities	-6,747.1	180,901.8	-103.7
-	Income taxes paid	-56.5	-24,948.3	-99.8
	Net cash flow from operating activities	**-6,803.6**	**155,953.5**	**-104.4**
+	Payments received on the disposal of non-current assets (not including financial assets)	106.6	3,193.4	-96.7
+	Payments made for the purchase of financial assets	3.3	3.3	0.0
-	Payments made for the purchase of assets (not including financial assets)	-57,259.5	-72,422.2	-20.9
-	Payments made for the purchase of financial assets	0.0	-30.0	-100.0
+	Payments received of current and non-current investments	50,552.8	45,000.0	12.3
-	Payments made for current and non-current investments and securities	-55,570.5	-55,667.3	-0.2
	Net cash flow from investing activities	**-62,167.4**	**-79,922.8**	**-22.2**
-	Dividend payment to Flughafen Wien AG shareholders	0.0	-74,760.0	-100.0
-	Dividend payment to non-controlling interests	-33.2	-6,278.4	-99.5
-	Acquisition of own shares	-2,727.4	0.0	n.a.
+	Payments received from the borrowing of financial liabilities	100,000.4	34,000.0	194.1
-	Payments made for the repayment of financial liabilities	-25,055.0	-25,001.0	0.2
-	Payments made for the repayment of lease liabilities	-193.6	-208.6	-7.2
	Net cash flow from financing activities	**71,991.2**	**-72,248.0**	**-199.6**
	Change in cash and cash equivalents	**3,020.2**	**3,782.7**	n.a.
+	Cash and cash equivalents from changes in the consolidated group	0.0	5.9	-100.0
+	Cash and cash equivalents at the beginning of the period	84,782.9	30,098.8	181.7
	Cash and cash equivalents at the end of the period	**87,803.1**	**33,887.3**	**159.1**

Consolidated Statement of Changes in Equity

from 1 January to 30 June 2020

			Attributable to equity	
in T€	**Share capital**	**Capital reserves**	**Total other reserves**	
Balance on 1.1.2019	**152,670.0**	117,657.3	**-1,685.1**	
Market valuation of equity investments			-480.0	
Revaluation from defined benefit plans			-2,033.4	
Other comprehensive income	0.0	0.0	-2,513.4	
Net profit for the period				
Comprehensive income	**0.0**	**0.0**	**-2,513.4**	
Reversal of revaluation surplus			-181.1	
Dividend payment				
As at 30.6.2019	**152,670.0**	**117,657.3**	**-4,379.6**	
As at 1.1.2020	**152,670.0**	**117,744.4**	**-10,699.4**	
Market valuation of equity investments			-517.5	
Revaluation from defined benefit plans			-160.1	
Other comprehensive income	0.0	0.0	-677.6	
Net profit for the period				
Comprehensive income	**0.0**	**0.0**	**-677.6**	
Reversal of revaluation surplus			-181.1	
Acquisition of own shares			-2,727.4	
Allocation of capital reserves		140.6	0.0	
Dividend payment			0.0	
As at 30.6.2020	**152,670.0**	**117,885.1**	**-14,285.5**	

holders of the parent			
Retained earnings	**Total**	**Non-controlling interests**	**Total**
932,188.6	**1,200,830.9**	**96,162.6**	**1,296,993.5**
	-480.0	0.0	-480.0
	-2,033.4	0.0	-2,033.4
0.0	-2,513.4	0.0	-2,513.4
75,812.4	75,812.4	7,103.5	82,916.0
75,812.4	**73,299.0**	**7,103.5**	**80,402.6**
181.1	0.0	0.0	0.0
-74,760.0	-74,760.0	-6,278.4	-81,038.4
933,422.2	**1,199,369.9**	**96,987.7**	**1,296,357.6**
1,016,561.2	**1,276,276.3**	**104,632.6**	**1,380,908.8**
	-517.5	0.0	-517.5
	-160.1	0.0	-160.1
0.0	-677.6	0.0	-677.6
-16,684.8	-16,684.8	-1,481.2	-18,166.0
-16,684.8	**-17,362.4**	**-1,481.2**	**-18,843.6**
181.1	0.0	0.0	**0.0**
	-2,727.4		-2,727.4
-140.6			0.0
0.0	0.0	-33.2	-33.2
999,916.9	**1,256,186.5**	**103,118.1**	**1,359,304.7**

Selected Notes

› (1) Basis of accounting

The condensed consolidated interim financial statements of Flughafen Wien AG as at 30 June 2020 were prepared in accordance with IAS 34, as adopted by the European Union (EU).

In accordance with IAS 34 (Interim Financial Reporting), the condensed consolidated interim financial statements do not include all the information and disclosures that are required for annual financial statements, and should therefore be read in conjunction with the consolidated financial statements of Flughafen Wien AG as at 31 December 2019.

In addition to the information provided in the notes and interim consolidated financial statements, other detailed information can be found in the management report (IAS 34.16A).

These condensed interim consolidated financial statements have been neither audited nor reviewed by a chartered accountant.

