This is a convenience translation from the German valuation report made by STRABAG SE. The only binding document is the German valuation report.

# Report on the company valuation of STRABAG SE as of 16 June 2023 Summary

Financial Advisory

Valuation Services | 11 May 2023

# Contents




**Nikolaus Schaffer**

Partner

Tel.: +43 1 537 00-2400

Mobile: +43 664 80 537-2400

Email: nschaffer@deloitte.at

**Christian Hickel**

Partner

Tel.: +43 1 537 00-2815

Mobile: +43 664 80 537-2815

Email: chickel@deloitte.at


**Important note**

This report has been prepared on the basis of the assumptions and limitations set out in the section "Engagement and performance of the valuation". The report was prepared for the Management Board and the Supervisory Board of STRABAG SE and may not be passed on to third parties without the written consent of Deloitte Financial Advisory GmbH. The report may be disclosed in the course of the preparations for the Annual General Meeting which will adopt a resolution on the capital increase (§ 108 (3) of the Austrian Stock Corporation Act (AktG)).

This summarised version of the report takes into account the confidentiality interests of STRABAG SE by analogous application of § 118 (3) AktG. The version presented herein does not contain any information which, in the opinion of the Management Board of STRABAG SE, based on reasonable business judgment, is capable of causing a significant disadvantage to the company or any of its affiliates (§ 118 (3) AktG).

The aggregation of rounded amounts and percentages and the conversion of currencies may result in rounding differences due to the use of automated calculation systems. For reasons of clarity, percentage deviations exceeding 500% / less than -500% are not shown.

Deloitte.

STRABAG SE
Attn. Mr. Christian Harder
Triglavstraße 9
9500 Villach

Deloitte Financial Advisory GmbH
Renngasse 1/ Freyung
PO Box 2
1010 Vienna, Austria
Tel +43 (0)1-537 00-0
Fax +43 (0)1-537 00-99 + ext.
www.deloitte.at

### Valuation of STRABAG SE

Dear Mag. Harder,

STRABAG SE, Triglavstraße 9, 9500 Villach, commercial register no. FN 88983 h, has, by signing the engagement letter dated 29 March 2023, engaged Deloitte Financial Advisory GmbH (hereinafter referred to as "Deloitte FA") to carry out an expert valuation in accordance with the principles set forth in expert opinion KFS/BW 1 on the valuation of companies dated 26 March 2014, and to determine the objectified business value of

STRABAG SE

(hereinafter referred to as "STRABAG SE" or "client" or "valuation object")

In the context of that valuation.

### Engagement and performance of the valuation

### Reason of the valuation

Every company valuation has to be considered in the light of the reason for the valuation, because different reasons for a valuation may also give rise to different valuation results.

The reason for the valuation in this specific instance is the consideration of capital measures on the part of STRABAG SE, which, if so decided, could be proposed to the Annual General Meeting to be held on 16 June 2023. The intended capital measures are economically linked:

- Step 1: Capital increase from committed capital reserves in accordance with the provisions of the Austrian Capital Adjustment Act.

### Reason for the valuation (cont.)

- Step 2: Ordinary capital reduction in accordance with the provisions of the Austrian Stock Corporation Act for the purpose of allocation to uncommitted reserves.
- Step 3: Ordinary capital reduction in accordance with the provisions of the Austrian Stock Corporation Act for the purpose of repaying part of the share capital; the reduced capital amount will only be paid out in cash to those shareholders who do not participate in the capital increase described in Step 4.
- Step 4: Non-cash capital increase; the participating shareholders will have a claim for payment of the funds from the capital reduction which they will waive and elect to receive company shares instead.

A Group valuation of STRABAG SE as of 16 June 2023 (the planned date of the AGM adopting the relevant resolution) is required a basis for determining the issue amount of the shares to be newly issued under Step 4 by the corporate bodies of STRABAG SE.

### Purpose of the valuation

Every company valuation has to be considered in the light of the purpose of the valuation, because different purposes for a valuation may also give rise to different valuation results.

In the present case, the purpose of the valuation is to determine the objectified business value of STRABAG SE in accordance with the principles for conducting business valuations as set out in the expert opinion KFS/BW 1 “Valuation of Businesses” of the Expert Committee on Business Administration of the Institute for Business Economics, Tax Law and Organization of the Austrian Chamber of Public Accountants dated 26 March 2014.

According to KFS/BW1, an objectified business value is a typified value that is independent of the specific value concepts of the parties concerned and results from the present value of financial surpluses of a company that is continued on the basis of the existing business plan, taking all realistic future expectations into account.

# Engagement and performance of the valuation (1/3)

An objectified business value is determined by standardizing assumptions and using an income approach. It assumes that the business will continue to be managed on the basis of the existing strategy, and takes into account realistic future expectations with respect to market opportunities and risks, financial options available to the business and other contributing factors.

In this context we would like to point out in particular that a purchase price actually achievable in a transaction may differ significantly from the objectified value ranges determined in this report. This may be due to different motivations driving the parties involved, their respective negotiating powers, the structure of the transaction, and other transaction-specific factors, such as market entry and control premiums.

### Function of Deloitte FA

Deloitte FA, as a neutral appraiser, is tasked with determining the objectified business value of STRABAG SE within the scope of an expert valuation.

### Valuation date

The statutory valuation date is the date of the Annual General Meeting at which a resolution on the planned capital increase and the new issue of shares is to be adopted. The Annual General Meeting is scheduled to take place on 16 June 2023.

For reasons of data availability, the valuation is initially performed as of the technical valuation date of 31 March 2023. In terms of valuation, this circumstance is taken into account by discounting the future financial surpluses of STRABAG SE to the technical valuation date and then compounding this interim result to 16 June 2023 with the cost of capital on which the valuation is based. The result of these calculations is the business value.

We were informed by STRABAG SE that publication of all relevant documents for the Annual General Meeting had to be effected by 26 May 2023. Because the company valuation was to be available prior to publication of the notice of the Annual General Meeting, submission of a draft was required on 11 May 2023. For the purposes of this valuation, 2 May 2023 was set as the date for the completion of the valuation work. This report therefore incorporates our level of knowledge gained up to 2 May 2023 (hereinafter the "cut-off date") and considers only such information as has been provided up to that date. The services of Deloitte FA in connection with the valuation of STRABAG SE have therefore ended with the cut-off date.

The parameters for the discount rate were determined as of 30 April 2023, i.e. prior to the valuation date. If individual parameters of the discount rate change significantly between the completion of our work and the statutory valuation date and the effects on the valuation result are material, this report needs to be adjusted accordingly.

### Performance of the engagement

The engagement was performed under the supervision of our partner Nikolaus Schaffer in the period from April to May 2023.

The following persons were available to us as primary points of contact for information (in alphabetical order):

- Mr. Manuel Engelsthal (STRABAG SE, Subdivision Management/STRABAG Corporate Development)
- Mr. Christian Harder (STRABAG SE, Chief Financial Officer)
- Ms. Brigitte Mach (STRABAG SE, Central Division Manager External Accounting)

# Engagement and performance of the valuation (2/3)

For a list of the documents and information provided to us, we refer to the list on page 29.

### Letter of representation

Finally, the management of STRABAG SE provided us with a written representation letter that we have been provided with all relevant information and evidence required for the adequate execution of the engagement as per the terms of the engagement letters and the addendums to the engagement letters and that additionally provided information in the course of the management interviews adequately reflect the expected development of STRABAG SE in the future, based on the information available as of the date of the report.

### Circulation of Report

We have recorded our investigations and findings in connection with the work performed in our working papers. We inform you, our Client, of the results of our work in writing in the form of this report.

The Report is intended solely for the internal purposes of the Client and not for the distribution to users other than the Client. Furthermore, the Report is not intended to be published, copied, or used for a purpose other than the purpose described above.

This report may not be distributed or presented to third parties, presented for the information of third parties or cited as a reference without first obtaining the written consent of Deloitte FA. Before passing on the report to third parties, you, as the client, are obliged to agree in writing with the third party/parties concerned that the liability provisions agreed in the engagement letter dated 16 March 2023 shall also apply to potential claims of such third party/parties against us.

In the opinion of the Management Board of STRABAG SE, the valuation report contains information which, according to reasonable business judgment, is capable of causing a significant disadvantage to STRABAG SE or any of its affiliates (analogous application of § 118 (3) AktG). For this reason, we have prepared the present summarised version of the report ("Summary"). The summarised version may be disclosed in the course of the preparations for the Annual General Meeting which will adopt a resolution on the capital increase.