› (2) Accounting policies

The accounting policies and methods of calculation used to prepare the 2019 consolidated financial statements are the same as those used to prepare the condensed interim consolidated financial statements. Additional information on these accounting policies and the new standards effective as at 1 January 2020 is provided in the consolidated financial statements as at 31 December 2019, which form the basis for these condensed interim consolidated financial statements.

The presentation of the Group's asset, financial and earnings position requires judgements concerning measurement and accounting policies and the assumptions and estimates made by management. With the exception of the changes due to the outbreak of the COVID-19 pandemic, which are described under "Effects of COVID-19", the material assumptions and estimates are the same as those described in last year's notes to the consolidated financial statements.

The following standards and interpretations were applied for the first time from 1 January 2020

- Amendments to IFRS 3 Business Combinations
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies: Definition of Material
- Amendments to IFRS 9, IAS 39 and IFRS 7
- Conceptual Framework: Amendments to References to the Conceptual Framework

Arithmetic differences can occur when adding rounded amounts and percentages due to the use of computer-aided tools.

› (3) Effects of COVID-19

The outbreak of the COVID-19 pandemic triggered a global economic crisis. Lockdown, the travel restrictions and social distancing rules introduced worldwide, and the associated flight cancellations brought flight traffic to a virtual standstill for three months.

The Flughafen Wien Group's airports adapted their operating processes to the new hygiene and safety requirements in order to restart flight operations. Because the progression of the pandemic cannot currently be estimated, it is impossible to forecast the further effects on the aviation industry.

However, the pandemic can be expected to result in material negative effects on the earnings and all financial key performance indicators of the Flughafen Wien Group, despite the use of government support and initiation of countermeasures (cost reduction programme and financing measures).

Due to the currently uncalculable effects of the COVID-19 pandemic, estimates and assumptions made by the management are subject to increased uncertainty.

Revenue, costs and expenses

The impact of the pandemic is directly reflected in the decline in revenue, which dropped by over 50 % compared with the first half of the previous year. Revenue declined in all segments. The Group therefore took numerous measures to compensate for the lost revenue, in particular an extensive savings and liquidity protection programme. Since the start of April, only Terminal 3 has been used for passenger handling. Expenditures not absolutely necessary for operations have been cut and planned capital expenditure sharply reduced (Office Park 4 and Terminal 2 will be completed, all other substantial construction projects have been postponed). In addition, government relief and support have been utilised. In total, operating costs (cost of materials, personnel expenses, other operating expenses) were reduced by 34% to € 77.9 million.

Relief and support

The Flughafen Wien Group made use of government support in the reporting period. This relates in particular to the short-time work introduced at the Vienna site from 16 March 2020. Furthermore, moratoriums on social security contributions and tax payments were used for Austrian subsidiaries in the reporting period in order to strengthen the company's liquidity, especially during lockdown. Support from the Maltese government was also utilized at Malta Airport, relating in particular to fixed, monthly support payments for every full-time employee. The Flughafen Wien Group is currently preparing its application for a fixed cost subsidy. This has not been capitalised in this half-year report.

Subsidies that are not attached to counterperformance and are reasonably certain to be granted, or to which a legal entitlement exists, were recognised under other receivables. Subsidies to cover costs were netted in the respective cost item. In the first half of 2020, reimbursement rights totalling around € 40.0 million were recognised in profit or loss at Vienna Airport, mainly from short-time working allowance.

Write-downs on receivables

Due to higher expected credit risk, the Flughafen Wien Group has increased the group valuation allowances for receivables from customers not yet due. The company's precise monitoring of the development of credit risk and targeted collection measures were intensified.

Impairment testing

The COVID-19 pandemic prompted Flughafen Wien AG to test assets for indications of impairment. The analysis of external and internal sources, especially the update of the expected net cash flows, shows that the assets will perform as expected in the future. Based on the updated assumptions of the short- and long-term liquidity planning as a result of the COVID-19 pandemic and the updated weighted average cost of capital (WACC), the fair values less costs to sell of the cash-generating units are higher than their carrying amounts (despite the temporary reduction in net cash flows and slight increase in WACC). As at 30 June 2020, the impairment test of the cash-generating units did not lead to any impairment on non-current assets.

› (4) Consolidated group

No changes in the consolidated group have occurred since 31 December 2019.

As at 30 June 2020, the condensed consolidated interim financial statements include Flughafen Wien AG plus 26 domestic (31 December 2019: 26) and 12 foreign subsidiaries (31 December 2019: 12) that are controlled by Flughafen Wien AG. In addition, two domestic companies (31 December 2019: 2) and one foreign company (31 December 2019: 1) were accounted for using the equity method.

Two (31 December 2019: 2) subsidiaries were not included in the condensed consolidated interim financial statements as they are immaterial to a true and fair view of the asset, financial and earnings position of the Flughafen Wien Group.

› (5) Information on operating segments (IFRS 8) and revenue (IFRS 15)

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

The Flughafen Wien Group assigns its revenue flows to "Aviation" and "Non-Aviation" operations. Furthermore, the different revenue flows are broken down further for each segment, as shown by the tables below.