### Liability

The General Conditions of Contract for the Public Accounting Professions (see Appendix A2), shall apply to the performance of the engagement and to all matters of responsibility and liability, including in relation to third parties. To the extent that parties other than the client wish to rely on the findings made in this report because they have become aware, with or without our consent, of this report in whole or in part, they likewise acknowledge this limitation of liability and, beyond that, the other provisions of the General Conditions of Contract for the Public Accounting Professions attached to the report for any claims that may arise against us on the basis of such parties becoming aware of this report.

This Report summarizes only part of the data and assumptions considered in the valuation work. The complete and comprehensive documentation of all information used is in our working papers. Thus, the explanations and the data presented in this Report only reflect the Clients' specific information needs taking into account the purpose of the valuation.

# Engagement and performance of the valuation (3/3)

Our activity is primarily an advisory activity, i.e. providing information about economic matters. Therefore, we are not responsible for economic performance and success. The assessment of the usefulness and economic benefit of the results of our advisory work for the business and the decision on whether and how to put them into practice are the sole responsibility of the Client. Therefore, we are also not liable for losses resulting from related capital investments.

We are not obliged to determine deficiencies or misjudgements relating to business decisions. In particular, our engagement does not extend to the detection of forgeries, fraudulent acts or other irregularities. Once the engagement has been completed, we are also not obliged to point out any changes in the circumstances that existed at the time the engagement was awarded or performed.

Deloitte FA stresses in particular that the scope of its investigations and work does not comprise an audit in accordance with the principles of proper performance of financial statement audits (Generally Accepted Auditing Standards), and that Deloitte FA therefore cannot and will not issue an opinion on the financial and other data presented in its valuation.

We act on the assumption that STRABAG SE complies with all statutory framework conditions and will continue to do so. We draw attention to the fact that we have to rely on the information provided by STRABAG SE in this regard and have not performed any legal due diligence.

We also point out that STRABAG SE is solely responsible for the preparation and presentation of the forecast and planning assumptions and for ensuring that all premises underlying the planning calculation and all important data and information have been determined correctly, completely and without arbitrariness.

In view of the scope of our work, we can accept no responsibility for the actual occurrence of the assumptions and events and/or measures required to be implemented on which the business plan is based, nor for the results of the business activities. The planning responsibility is solely that of STRABAG SE. Our liability and responsibility shall thus be limited to the common professional diligence to be applied following critical evaluation and assessment.

Finally, attention has to be drawn to the fact that a company valuation depends to a very significant extent on planning figures relating to the future development of the Valuation Objects. With respect to future data, we draw attention to the fact that differences normally arise between forecasted/planned amounts and the amounts that actually occur since events and circumstances frequently turn out to be different from expectations, and these differences may be material. Because of their nature, planning figures are associated with a lack of clarity, which is greater during times of unstable economic conditions than during times of stable economic conditions.

Yours faithfully,

Deloitte Financial Advisory GmbH

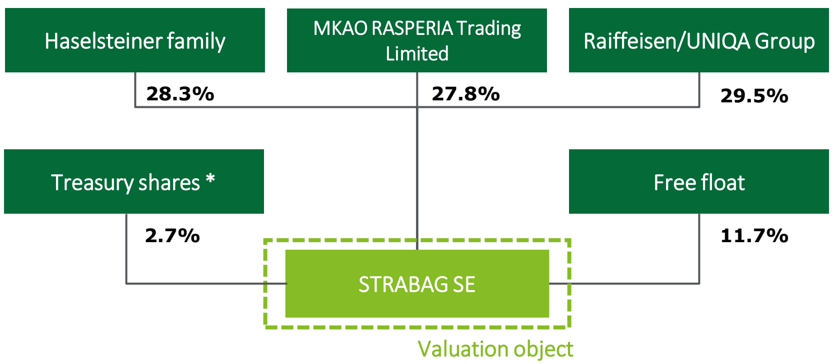
Vienna, 11 May 2023

# Description of the valuation object

# Description of the valuation object | Overview

STRABAG SE is a European, listed technology group for construction services based in Villach. In the course of the anticipatory mandatory takeover offer, approximately 2.7% of STRABAG SE treasury shares were acquired on 9 February 2023.

**Shareholder structure of STRABAG SE after the acquisition of treasury shares**




Source: STRABAG SE; date: 31 March 2023

**STRABAG SE – Key facts 2022**

| | |
|---|---|
| Balance sheet date | 31 December 2022 |
| Output volume | EURm 17,735 |
| EBIT | EURm 706 |
| Net income | EURm 472 (after minority interests) |
| Order backlog | EURm 23,739 (as of 31 December 2022) |
| Employees | 73,740 (as of 31 December 2022) |

Source: STRABAG SE

## Overview

- STRABAG SE is an Austrian, listed construction group with its registered office at Triglavstraße 9, 9500 Villach. It is registered under commercial register number FN 88983h. The shares of STRABAG SE have been listed on the Vienna Stock Exchange since 19 October 2007. The shares are admitted to official trading and are listed in the Prime Market of the Vienna Stock Exchange under ISIN AT000000STR1. The STRABAG SE share was included in the ATX Index as of 23 November 2022 and is also a component of the ATX Prime Index and the WBI (Wiener Börse Index). As of the cut-off date, STRABAG SE's core base of shareholders consists of the Haselsteiner family (28.3%) and the Raiffeisen/UNIQA Group (29.5%), which have concluded a syndicate agreement. In the course of an anticipatory mandatory takeover offer, Haselsteiner Familien-Privatstiftung and the Raiffeisen/UNIQA Group acquired approximately 2.7% of treasury shares in a fiduciary capacity for STRABAG SE on 9 February 2023, which were transferred to STRABAG SE. A further significant portion of shares (approximately 27.8%) is held by MKAO Rasperia Trading Limited. The free float therefore amounts to around 11.7%.
- STRABAG SE's range of services includes all areas of the construction industry and covers the entire construction value chain. With a total of 73,740 employees (as of 31 December 2022), STRABAG SE operates on an international scale, in addition to its core markets of Germany, Austria, Poland, the Czech Republic and Hungary.
- As of 2 May 2023, the Management Board of STRABAG SE consisted of Klemens Haselsteiner as Chairman of the Management Board (CEO), Mag. Christian Harder (CFO), Dipl.-Ing. (FH) Alfred Watzl, Dipl.-Ing. Siegfried Wanker and Dipl.-Ing (FH) Jörg Rösler. The Chairman of the Supervisory Board as of 2 May 2023 was Dr. Alfred Gusenbauer.
- The financial year of STRABAG SE corresponds to the calendar year. The consolidated financial statements and the annual financial statements of STRABAG SE (both issued with unqualified audit opinions) were provided to us from 2014 up to and including 2022. The consolidated financial statements as of 31 December 2022 include a total of 266 fully consolidated subsidiaries and 22 associates accounted for using the equity method.

# Description of the valuation object | Overview

STRABAG SE can draw on more than 180 years of corporate history and is one of the largest European technology groups operating in the field construction services.

**1835**
Foundation of the family craftsman's "Anton Lerchbaumer" (later ILBAU AG) in Austria.

**1895**
Foundation of the ironworks "Remy & Reifenrath", followed by entry into steam roller road construction with "Straßenwalzenbetrieb vormals H. Reifenrath GmbH" in Germany (later STRABAG AG).

**1998**
BIBAG AG as majority owner of BAU HOLDING AG, the holding company of ILBAU AG, takes over the majority of STRABAG AG, Cologne.

**2000**
The brand identity in Europe is unified under the STRABAG brand. The ILBAU and STUAG brands are discontinued. In Austria, the ILBAU and STUAG companies are merged into the new STRABAG AG.

**2005**
The STRABAG Group acquires significant portions of the WALTER-BAU Group, including parts of the DYWIDAG Group, HEILIT+WOERNER and a majority share in Ed. Züblin AG.

**2007**
Initial public offering (IPO) of STRABAG SE in the Prime Market segment of the Vienna Stock Exchange. The offer price per share is EUR 47.0, giving STRABAG SE proceeds of EURm 893 for from the IPO.

**2008**
Eight major acquisitions, including Adanti SpA, KIRCHNER Holding GmbH, F. Kirchhoff AG and Deutsche Telekom Immobilien und Service GmbH, increase the Group's output volume by around EUR 2.0 billion.

**2016/17**
Purchase of the minority shares in Ed. Züblin AG and squeeze-out of the minority shareholders of STRABAG AG, Cologne. As a result, both companies become 100% subsidiaries of the Group.

**2020/21**
After temporary work stops at Austrian construction sites in 2020, there were hardly any Covid 19-related restrictions in 2021, with the exception of South America, the UK and Singapore and some interruptions in the supply chain.

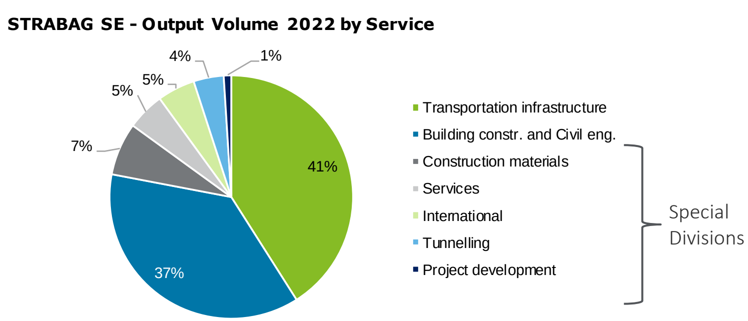
**2022**
In the course of an anticipatory mandatory tender offer, Haselsteiner Familien-Privatstiftung and the Raiffeisen/UNIQA Group, in a fiduciary capacity, acquire approximately 2.7% of treasury shares for STRABAG SE, which are transferred to STRABAG SE.

Source: STRABAG SE

# Description of the valuation object | Business model

## In 2022, the public sector accounted for around 63% of STRABAG SE's orders, making it the largest client base. STRABAG SE's services are organised into three divisions: "Transportation Infrastructures", "Building Construction and Civil Engineering" and "Special Divisions".


Source: STRABAG SE




Source: STRABAG SE

**Business model**

- As an construction services group that operates on an international scale, STRABAG SE offers construction services along the entire construction value chain. STRABAG SE is active in more than 20 countries worldwide and offers diversified construction services that cover the entire cycle of the construction industry. The construction services offered by STRABAG SE are organised into the following three divisions:
  - **Transportation Infrastructures**
    Transportation Infrastructures is the largest division of STRABAG SE, accounting for around 41% of total output. The services provided include asphalt and concrete road construction and the manufacture thereof, as well as other construction activities, such as railroad construction, sewer engineering, landscape architecture and development, paving, ground engineering, waterway construction, construction of pipeline and sewer systems, rock engineering and safety and protective structures. The production of building materials such as asphalt or concrete is also included in Transportation Infrastructures.
  - **Building Construction and Civil Engineering**
    The focus of Building Construction and Civil Engineering is the construction of commercial and industrial real estate, public buildings, residential real estate and the production of precast elements. Among other activities, STRABAG SE manages complex infrastructure projects in the areas of power plant construction as well as bridge construction, water technology, civil engineering and environmental technology.
  - **Special Divisions**
    Specialty Divisions includes tunnelling, infrastructure and real estate development, as well as the management of public-private partnerships. The real estate business includes project development and planning, construction and operation of buildings, as well as property and facility management services.
- STRABAG SE's largest client base (63% in FY 2022) consists of public-sector entities such as states or municipalities. The remaining clients are private entities (37% in FY 2022), such as project developers and industrial companies.

# Description of the valuation object | Segments

In terms of revenue in 2021, STRABAG SE is the fifth-largest construction group in Europe. In its home markets of Germany, Austria and Poland, as well as in some Central and Eastern European countries, STRABAG SE is one of the leading construction groups.

## Group-wide brands of STRABAG SE

STRABAG

ZÜBLIN

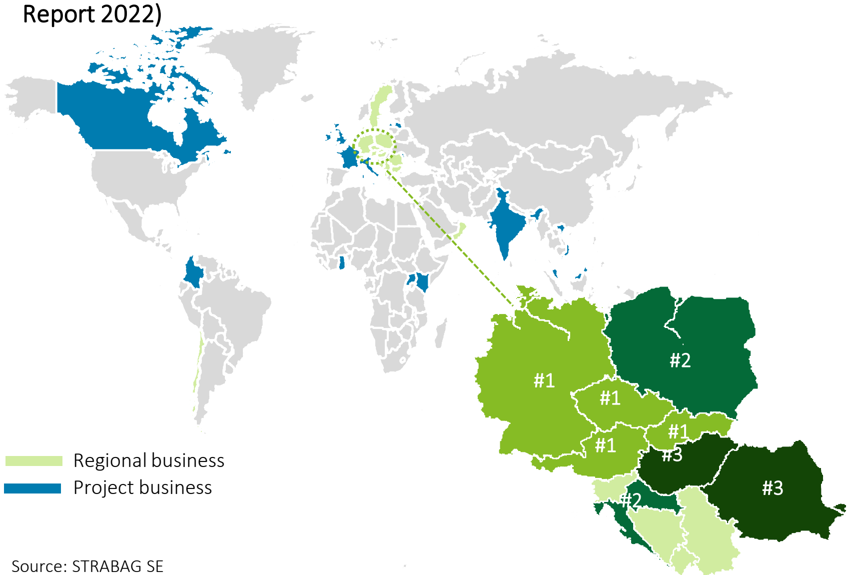
CML

TPA

ZENTRALE TECHNIK

Source: STRABAG SE

## Market position of STRABAG SE in selected countries (according to Annual Report 2022)




Source: STRABAG SE

## Market presence of STRABAG SE

- STRABAG SE operates in the market under a large number of brand names. The Group-wide brands include:
  - STRABAG
  - ZÜBLIN (turnkey construction, reconstruction, conversion and refurbishment, civil engineering, etc.)
  - CML (construction services)
  - TPA (asphalt & bitumen technology, concrete technology, etc.)
  - Central Technical Division (architecture, facade, geotechnical engineering, etc.)

## Market position of STRABAG SE

- STRABAG SE is one of the leading construction groups in Austria, Germany and Poland, and in many Central and Eastern European countries.
- According to the Deloitte study "Global Powers of Construction 2021" of July 2022, STRABAG SE is the fifth-largest construction group in Europe measured in terms of revenue generated in 2021. The four largest construction groups in Europe are based in Western Europe (Spain and France). These include Vinci, Bouygues, ACS and Eiffage, and many of them generate significantly higher shares of revenue from licensing activities. STRABAG SE is in fourth place worldwide in terms of internationally generated revenues in 2021, i.e., revenues generated outside its home market.
- The competitive advantages of STRABAG SE are, on the one hand, a broad range of construction services covering all aspects of the construction industry and, on the other hand, backward integration in the value chain. Diversification into different construction sectors and the expansion of the value chain enable STRABAG SE to balance out cyclical and seasonal effects to some extent.
- The company's proprietary network for construction materials increases flexibility and reduces the need to depend on third parties. The company's supply of asphalt from proprietary sources accounts for around 86% of total demand, that of concrete for around 19%, of cement for around 39%, and of stone/gravel for around 15% of demand.



This is a convenience translation from the German valuation report made by STRABAG SE. The only binding document is the German valuation report.

# Description of the valuation object | Segments

The management of STRABAG SE's business is allocated to three operating segments: North + West, South + East and International + Special Divisions, and one non-operating segment: Central Divisions and Central Staff Divisions.

**CEO**
Klemens HASELSTEINER

**Operating segments**

### North + West

**Management Board:**
Dipl.-Ing. (FH) Jörg RÖSLER
*(Germany, Benelux, Scandinavia, Switzerland)*

Areas:
- Building construction and civil engineering
- Transportation infrastructures
- Ground engineering
- 31 subdivisions

### South + East

**Management Board:**
Dipl.-Ing. (FH) Alfred WATZL
*(Austria, Poland, Czech Republic, Slovakia, Hungary, South-Eastern Europe)*

Areas:
- Building construction and civil engineering
- Transportation infrastructures
- Environmental technology
- 37 subdivisions

### International + Special Divisions

**Management Board**:
Dipl.-Ing. Siegfried WANKER
Areas:
- Tunneling
- Transportation infrastructures (concessions business)
- International (non-European countries)
- Real estate development services North+West & South+East
- Infrastructure development
- Building materials
- 25 subdivisions

**Other***

**Central Divisions and Central Staff Divisions**

**CFO**
Mag. Christian HARDER
- BRVZ (Building, Computing and Administration Centre)
- Accounting, Finance, Tax, IT, HR, etc.