The split between Aviation and Non-Aviation revenue is as follows:

H1/2020 in T€	Airport	Handling & Security Services	Retail & Proper-ties	Malta	Other Segments	Group
Aviation	78,340.4	43,810.5	0.0	8,215.5	0.0	130,366.4
Non-Aviation	5,095.6	4,363.9	42,240.6	6,725.6	6,992.8	65,418.4
External segment revenue	**83,436.0**	**48,174.4**	**42,240.6**	**14,941.1**	**6,992.8**	**195,784.8**

H1/2019 in T€	Airport	Handling & Security Services	Retail & Proper-ties	Malta	Other Segments	Group
Aviation	185,537.5	73,409.3	0.0	30,861.1	0.0	289,807.9
Non-Aviation	5,415.8	5,951.5	78,078.1	13,738.1	8,392.9	111,576.4
External segment revenue	**190,953.3**	**79,360.8**	**78,078.1**	**44,599.2**	**8,392.9**	**401,384.3**

Segment revenue by territory is as follows:

H1/2020 in T€	Airport	Handling & Security Services	Retail & Proper-ties	Malta	Other Segments	Group
Austria	83,436.0	48,174.4	42,240.6	0.0	6,992.8	180,843.7
Malta	0.0	0.0	0.0	14,941.1	0.0	14,941.1
External segment revenue	**83,436.0**	**48,174.4**	**42,240.6**	**14,941.1**	**6,992.8**	**195,784.8**

H1/2019 in T€	Airport	Handling & Security Services	Retail & Proper-ties	Malta	Other Segments	Group
Austria	190,953.3	79,360.8	78,078.1	0.0	8,392.9	356,785.1
Malta	0.0	0.0	0.0	44,599.2	0.0	44,599.2
External segment revenue	**190,953.3**	**79,360.8**	**78,078.1**	**44,599.2**	**8,392.9**	**401,384.3**

Segment revenue and segment results H1/2020

H1/2020 in T€	Airport	Handling & Security Services	Retail & Proper-ties	Malta	Other Segments	Group
External segment revenue	83,436.0	48,174.4	42,240.6	14,941.1	6,992.8	195,784.8
Internal segment revenue	16,444.7	20,703.5	6,691.7	0.0	46,896.8	
Segment revenue	**99,880.6**	**68,877.9**	**48,932.3**	**14,941.1**	**53,889.6**	
Segment EBITDA	**25,263.5**	**-9,380.0**	**20,074.5**	**2,578.1**	**10,316.3**	**48,852.3**
Segment EBITDA margin (in %)	25.3	-13.6	41.0	17.3	19.1	
Segment EBIT	**-14,681.5**	**-13,970.7**	**11,499.0**	**-3,126.4**	**4,112.0**	**-16,167.7**
Segment EBIT margin (in %)	-14.7	-20.3	23.5	-20.9	7.6	

Segment revenue and segment results H1/2019

H1/2019 in T€	Airport	Handling & Security Services	Retail & Proper-ties	Malta	Other Segments	Group
External segment revenue	190,953.3	79,360.8	78,078.1	44,599.2	8,392.9	401,384.3
Internal segment revenue	16,041.4	37,570.9	6,827.8	0.0	56,479.0	
Segment revenue	**206,994.7**	**116,931.7**	**84,905.9**	**44,599.2**	**64,872.0**	
Segment EBITDA	**90,896.0**	**4,622.3**	**51,889.8**	**27,270.3**	**8,434.4**	**183,112.8**
Segment EBITDA margin (in %)	43.9	4.0	61.1	61.1	13.0	
Segment EBIT	**49,174.9**	**501.3**	**43,023.8**	**21,774.8**	**2,716.1**	**117,190.9**
Segment EBIT margin (in %)	23.8	0.4	50.7	48.8	4.2	

› Airport segment

Revenue Amounts in € million	H1/2020	Change in %	H1/2019	Absolute change
Aircraft-related fees	15.8	-57.0	36.8	-21.0
Passenger-related fees	54.6	-57.2	127.6	-73.0
Infrastructure revenue & services	13.0	-51.0	26.6	-13.6
Airport segment revenue	**83.4**	**-56.3**	**191.0**	**-107.5**

Revenue of € 83.4 million

External revenue in the Airport segment decreased by 56.3% to € 83.4 million in the first six months of 2020 (H1/2019: € 191.0 million). Revenue from aircraft-related fees decreased by 57.0% year-on-year to € 15.8 million (H1/2019: € 36.8 million) in connection with the decline in the MTOW (down 56.4%), the landing fees not charged from the end of March, and the index-based rise in fees. Passenger-related fees decreased by 57.2% to € 54.6 million in the first half of 2020 (H1/2019: € 127.6 million), in line with passenger development. Revenue from the provision and rental of infrastructure and from other services also decreased by 51.0% to € 13.0 million (H1/2019: € 26.6 million). Partly due to higher internal rental revenue, internal revenue increased slightly and was up 2.5% year-on-year at € 16.4 million. Other income fell by 50.4% to € 1.4 million, partly due to lower own work capitalised.