**CEO**
Klemens HASELSTEINER
- BMTI (Equipment and Fleet Management)
- Business Compliance
- TPA (Quality Assurance & Innovation)
- Central Technical Division
- Corporate Communications
- CML (Legal Services, Contract Management)
- Internal Audit
- Digitalisation, Innovation, Corporate Development

Source: STRABAG SE; The presentation represents the organisational structure as of 1 January 2023; *Non-operating segment

# Description of the valuation object | Segments

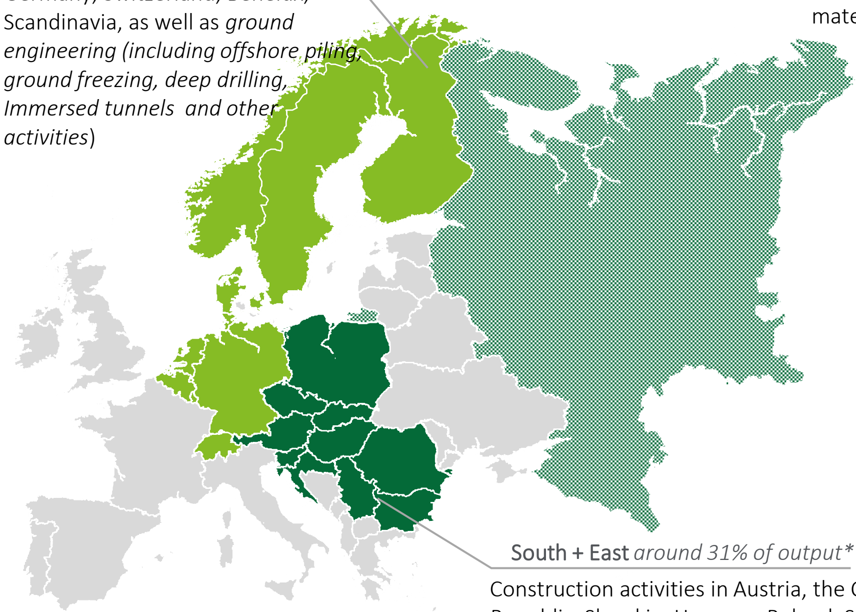
STRABAG SE provides its services in three operating segments, which are structured on the basis of regional and activity considerations. The largest segment, North + West, includes construction activities in Germany, Switzerland, the Benelux and Scandinavian countries.

**International + Special Divisions** *around 19% of output*

International construction activities, tunnelling, concessions, services, real estate development, infrastructure development & construction materials

**North + West** *around 49% of output**

Focus of construction activities in Germany, Switzerland, Benelux, Scandinavia, as well as *ground engineering (including offshore piling, ground freezing, deep drilling, Immersed tunnels and other activities*)



**South + East** *around 31% of output**

Construction activities in Austria, the Czech Republic, Slovakia, Hungary, Poland, South-Eastern Europe, Russia (in the process of discontinuation), as well as *environmental engineering activities* (*including remediation of contaminated sites, land recycling, environmental services)*

**Other** *around 1% of output*

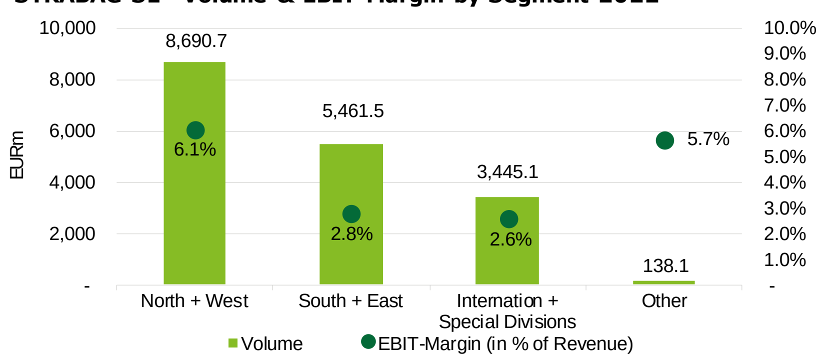
Includes the non-operating segment Central Divisions & Central Staff Divisions *(including Accounting & Financing, Technical Consulting, Equipment and Fleet Management).*

Source: STRABAG SE; The presentation represents the segment structure as of 1 January 2023: *The figures stated relate to the segment structure up to 31 December 2022.

## Segments

- The four segments represent the key organisational criterion within the Group's organisational structure. Allocation to the individual segments is based on regional and/or activity considerations. According to STRABAG SE, managing the Group within the framework of these segments creates economies of scale and enables efficient controlling and reporting.
- Construction projects are assigned to one of the three operating segments. If a project can be assigned to more than one segment, the segment with the higher contract value is charged with commercial and technical responsibility for the project.
- Due to the narrow range of qualified service providers, specialised activities, such as tunnelling, are in demand worldwide. For this reason, they are not allocated to a specific country but to the "International + Specialty Divisions" segment.
- In terms of output volume, the North + West segment was the largest segment within the STRABAG Group in FY 2022, generating an output of EURm 8,690.7, which corresponds to approximately 49.0% of the Group's output volume and around 55.0% of its EBIT.

**STRABAG SE - Volume & EBIT-Margin by Segment 2022**




Source: STRABAG SE; Figures shown correspond to segment structure as of 31th December 2022. As of 1. January 2023 the regions Switzerland (from S+E to N+W) and Poland (from N+W to S+E) were reclassified.



This is a convenience translation from the German valuation report made by STRABAG SE. The only binding document is the German valuation report.

# Description of the valuation object | Core markets

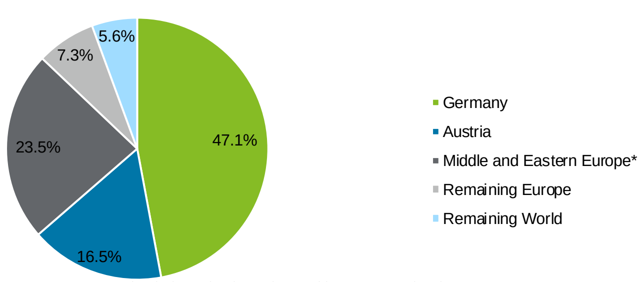
## The home markets of Germany and Austria generated around 64% of the Group's output in FY 2022. In addition, STRABAG SE is focusing on additional markets in Southern/Eastern Europe and on individual projects with high technological requirements outside of Europe.

**STRABAG SE - Share of Output Volume & Employees by Countries**

| | | Output Volume 2022 in EURm | in % | Employees (Ø Year 2022) | in % |
|---|---|---|---|---|---|
| 1 | Germany | 8,347 | 47% | 28,887 | 39% |
| 2 | Austria | 2,935 | 17% | 11,606 | 16% |
| 3 | Poland | 1,126 | 6% | 6,135 | 8% |
| 4 | Czech Rep. | 1,093 | 6% | 4,155 | 6% |
| 5 | Hungary | 688 | 4% | 2,978 | 4% |
| 6 | UK | 578 | 3% | 1,148 | 2% |
| 7 | Americas | 558 | 3% | 5,595 | 8% |
| 8 | Slovakia | 351 | 2% | 1,602 | 2% |
| 9 | Romania | 315 | 2% | 1,768 | 2% |
| 10 | Middle East | 252 | 1% | 1,709 | 2% |
| 11 | Croatia | 238 | 1% | 1,484 | 2% |
| 12 | Switzerland | 197 | 1% | 690 | 1% |
| 13 | Benelux | 176 | 1% | 330 | 0% |
| 14 | Other | 881 | 5% | 5,653 | 8% |
| | **STRABAG Group** | **17,735** | **100%** | **73,740** | **100%** |

Source: STRABAG SE

**STRABAG SE - Output Volume 2022 by Region**




Source: STRABAG SE; *includes Poland, Czech Republic, Hungary, Slovakia, Romania, Croatia, Serbia, Russia, Slovenia, Bulgaria.

### Core regional markets

- As one of the largest construction companies in Europe, STRABAG SE also offers a wide range of construction services at an international level in order to take advantage of regional diversification. In this context, the existing country network is used for expansion purposes, for example to deploy large equipment to different regions and to transfer know-how and technologies to local management.
- Beyond its core markets, STRABAG SE operates in all Eastern and South-Eastern European countries, in selected markets in Northern and Western Europe and on the Arabian Peninsula through several subsidiaries, and also engages in project business activities in Africa, Asia and America.
  - Germany

    Germany remains STRABAG SE's largest single market, accounting for around 47.1% of the Group's output in FY 2022.
  - Austria

    STRABAG's home market of Austria accounted for around 16.5% of the Group's output in FY 2022.
  - Central and Eastern Europe

    Around 23.5% of total output in 2022 was generated in the CEE region, with a significant share attributable to the markets of Poland, the Czech Republic, Hungary, Slovakia and Romania.
  - Rest of the world

    Outside of Europe, STRABAG SE is represented in Canada, Africa, Asia and the Middle East, and other regions. The company is particularly involved in projects requiring a high level of technological know-how and expertise. International markets are mainly served in the context of the Group's direct export business, which accounts for around 5.6% of STRABAG SE's total output.