Due to lower consumption of materials, de-icing materials and fuel, the cost of external materials declined by 41.9% year-on-year to € 1.2 million (H1/2019: € 2.0 million). With an average headcount of 568 (compared to 528 in H1/2019), personnel expenses fell by 23.9% to € 17.3 million. The reduction is due to the short-time work introduced from 16 March 2020 and the accompanying measures to use up holiday time and overtime hours. Other operating expenses decreased by 67.7% to € 6.2 million (H1/2019: € 19.3 million) as a result of the cost reduction initiated at the start of the pandemic. This relates in particular to savings of maintenance costs, third-party services, market communication and other operating expenses. Internal operating costs amounted to € 51.2 million in the first six months and decreased by € 23.5 million (lower settlements due to cost savings and lower usage of Group services).

EBITDA fell 72.2% to € 25.3 million

Due to the sharp decline in revenue as a result of the pandemic, EBITDA in the Airport segment decreased by 72.2% to € 25.3 million in the first six months of 2020 (H1/2019: € 90.9 million). Taking depreciation and amortisation of € 39.9 million into account (H1/2019: € 41.7 million), segment EBIT amounted to minus € 14.7 million after plus € 49.2 million in the same period of the previous year. The EBITDA margin decreased from 43.9% to 25.3% and the EBIT margin from 23.8% to minus 14.7%.

› Handling & Security Services segment

Revenue Amounts in € million	H1/2020	Change in %	H1/2019	Absolute change
Apron handling	26.8	-43.8	47.7	-20.9
Cargo handling	13.8	-13.9	16.0	-2.2
Security services	1.8	-34.2	2.7	-0.9
Traffic handling	2.4	-71.4	8.4	-6.0
General aviation, other	3.4	-24.4	4.6	-1.1
Handling & Security Services segment revenue	**48.2**	**-39.3**	**79.4**	**-31.2**

Revenue down 39.3% to € 48.2 million

In the first six months of 2020, external revenue of € 48.2 million was generated in the Handling & Security Services segment (H1/2019: € 79.4 million). Revenue from apron handling decreased by 43.8% to € 26.8 million as a result of the pandemic-related decrease in movements and lower de-icing revenue. Revenue from cargo handling fell by 13.9% to € 13.8 million in the first half of the year (H1/2019: € 16.0 million) due to the decline in volumes. External revenue from traffic handling fell by 71.4% to € 2.4 million (H1/2019: € 8.4 million). External revenue from security services sank to € 1.8 million (H1/2019: € 2.7 million). The General Aviation area generated revenue of € 3.4 million in the first six months of 2020 after € 4.6 million in the previous period. Internal revenue declined by 44.9% year-on-year to € 20.7 million (H1/2019: € 37.6 million) due to lower settlements of internal services (cost savings and lower usage of Group services). Other income is only marginally below the previous year's level.

The cost of materials fell by 32.9% year-on-year to € 3.0 million. Personnel expenses fell by 33.4% to € 58.8 million (H1/2019: € 88.3 million) despite the higher average headcount (an increase of 216 to 3,408 employees). In this segment, too, the reduction is due to the short-time work introduced from 16 March 2020 and the accompanying measures to use up holiday time and overtime hours. At € 2.0 million, other operating expenses were down 53.2% on the previous year's figure of € 4.2 million. The decline resulted primarily from lower expenses for third-party services on account of the cost reduction programme. Internal operating costs were down 5.9% at € 14.6 million (H1/2019: € 15.5 million).

EBITDA declines to minus € 9.4 million

EBITDA in the Handling & Security Services segment fell to minus € 9.4 million in the first six months of 2020 (H1/2019: plus € 4.6 million), particularly as a result of lower revenue. Adjusted for depreciation and amortisation of € 4.6 million (H1/2019: € 4.1 million), EBIT amounted to minus € 14.0 million (H1/2019: plus € 0.5 million). At minus 13.6%, the EBITDA margin was below the previous year's level of plus 4.0%, while the EBIT margin came to minus 20.3% in H1/2020 (H1/2019: plus 0.4%).

› Retail & Properties segment

Revenue Amounts in € million	H1/2020	Change in %	H1/2019	Absolute change
Parking	11.2	-56.1	25.6	-14.4
Rentals	14.1	4.4	13.5	0.6
Shopping, food and beverage services	16.9	-56.6	39.0	-22.1
Retail & Properties segment revenue	**42.2**	**-45.9**	**78.1**	**-35.8**

Revenue at € 42.2 million after € 78.1 million in the previous period

External revenue in the Retail & Properties segment fell by 45.9% year-on-year to € 42.2 million (H1/2019: € 78.1 million). This development was driven firstly by lower revenue from centre management & hospitality, which fell by 56.6% to € 16.9 million (H1/2019: € 39.0 million). Secondly, parking revenue also fell by 56.1% from € 25.6 million to € 11.2 million. Rental revenue was up 4.4% at € 14.1 million (H1/2019: € 13.5 million). Internal revenue decreased by 2.0% to € 6.7 million, while other income fell to € 1.1 million (H1/2019: € 3.9 million) as a result of a non-recurring effect from sales of land in the previous year.