# Description of the valuation object | ESG

STRABAG SE successfully pursues the implementation of important environmental, social and governance topics along the value chain. The database provider "Refinitiv" has awarded STRABAG a combined ESG score of "B+".


### $CO_2$ output

Since early 2021, STRABAG SE and all affiliated companies in Germany have been purchasing their electricity exclusively from carbon-neutral hydropower sources under a framework agreement. In 2022, purchased green electricity accounted for around 23% of STRABAG's total electricity consumption in Austria and Germany.

### Waste and circular economy

In line with country-specific requirements, STRABAG SE is developing internal Group guidelines for waste management. Compliance with laws and regulations, for example those relating to the handling of waste and hazardous materials or the use of recycled raw materials, is monitored by waste management officers and waste disposal managers.

### Data protection and cybersecurity

Measures to deal with IT risks include multi-level security and antivirus strategies, the allocation of access rights, and access control systems with password policies. Cooperation with professional service providers, the definition of guidelines and continuous education are further measures intended to strengthen IT security.

### Diversity and equal treatment

In addition to different nationalities (2022: 154; 2021: 147) and cultures, STRABAG SE also understands diversity to mean different educational backgrounds, a balanced age structure and the coexistence of men and women in the workplace. In 2022, women accounted for 17.6% (2021: 17.5%) of the Group's total workforce.

### Management Board and Supervisory Board

As part of a voluntary commitment, STRABAG SE has undertaken to fully comply with the Austrian Corporate Governance Code (ÖCGK), as amended from time to time. In addition, because its shares are listed on the Prime Market of the Vienna Stock Exchange, STRABAG is obligated to comply with the requirements of the ÖCGK.

### Anti-corruption

To prevent violations of the law and the resulting material and intangible damages, and to maintain the good reputation of STRABAG SE, an ethical business compliance system was developed as early as 2008. The new Business Compliance Management System (BCMS), which has been in place since 2020, is designed to ensure fair competition.

# Description of the valuation object | ESG

## To combat climate change, STRABAG SE has set itself the goal of achieving full climate neutrality by 2040. Starting with climate-neutral administration by 2025, the goal is to be achieved progressively in all areas of the Group.

**ESG - KPIs 2020-2022**

| | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Energy use within the group** | | | | |
| Fuel | MWh | 1,732,783 | 1,754,901 | 1,961,591 |
| Gas | MWh | 332,625 | 428,683 | 416,171 |
| Heating oil | MWh | 142,857 | 151,406 | 153,519 |
| Pulverised lignite | MWh | 500,732 | 503,083 | 475,975 |
| Electricity | MWh | 411,441 | 394,859 | 417,340 |
| *thereof green electricity* | *MWh (%)* | *26,700 (6)* | *100.837 (26)* | *96,366 (23)* |
| District heating | MWh | 42,665 | 41,645 | 42,806 |
| **Emission** | | | | |
| $CO_2$ - equivalent[1] (Scope 1) | t | 742,063 | 771,799 | 813,242 |
| $CO_2$ - equivalent[1] (Scope 2), location based | t | 171,353 | 165,711 | 175,191 |
| **Material** | | | | |
| Stone/gravel | Tsd. t | 69,960 | 64,790 | 59,991 |
| Asphalt | Tsd. t | 12,745 | 12,715 | 12,056 |
| Concrete | Tsd. m3 | 5,089 | 4,775 | 5,154 |
| Cement | Tsd. t | 1,739 | 1,555 | 1,239 |
| Structural steel | t | 447,213 | 444,698 | 463,853 |
| **Waste and Circularity[2,3]** | | | | |
| Total handled waste | t | n/a | 10,286,729 | 8,774,276 |
| *thereof Disposal* | *t* | *n/a* | *777,742* | *4,662,750* |
| *thereof Recycling* | *t* | *n/a* | *345,276* | *167,082* |
| *thereof Reuse or Recovery* | *t* | *n/a* | *8,078,469* | *4,677,337* |

Source: STRABAG SE; [1] includes $CO_2$, $CH_4$ und $N_2O$; [2] Data comprise the values from the corporate entitites in Austria and from projects and orders in Germany which the Environmental Technology and Recycling subdivisions were resposible for; [3] Differences between the sum of disposal and diverted waste on the one hand and total handled waste on the other result from stockpiles and material losses.

### Climate neutrality

- To make an effective contribution to climate protection and the efforts for climate change mitigation, STRABAG SE, in the context of its 2021 sustainability strategy, set itself the goal of achieving full climate neutrality across the entire Group by 2040. This goal is to be achieved in several stages. For example, climate-neutral administration and climate-neutral construction projects are to be achieved as early as 2025 and 2030.
- Using a materiality matrix based on the GRI standards, STRABAG SE identified nine topics in 2021 that are material for its competitiveness and long-term existence. For each of these topics, responsibilities, targets and key figures are defined as control parameters, as well as measures for achieving the individual targets. In FY 2022, the materiality matrix from 2021 was analysed with regard to topicality, completeness and plausibility. The most relevant topics for STRABAG SE in the area of "environmental concerns" include energy and emissions, materials, and waste and recycling management.

### Energy and emissions

- In the context of its efforts to develop strategies for making its business activities more environmentally sustainable, STRABAG SE considers it essential to collect an accurate database. For this purpose, the total energy consumption by energy form and the CO2 emissions of the Group are recorded.
- Key measures for saving energy and reducing emissions in the future include increasing energy efficiency and using renewable energy sources.

### Waste and recycling management

- In order to reduce negative impacts on the environment, the focus in the area of "waste and recycling management" is on minimising the consumption of raw materials, avoiding waste, and improving recycling and recovery.
- While the set of available data currently only covers Austria and projects of the subdivision Environmental Technology and Recycling, it is to be extended to other Group countries in the future.

# Description of the valuation object | STRABAG SE share

STRABAG SE has been listed on the Vienna Stock Exchange since its IPO in 2007. As of 2 May 2023, a total of 102,600,000 no-par value shares have been issued. On 9 February 2023, 2,779,006 treasury shares were acquired as part of the anticipatory mandatory takeover offer.

**STRABAG SE - Share**

| Key Facts | |
|---|---|
| Number of shares: | 102,600,000 |
| thereof registered shares: | 3 |
| thereof bearer shares: | 99,820,991 |
| thereof own shares/treasury shares: | 2,779,006 |
| Free float: | *11.7%* |
| First Trading Day: | 19. October 2007 |
| ISIN: | AT000000STR1 |
| Trading venue: | Vienna Stock Exchange |
| Market: | Official Market |
| Market Segment: | Prime Market |
| Analyst coverage: | Deutsche Bank, Erste Group, Kepler Cheuvreux, LBBW, Raiffeisen Bank International |