The cost of materials increased by € 0.3 million to € 1.0 million (H1/2019: € 0.7 million) due to higher expenses for charges passed on. Personnel expenses declined by 25.8% to € 4.6 million (H1/2019: € 6.3 million) with a headcount of 142 (H1/2019: 140), due in particular to the short-time work introduced from 16 March 2020 and the associated measures to use up holiday time and overtime hours. Other operating expenses decreased by 47.0% from € 8.3 million to € 4.4 million as a result of lower other expenses (lounges), maintenance, market communication and third-party services. Internal operating expenses declined by 8.3% to € 19.9 million.

EBITDA of € 20.1 million

As a result of lower revenue, EBITDA in the Retail & Properties segment decreased by 61.3% from € 51.9 million to € 20.1 million in the first six months of 2020. Depreciation and amortisation was slightly below the previous year at € 8.6 million (H1/2019: € 8.9 million). EBIT also decreased by 73.3% to € 11.5 million (H1/2019: € 43.0 million). The EBITDA margin was 41.0% (H1/2019: 61.1%) and the EBIT margin was 23.5% (H1/2019: 50.7%).

› Malta segment

Revenue Amounts in € million	H1/2020	Change in %	H1/2019	Absolute change
Airport	8.4	-73.1	31.0	-22.7
Retail & Properties	6.5	-51.0	13.3	-6.8
Other	0.1	-76.4	0.3	-0.2
Malta segment revenue	**14.9**	**-66.5**	**44.6**	**-29.7**

Revenue down 66.5% to € 14.9 million

In the first six months of the year, external revenue in the Malta segment fell by 66.5% to € 14.9 million (H1/2019: € 44.6 million). Airport-related revenue declined by 73.1% year on-year to € 8.4 million, which is also primarily due in this segment to the decrease in traffic at Malta Airport as a result of the pandemic. The Retail & Properties segment also posted a revenue drop of 51.0% to € 6.5 million.

At the start of the COVID-19 pandemic, measures were also taken at Malta Airport to save costs in order to compensate for the drop in revenue and safeguard liquidity. These entail salary waivers on the one hand and savings in operating costs on the other. Support from the Maltese government was also utilized in order to cushion the blow of the pandemic. At € 0.9 million, the cost of materials is slightly below the previous year's level of € 1.4 million. Personnel expenses fell by 16.5% to € 4.1 million (H1/2019: € 4.9 million) despite the higher headcount and pay increases under collective bargaining agreements. Other operating expenses were reduced by 32.7% to € 7.4 million, and included expenses for security staff, cleaning, PRM services, other third-party personnel services, IT services, airline marketing and maintenance.

EBITDA down 90.5% at € 2.6 million

The Malta segment reported EBITDA of € 2.6 million for the first half of 2020 (H1/2019: € 27.3 million) with an EBITDA margin of 17.3% after 61.1% in the previous year. Taking into account depreciation and amortisation of € 5.7 million (H1/2019: € 5.5 million), EBIT amounted to minus € 3.1 million (H1/2019: plus € 21.8 million) with an EBIT margin of minus 20.9% (H1/2019: 48.8%).

› Other Segments

Revenue Amounts in € million	H1/2020	Change in %	H1/2019	Absolute change
Energy supply and waste disposal	4.0	-17.5	4.8	-0.8
Telecommunications and IT	1.6	9.4	1.5	0.1
Materials management	0.3	-57.7	0.8	-0.4
Electrical engineering, security equipment, workshops	0.2	-39.6	0.4	-0.2
Facility management, building maintenance	0.1	-10.0	0.1	0.0
Visitors World	0.1	-76.3	0.3	-0.2
GET2	0.4	223.1	0.1	0.3
Other, including foreign investments	0.3	-32.0	0.5	-0.1
Other Segments revenue	**7.0**	**-16.7**	**8.4**	**-1.4**

Revenue of € 7.0 million

External revenue in Other Segments amounted to € 7.0 million in the first half of 2020 (H1/2019: € 8.4 million). This decline results from lower revenue from energy supply, waste disposal and materials management. Internal revenue declined by 17.0% year-on-year to € 46.9 million (H1/2019: € 56.5 million). Other income (including own work capitalised) amounted to € 0.7 million (H1/2019: € 1.0 million).

The cost of consumables and services used fell by 32.0% year-on-year to € 7.9 million (H1/2019: € 11.7 million), due in particular to the lower consumption of fuel, energy and other consumables. Personnel expenses fell by 22.4% from € 31.6 million to € 24.5 million with an average headcount of 1,129 (H1/2019: 875), due partly to the short-time work introduced from 16 March 2020. This was offset by higher expenses from the full consolidation of GET2 from 1 May 2019. Other operating expenses decreased year-on year from € 10.4 million to € 6.0 million on account of lower maintenance costs, third-party services and legal, auditing and consulting costs. Internal expenses amounted to € 5.0 million.

The results of investments in companies recorded at equity reflect the operating results of these investments. Negative operating earnings of € 0.7 million were generated in the first six months of 2020 (H1/2019: positive operating earnings of € 1.3 million).

EBITDA of € 10.3 million

Overall, Other Segments reported EBITDA of € 10.3 million (H1/2019: € 8.4 million). Adjusted for depreciation and amortisation of € 6.2 million (H1/2019: € 5.7 million), segment EBIT amounted to € 4.1 million (H1/2019: € 2.7 million). The EBITDA margin was 19.1% (H1/2019: 13.0%) and the EBIT margin was 7.6% (H1/2019: 4.2%).

› Segment assets

› Reconciliation of segment assets to group assets

Amounts in T€	30.06.2020	31.12.2019
Assets by segment		
Airport	1,089,432.2	1,132,436.8
Handling & Security Services	72,935.2	79,379.4
Retail & Properties	322,973.0	332,181.4
Malta	362,118.7	373,244.9
Other Segments	107,810.6	113,450.3
Total assets in reportable segments	**1,955,269.6**	**2,030,692.8**
Assets not allocated to a specific segment[1]		
Other non-current assets	135,028.5	80,722.3
Current securities	58,064.4	58,709.9
Receivables from taxation authorities	1,114.4	6,202.0
Other current receivables and assets	49,021.5	14,947.8
Deferred income	4,315.2	52,757.4
Cash and cash equivalents	53,329.6	56,608.0
Total assets not allocated to a specific segment	**300,873.6**	**269,947.4**
Group assets	**2,256,143.2**	**2,300,640.1**

1) Includes assets not allocated to a specific segment, except assets of the MIA Group

› (6) Supplementary notes to the condensed consolidated interim financial statements

Statement of financial position

Please also see the Interim Group Management Report for information on the statement of financial position.

Intangible assets, property, plant and equipment, and investment property

The property, plant and equipment with a carrying amount of € 1,506.6 million (31 December 2019: € 1,530.3 million), intangible assets with a carrying amount of € 164.3 million (31 December 2019: € 166.1 million) and investment property with a carrying amount of € 178.4 million (31 December 2019: € 178.7 million) recognised in the statement of financial position also include the right-of-use assets in connection with lease accounting.

Equity

Additional own shares were acquired in the first half of 2020. As at 30 June 2020, the Flughafen Wien Group held 125,319 (31 December 2019: 47,939) of the shares in the company.

Dividend
No dividend was paid to the shareholders of Flughafen Wien AG in the first half of 2020.

Financial and lease liabilities

Development of financial liabilities

Amounts in T€	Non-current financial liabilities	Current financial liabilities	Total
As at 1.1.2020	275,000.0	25,055.0	300,055.0
Additions		100,000.0	100,000.0
Repayments		-25,055.0	-25,055.0
Reclassification	-25,000.0	25,000.0	0.0
As at 30.6.2020	250,000.0	125,000.0	375,000.0

Development of lease liabilities

Amounts in T€	Non-current lease liabilities	Current lease liabilities	Total
As at 1.1.2020	55,432.9	388.7	55,821.6
Valuation effect	228.0		228.0
Repayments		-193.6	-193.6
Reclassification	-198.2	198.2	0.0
As at 30.6.2020	55,462.7	393.3	55,856.0

Income statement

Revenue
As a result of the global restrictions on flights and travel in response to the COVID-19 pandemic, Group revenue fell by 51.2% or € 205.6 million to € 195.8 million (H1/2019: € 401.4 million). Detailed revenue analyses can be found in note (5), in the Interim Group Management Report and in note (3).

Personnel expenses
Personnel expenses fell by 28.9% or € 44.4 million despite the increased headcount (H1/2020: up 10.5% to 5,633). This includes around € 40.0 million in subsidies for short-time work at Vienna Airport. For information on the Group's personnel expenses, please refer to the Interim Group Management Report as well as notes (5) and (3).

Other operating expenses
For information on the Group's other operating expenses, please refer to the Interim Group Management Report as well as notes (5) and (3).

Depreciation and amortisation
Depreciation and amortisation of € 65.0 million (H1/2019: € 65.9 million) was recognised in the first six months of 2020.

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Amounts in T€	H1/2020	H1/2019
Amortisation of intangible assets	2,914.6	2,703.9
Depreciation of property, plant and equipment and investment property	62,105.4	63,218.1
Total depreciation and amortisation	**65,020.0**	**65,922.0**

Income taxes

Income taxes for the interim reporting period are based on the best estimate of the weighted average annual income tax rate expected for the full financial year. Tax expense for the Flughafen Wien Group comprises the following items:

Amounts in T€	H1/2020	H1/2019
Current income tax income (-)/expense (+)	-488.4	30,174.7
Change in deferred taxes / (-) deferred tax income	-5,326.0	-2,048.8
Total taxes	**-5,814.4**	**28,125.9**

In the current financial year, deferred tax assets were recognised on current tax loss carry forwards, which were offset against deferred tax liabilities.
Due to the loss situation, there was tax income of € 5.8 million for the current period (H1/2019: tax expense of € 28.1 million). The effective tax rate for the current financial year is 24.3% (H1/2019: 25.3%)

› (7) Seasonal nature of airport business

Business in the aviation industry is influenced by two different seasonal factors. Firstly, the revenue generated in the first and fourth quarter tends to be below average, while the revenue in the second and third quarter tends to be above average. This is on account of the increased passenger volume in the summer months in Europe. Secondly, there are fluctuations in maintenance and repair expenses. Such work is usually performed in autumn and winter, which reduces earnings more towards the end of the year. However, this trend is not reflected in the current financial year as a result of the COVID-19 pandemic and the associated flight cancellations.