Source: STRABAG SE, Vienna Stock Exchange

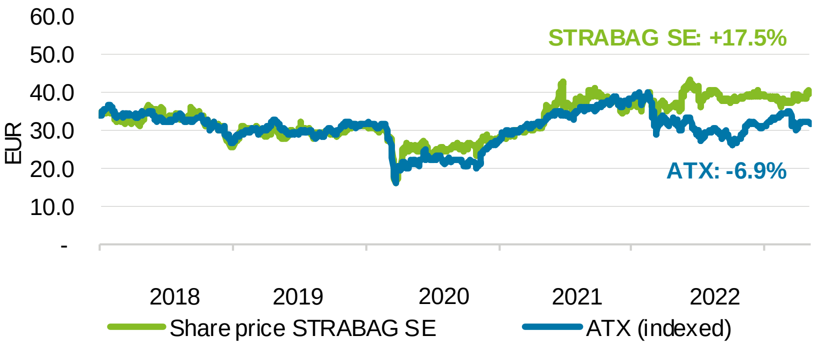
## STRABAG SE share

- The shares of STRABAG SE have been listed on the Vienna Stock Exchange since 19 October 2007. The shares are admitted to official trading and are listed in the Prime Market of the Vienna Stock Exchange under ISIN AT000000STR1. Among other indices, the STRABAG SE share is a component of the ATX Prime Index and the WBI (Wiener Börse Index). Since 23 November 2022, the share has also been included in the ATX Index.
- The share capital of STRABAG SE as of the valuation date amounts to EURm 102.6. On 24 June 2022, the Annual General Meeting of STRABAG SE passed a resolution authorising the acquisition of 10.0% of the outstanding shares by STRABAG SE as treasury shares. The acquisition took place in the course of an anticipatory mandatory takeover offer, triggered by the formation of a syndicate between Haselsteiner Familien-Privatstiftung, Raiffeisen Holding Niederösterreich-Wien registrierte Genossenschaft m.b.H. and UNIQA Österreich Versicherungen AG (hereinafter also referred to as "the bidders"). The bidders undertook to acquire the first 10.0% of the shares offered for acquisition in a fiduciary capacity for STRABAG SE. The purchase price was EUR 38.94.
- On 10 February 2023, it was announced on the website of STRABAG SE that a total of 2,779,006 shares were acquired on 9 February 2023. Of the purchase obligation for a total of 10.0% of the share capital, a portion of approximately 2.7%, with a total value of approximately EUR 108.2 million was made use of.
- Of the outstanding shares, around 11.7% were in free float at the valuation date.
- There are currently three registered shares, two of which carry special rights. Registered share no. 1 is held by Mr. Klemens Peter Haselsteiner and registered share no. 2 by MKAO Rasperia Trading Limited. Registered share no. 3 does not carry any special rights. The remaining shares of STRABAG SE (102,599,997 shares) are bearer shares. Each bearer and registered share carries one voting right. On 8 April 2022, Oleg Deripaska, who controls MKAO Rasperia Trading Limited, was placed on the sanctions list of the European Union. According to the publication on the website of STRABAG SE, the rights of disposal, the right to dividends and the exercise of voting rights associated with the shares of MKAO Rasperia Trading Limited in STRABAG SE in the amount of 27.8% have been frozen.
- On 5 May 2022, Thomas Bull, a member of the Supervisory Board delegated by MKAO Rasperia Trading Limited, was removed from office at an Extraordinary General Meeting. Subsequently, MKAO Rasperia Trading Limited filed an action for annulment in response to this resolution. At the time of preparing this report, the proceedings have not yet been concluded.

# Description of the valuation object | STRABAG SE share

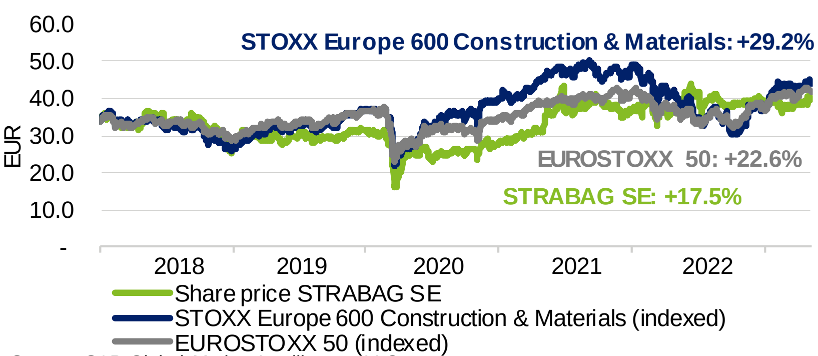
## With fluctuating price developments of the STRABAG SE share in 2021 and 2022, the highest level (closing price) was reached at EUR 43.75 on 7 June 2022. The share price closed at around EUR 40.00 on 2 May 2023.

**Share price performance STRABAG SE & ATX since 2018**




Source: S&P Global Market Intelligence LLC

**STRABAG SE vs Benchmark indices since 2018**




Source: S&P Global Market Intelligence LLC

### STRABAG SE share

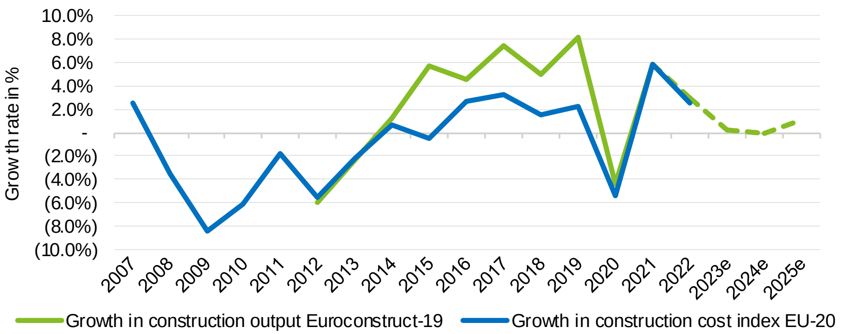
- The STRABAG SE share price declined by around one-third between the beginning and the end of 2018, but gained some recovery momentum in early 2019. This was followed by a lateral movement until the end of February 2020, when the COVID-19 pandemic broke out in March 2020. By the time it reached its lowest point, the share price had plummeted by around 48.3% compared with the last trading day of 2019 (EUR 31.00) and reached its lowest level during the period under review in mid-March 2020, at around EUR 16.02.
- After a continuous increase in the share price to EUR 33.00 until the end of April 2021, the STRABAG SE share gained strongly and reached a price of EUR 43.20 on 21 June 2021. Subsequently, 2021 closed with a share price of EUR 36.65. Similar to the development of the previous year, the share price increased again in the first half of 2022 and reached a peak during the period under review on 7 June 2022, with a price of EUR 43.75. On the ex-dividend date of 1 July 2022, a dividend of EUR 2.00 was distributed for FY 2021, which led to a corresponding decline in the share price to EUR 37.90. Subsequently, the share price fluctuated in a range of around 13.1% and stood at EUR 40.00 as of 2 May 2023.
- In the period under review, the share price of STRABAG SE has increased by around 17.5% since 2018. In comparison, the Austrian benchmark index ATX recorded a decline of around -6.9% in the same period. The sector benchmark index, the STOXX Europe 600 Construction & Materials, composed of companies from the European construction and basic materials sector, has increased in value by around 29.2% over the past 5 years, thus outpacing the gains of the STRABAG SE share.
- As of 2 May 2023, there are four buy recommendations and one hold recommendation for the STRABAG SE share from analysts. The range of the various analyst firms for the price target of the STRABAG SE share is between EUR 39.00 and EUR 53.50 per share, with the consensus price target at EUR 47.80 per share (as of 2 May 2023). This corresponds to an appreciation potential of around 19.5% compared to the closing price on 2 May 2023.

# Market analysis

# Market analysis | Region and construction industry

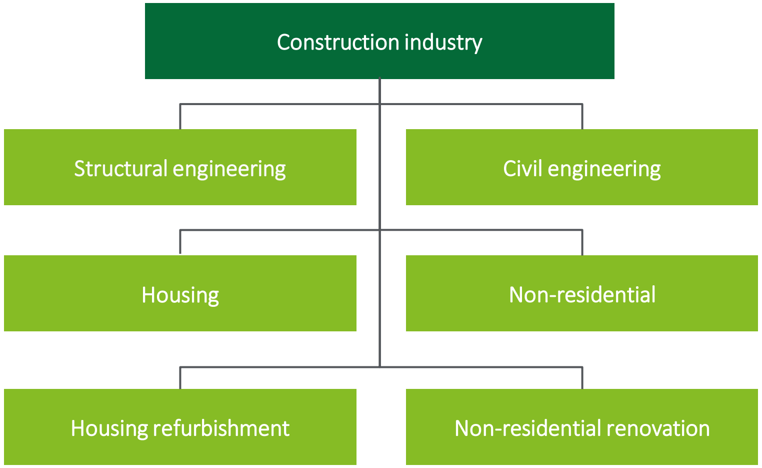
## After strong increases in construction output in 2021 and 2022, Euroconstruct expects only minor real growth in 2023 and a slight real decline in 2024. This is due to various effects relating to the war in Ukraine and the inflation/interest rate environment.

**Development of growth in construction cost index EU-19 and construction output Euroconstruct-19 countries in % p.a.**




Source: Euroconstruct, Eurostat

Euroconstruct sectors of the construction industry




Source: Euroconstruct (by reference)

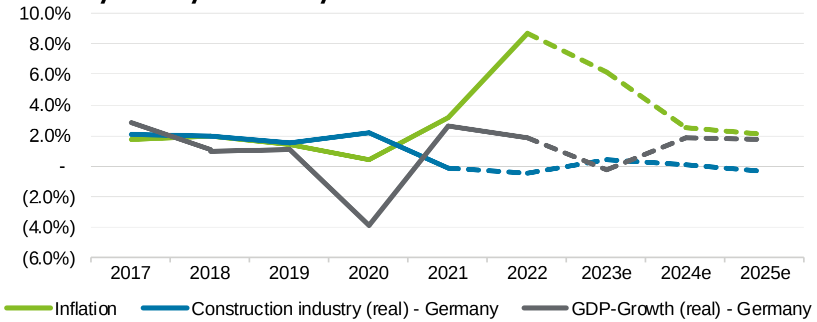
### Market analysis of the construction industry

- The adjacent chart shows the development of the construction cost index of the eurozone (EU-19 countries) with actual figures from 2007 to 2022 and the development of historical and expected construction output from 2012 to 2025 in the Euroconstruct countries (15 Western and 4 Eastern European countries). The Euroconstruct report represents data as of November 2022. From 2008 to 2013, the construction cost index in the EU showed a downward trend. The main reason for this was the austerity policies of individual countries and the associated reluctance to invest. From 2014 to 2019, the construction industry achieved growth in construction output every year. After the pandemic-related slump in 2020, construction sector once again recorded strong growth in 2021, followed by moderate growth in 2022.
- Construction output in the Euroconstruct countries increased by around 5.8% in real terms in 2021 and is forecast to grow by around 3.0% in real terms in 2022. While moderate growth of around 0.2% is expected in 2023 and a lateral movement in 2024 (both in real terms), Euroconstruct forecasts a real increase in construction output of around 1.1% in 2025.
- This development, which is more negative compared to the previous year, is attributable, in particular, to Russia's invasion of Ukraine and the associated effects. Examples of some of these effects include the slowdown in economic growth, the rise in inflation as well as the energy crisis and increased construction costs. Euroconstruct also points out consumers' reduced purchasing power and the significantly higher year-on-year level of interest rates as key influencing factors.
- The adjacent chart shows a breakdown of the construction industry by individual sectors as undertaken by Euroconstruct.