› (8) Other obligations and contingent liabilities

As at 30 June 2020, obligations for the purchase of intangible assets, property, plant and equipment and investment property amounted to € 44.8 million (31 December 2019: € 75.0 million).

If the construction of the third runway is approved, a payment obligation, derived from traffic figures, arising from the environmental fund – Vienna Airport service agreement from the mediation process will be triggered in connection with the environmental fund within eight weeks of the notification of construction commencement. A figure of approx. € 22.7 million (previous year: approx. € 20.0 million) is derived for this obligation on the basis of the traffic figures determined as at 30 June 2020.

Otherwise, there have been no material changes in contingent liabilities or other financial obligations since the end of the last reporting period.

› (9) Related parties

The group of related parties (legal entities and persons) is unchanged since the last consolidated financial statements.

Business relations with related parties have not changed significantly since the same period of the previous year and are conducted at arm's-length conditions.

There were no material transactions with related parties in the first six months of 2020. The third-party services purchased from related parties (non-consolidated subsidiaries or companies recorded at equity) amounted to € 0.0 million in the reporting period (H1/2019: € 4.7 million). Revenue with these companies amounted to € 0.0 million (H1/2019: € 0.1 million). Receivables amounted to € 0.1 million (31 December 2019: € 0.3 million) and liabilities to € 8.6 million as at 30 June 2020 (31 December 2019: € 8.6 million).

› (10) Financial instruments

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

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

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

The fair values of financial liabilities to banks (bank loans) and other financial liabilities are calculated using the present value of the payments connected with these liabilities in accordance with the yield curve applicable to their respective remaining terms and an appropriate credit spread (level 2).

No items were reclassified between levels 1 and 2 in the reporting period.

The following measurement methods and inputs were applied:

› Measurement method and inputs

Financial instrument	Level	Measurement method	Input factors
Funds	1	Market value	Market price
Debt instruments (securities)	2	Market value	Price derived from market price
Equity instruments (securities)	3	Net present value approach	Equity costs, future profit distribution
Equity instruments (investments)	3	Net present value approach	Cost as a best estimate (on account of immateriality)

Level 3 equity instruments (securities) are measured according to a net present value approach. The measurement model considers the present value of the expect dividends discounted by a risk-adjusted discount rate.

The significant unobservable inputs for level 3 equity instruments (securities) are as follows:

- Expected future cash flows from dividends: around T€ 310.0 p.a. (31 December 2019: around T€ 360)
- Risk-adjusted discount rate: 8.29% (31 December 2019: 8.29%)

The dividends received from these equity instruments in the current financial year total T€ 317.8 (previous year: T€ 254.5).

The estimated level 3 fair value would increase (decrease) as follows if the discount rate were to be adjusted by +/- 0.25%:

› Level 3 - Sensitivity

in T€	Sensitivity	
	Carrying amount in event of	
	reduction of discount rate	event of reduction of discount rate rise in discount rate
Discount rate +/- 0.25 %	4,025.3	3,798.5

› Level 3 - Measurement of financial instruments

in T€	
Carrying amount as at 1.1.2020	4,595.3
Additions	0.0
Net gain on remeasurement (recognised in other comprehensive income in other reserves)	-690.0
Carrying amount as at 30.6.2020	**3,905.3**

The following tables show the carrying amounts and fair values of financial assets and liabilities broken down by measurement category as at 30 June 2020 and 31 December 2019. The information on the fair value of financial assets and liabilities that are not recognised at fair value is for information purposes only. As the items “Receivables and other assets” and “Other liabilities” contain both non-financial assets and non-financial liabilities, the line “Non-financial instruments” has been added in order to ensure the reconciliation of the carrying amounts to the corresponding statement of financial position item.

ASSETS		Carrying amounts		
		Non-current assets	Current assets	
Amounts in T€	Measurement category	Other financial assets	Securities	Receivables and Other assets
30 June 2020				
Financial assets carried at fair value				
Funds	FVPL		30,294.0	
Debt instruments (securities)	FVPL		22,787.7	
Equity instruments (investments, securities)	FVOCI	3,905.3		
Financial assets not recognised at fair value				
Trade receivable [1]	AC			15,136.0
Receivables due from associated companies[1]	AC			50.6
Receivables and contract assets[1]	AC			51,320.4
Investments (time deposits)[1]	AC	130,220.0		5,756.3
Originated loans[1]	AC	904.5		
Debt instruments (securities)[1]	AC		4,982.7	
Cash and cash equivalents[1]	AC			
Non-financial instruments				
Other receivables and accruals	n. a.	0.0		5,872.1
Total		**135,029.7**	**58,064.4**	**78,135.4**
31 December 2019				
Financial assets carried at fair value				
Funds	FVPL		30,826.5	
Debt instruments (securities)	FVPL		22,900.7	
Equity instruments (investments, securities)	FVOCI	4,595.3		
Financial assets not recognised at fair value				
Trade receivables[1]	AC			68,134.8
Receivables due from associated companies[1]	AC			297.4
Receivables and contract assets [1]	AC			17,243.1
Investments (time deposits) [1]	AC	75,220.0		55,738.5
Originated loans[1]	AC	908.3		
Debt instruments (securities)[1]	AC		4,982.7	
Cash and cash equivalents[1]	AC			
Non-financial instruments				
Other receivables and accruals	n. a.	0.0		9,961.3
		80,723.5	**58,709.9**	**151,375.2**