# Market analysis | Expected development of the construction industry

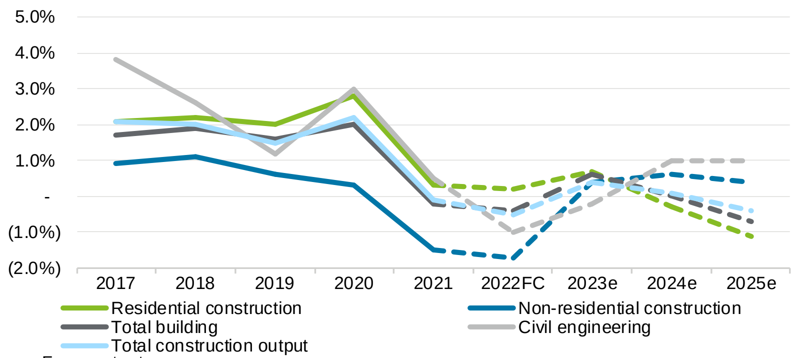
Although the German economy as a whole recorded increases in 2021 and 2022, construction activity declined slightly during that period. In subsequent years, real construction output is expected to remain roughly unchanged, partly due to the fluid inflation and interest rate environment.

**Development of construction industry and macroeconomic factors by country - Germany**




Source: Economist Intelligence Unit, Euroconstruct

**Output volume growth of the construction industry (real) - Germany**




Source: Euroconstruct

## Growth rates of the construction industry and macroeconomic indicators (by country)

The expected overall economic development and the specific development of the construction industry and its sectors in the core countries relevant for STRABAG SE are outlined below. The data basis for this presentation is the Euroconstruct market report from November 2022 and the latest available macroeconomic reports of the Economist Intelligence Unit (EIU) from April and May 2023.

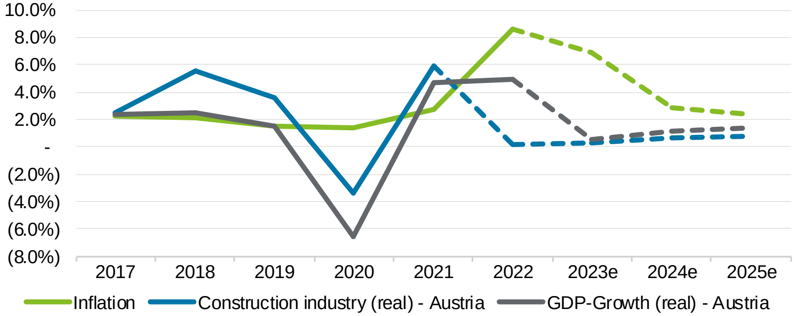
### Germany

- After the German economy contracted by around -3.9% in real terms in the crisis year 2020, real GDP growth rose to around 2.6% in 2021 according to Euroconstruct and the EIU. While real GDP growth will be around 1.9% in 2022 according to the EIU, both the EIU and Euroconstruct expect the German economy to contract slightly by approximately -0.3% in 2023 before recording growth of around 1.9% and 1.8% in 2024 and 2025. According to the EIU, the expected decline in real GDP growth in 2023 is mainly the result of a drop in private consumption and private investment. This is attributable, in particular, to the further losses in real wages as a result of high inflation. According to Euroconstruct, the significantly higher interest rate environment will also put a damper on economic development.
- According to the EIU, the inflation rate in Germany increased significantly to around 8.7% in 2022. Due to a stabilisation of energy prices and a decline in demand, the inflation rate is expected to fall slightly to about 6.2% in 2023, but still remain at a high level. For 2024 and 2025, however, a significant decrease to an average of around 2.3% is expected.
- While construction output increased by 2.2% in the first crisis year 2020, there was a moderate decline in construction activity of around -0.1% in 2021. For the years 2023 to 2025, Euroconstruct forecasts average real growth of around 0.0%, noting that this forecast is associated with a high degree of uncertainty due to market participants' unpredictable reaction to the significantly higher levels of construction costs. The residential and building construction sectors in particular are expected to face challenges in the wake of higher inflation and higher interest rates.

# Market analysis | Expected development of the construction industry

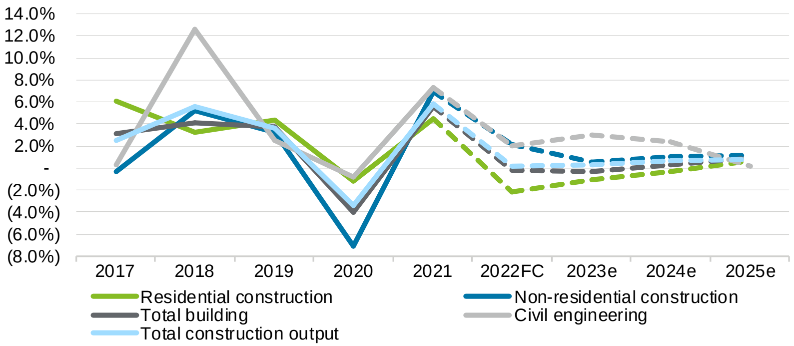
## While the Austrian construction industry achieved higher growth rates than the overall economy since 2017, Euroconstruct expects this trend to reverse in the period 2022 to 2025 and forecasts lower growth rates for the Austrian construction industry.

**Development of construction industry and macroeconomic factors by country - Austria**




Source: Economist Intelligence Unit, Euroconstruct

**Output volume growth of the construction industry (real) - Austria**




Source: Euroconstruct

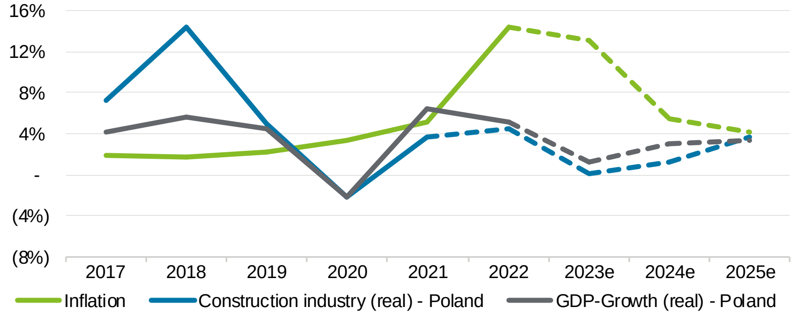
### Austria

- After 2020 was dominated by the Covid-19 pandemic, the Austrian economy recovered well in 2021 according to Euroconstruct and the EIU, and recorded (real GDP) growth of around 4.7%. While even higher real growth of around 5.0% (according to EIU) was achieved in 2022, this is expected to decline to around 0.6% in 2023. For 2024 and 2025, real growth is expected to be around 1.2% and 1.4% respectively. The decline in growth in 2023 is attributable to the expected developments in private consumption as a result of the inflation-related decline in real wages. Driven by uncertainties about the economic outlook, the development of fixed asset investments is also expected to dampen real GDP growth.
- After a phase of moderate inflation rates between 2017 and 2021, which averaged around 2.0%, a drastic increase to around 8.6% was recorded in 2022. According to the EIU, inflation is forecast to decrease to around 6.9% in 2023, which is, however, significantly above the average level for the period from 2017 to 2021. This is due, among other factors, to a significant increase in core inflation. In the subsequent years 2024 and 2025, inflation is forecast to fall again, to around 2.9% and 2.4% respectively. To combat inflation, the ECB has already raised interest rates by a total of 1.0% in 2023 as of the cut-off date.
- After a slump in 2020, the Austrian construction industry recorded significant growth in 2021, which came to around 5.9% in real terms. With average growth of around 7.3% and 6.9% respectively, the civil engineering and commercial building construction sectors recorded the strongest increases. Despite a decline in real growth rates to an average of around 1.9% and 1.2% p.a., these two sectors are also expected to grow comparatively fastest in the subsequent period from 2022 to 2025. In civil engineering, this development is attributable, among other factors, to investments in the rail infrastructure and energy sectors. Of particular importance are investments and subsidies from the Climate and Energy Fund (KLI.EN). After residential construction already recorded the weakest growth rate of all sectors in 2021, an average decline of around -0.7% p.a. is expected for the following years.