1 Fair value equals amortised cost

		Fair value				
Cash and cash equivalents	Total	Level 1	Level 2	Level 3	Total	Measurement category under IFRS 9
	30,294.0	30,294.0			30,294.0	Fair value through profit and loss (P&L)
	22,787.7		22,787.7		22,787.7	Fair value through profit and loss (P&L)
	3,905.3			3,905.3	3,905.3	Fair value through other comprehensive income (OCI)
	15,136.0					Amortised cost
	50.6					Amortised cost
	51,320.4					Amortised cost
	135,976.3					Amortised cost
	904.5					Amortised cost
	4,982.7					Amortised cost
87,803.1	87,803.1					Nominal value = fair value
	5,872.1					
87,803.1	359,032.7					
	30,826.5	30,826.5			30,826.5	Fair value through profit and loss (P&L)
	22,900.7		22,900.7		22,900.7	Fair value through profit and loss (P&L)
	4,595.3			4,595.3	4,595.3	Fair value through other comprehensive income (OCI)
	68,134.8					Amortised cost
	297.4					Amortised cost
	17,243.1					Amortised cost
	130,958.5					Amortised cost
	908.3					Amortised cost
	4,982.7					Amortised cost
84,782.9	84,782.9					Nominal value = fair value
	9,961.3					
84,782.9	375,591.5					

Abbreviations measurement category:
FVPL – Fair Value through Profit and Loss
FVOCI – Fair Value through Other Comprehensive Income
AC – Amortised Cost

EQUITY & LIABILITIES		Carrying amounts			
		Non-current liabilities		Current liabilities	
Amounts in T€	Measure-ment category	Financial liabilities	Other liabilities	Financial liabilities	Trade payables
30 June 2020					
Financial liabilities recognised at fair value					
n. a.					
Financial liabilities not recognised at fair value					
Trade payables[1]	AC				32,363.1
Financial liabilities[1]	AC	250,000.0		125,000.0	
Lease liabilities[2]	AC	55,462.7		393.3	
Other liabilities[1]	AC		0.0		
Non-financial instruments					
Other liabilities and accruals	n. a.		27,937.3		
Total		**305,462.7**	**27,937.3**	**125,393.3**	**32,363.1**
31 December 2019					
Financial liabilities recognised at fair value					
n. a.					
Financial liabilities not recognised at fair value					
Trade payables[1]	AC				45,423.4
Financial liabilities[1]	AC	275,000.0		25,055.0	
Lease liabilities[2]	AC	55,432.9		388.7	
Other liabilities[1]	AC		0.0		
Non-financial instruments					
Other liabilities and accruals	n. a.		28,576.2		
		330,432.9	**28,576.2**	**25,443.7**	**45,423.4**

1) Fair value equals amortised cost
2) Disclosure of fair value of lease liabilites not required according to IFRS 7.29(d).
3) Application of IFRS 16 since 1 January 2019. Prior-year period was not adjusted.

		Fair value				
Other liabilities	Total	Level 1	Level 2	Level 3	Total	Measurement category under IFRS 9
	32,363.1					Amortised cost
	375,000.0		418,656.5		418,656.5	Amortised cost
	55,856.1					Amortised cost
36,319.7	36,319.7					Amortised cost
45,859.7	73,797.0					
82,179.3	573,335.8					
	45,423.4					Amortised cost
	300,055.0		359,273.6		359,273.6	Amortised cost
	55,821.6					Amortised cost
40,100.4	40,100.4					Amortised cost
12,265.8	40,842.0					
52,366.1	482,242.4					

(11) Events after the end of the reporting period

Other events after the end of the interim reporting period that are of material importance to accounting on 30 June 2020, such as pending legal proceedings or claims for damages, other obligations and anticipated losses which must be recognised or disclosed in accordance with IAS 10, have been included in these interim financial statements or are not known.

Schwechat, 12 August 2020
The Management Board

Günther Ofner
Management Board member, CFO

Julian Jäger
Management Board member, COO

Statement of the members of the Management Board

in accordance with section 125(1) sentence 3 BörseG 2018

We confirm to the best of our knowledge that the condensed interim financial statements give a true and fair view of the assets, liabilites, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements, of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Schwechat, 12 August 2020
The Management Board

Günther Ofner
Management Board member, CFO

Julian Jäger
Management Board member, COO

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Disclaimer: The Quarterly Report contains assumptions and forecasts, which are based on information available up to the copy deadline in August 2020. If the premises for these forecasts do not occur, actual results may vary from these estimates. Although the greatest caution was exercised in preparing data, all information related to the future is provided without guarantee. The Quarterly Report 2/2020 of Flughafen Wien AG is also available on our homepage www.viennaairport.com/en/company/investor_relations under the menu point "Publications and reports".

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