# Market analysis | Expected development of the construction industry

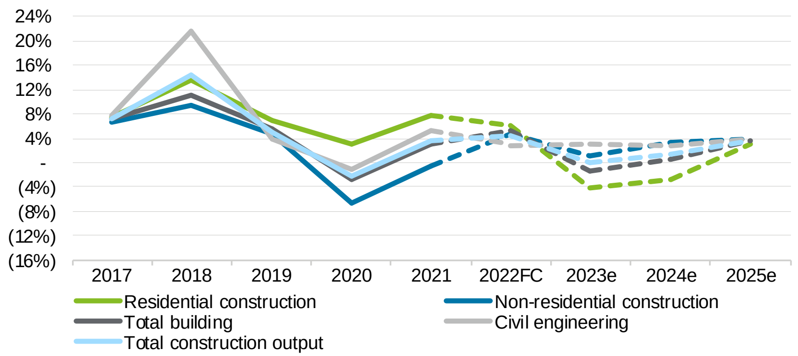
## After the Polish construction industry experienced a decline in output in 2020 and a subsequent recovery in 2021 and 2022, Euroconstruct expects the construction industry to grow at a slower pace than the overall economy in 2023 and 2024.

**Development of construction industry and macroeconomic factors by country - Poland**




Source: Economist Intelligence Unit, Euroconstruct

**Output volume growth of the construction industry (real) - Poland**




Source: Euroconstruct

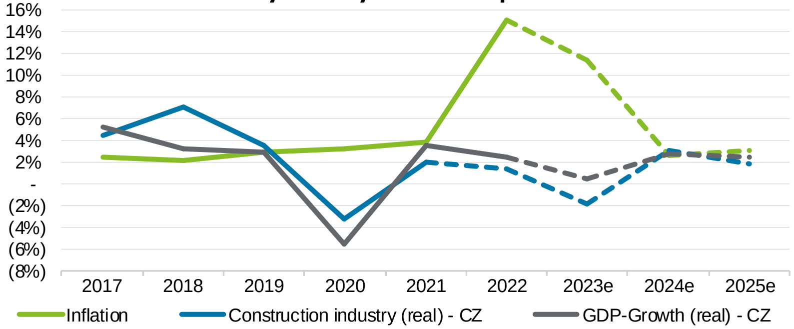
### Poland

- After contracting by around -2.1% in 2020, the Polish economy recovered significantly in 2021 and grew by around 6.4% (real GDP growth in each case). According to the EIU, a marked real GDP growth of around 5.1% was also recorded in 2022. For the following years, the EIU and Euroconstruct expect real growth of around 1.3% in 2023 and around 3.1% on average (2024 to 2025). The expected slowdown in growth in 2023 is due, among other factors, to the lower purchasing power of private households in the current inflationary environment and to an expected decline in investment volumes in the wake of higher interest rates. The higher GDP growth in the two subsequent years is attributable, among other factors, to the expected economic recovery of Europe's trading partners and to stronger investment growth as a result of a reduction in political instability after the 2023 elections.
- With an inflation rate of around 14.4% in 2022, Poland is one of the EU countries with the highest inflation levels. At around 13.1%, it is expected to decrease only slightly in 2023. According to the EIU, this is partly due to high core inflation and rising energy costs in the winter of 2023/24. In the years 2024 to 2025, the inflation rate is expected to come down to an average of around 4.8%.
- The development of the Polish construction industry in the period under review can be described as highly volatile. While continuous growth was achieved in the period from 2017 to 2019, a decline of around -2.1% (in real terms) was recorded in 2020. In the years 2021 and 2022 (FC), the construction industry developed positively with growth of around 3.7% and 4.5% respectively. Particularly in 2022, this growth is estimated to affect all sectors.
- In 2023, the construction industry is expected to expand only slightly by around 0.1%, before returning to growth of around 1.3% and 3.7% in 2024 and 2025. Particularly the residential construction sector, which in the past has seen the strongest growth, is expected to turn to negative territory due to the rise in interest rates, before returning to growth of around 3.0% in 2025. Conversely, Euroconstruct expects continuous growth in the commercial and civil engineering sectors.

# Market analysis | Expected development of the construction industry

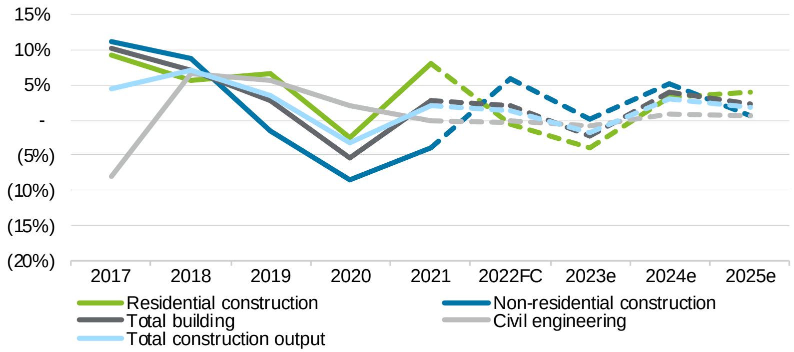
## After moderate growth in 2021 and 2022, Euroconstruct expects a slight decline in the output of the Czech construction industry, followed by a recovery in next two years in line with the overall economic development.

**Development of construction industry and macroeconomic factors by country - Czech Republic**




Source: Economist Intelligence Unit, Euroconstruct

**Output volume growth of the construction industry (real) - CZ**




Source: Euroconstruct

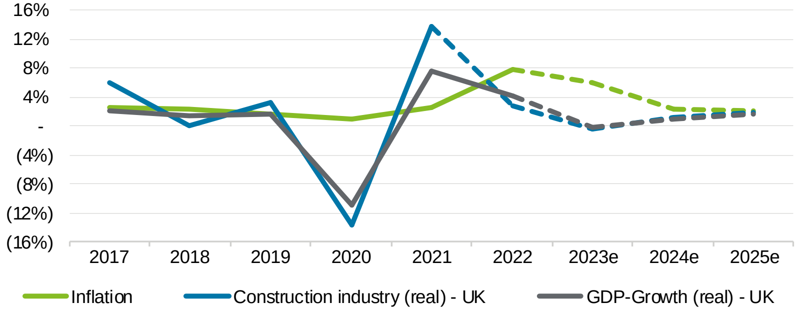
### Czech Republic

- The Czech economy, according to the EIU and Euroconstruct, contracted by around -5.5% in the wake of the Covid-19 pandemic, but experienced an increase in real GDP to around 3.5% in 2021. According to the EIU, a somewhat lower real growth rate of around 2.4% was recorded in 2022. In line with many European countries, the EIU and Euroconstruct expect a significant decline in real GDP growth in 2023, followed by a recovery in 2024 and 2025 with an average growth rate of around 2.6%. According to the EIU and Euroconstruct, household spending will be impacted, among other factors, by inflationary pressure resulting from higher energy costs, while investment is expected to flatten out, particularly due to interest rate hikes implemented by the Czech National Bank.
- In 2022, inflation in the Czech Republic increased significantly to around 15.1%. The EIU expects a decline in 2023, but anticipates inflation to hover at 11.4%, before declining to around 2.6% and 3.1% in 2024 and 2025 respectively. While energy costs continued to rise in early 2023, inflationary pressures are expected to decline from the second half of the year onward, driven by low consumer demand. According to the EIU, a lack of Russian gas imports could again become a challenge in winter 2023/24.
- In the historical period under review, all sectors of the Czech construction industry experienced highly volatile development trajectories, which, according to Euroconstruct, are expected to continue in the period from 2023 to 2025. A decline in the output of the entire construction industry, in particular residential and building construction, is expected for 2023. According to Euroconstruct, this development is mainly driven by rising inflation and significantly higher interest rates, which will lead to a greater tendency to renovate. In 2024 and 2025, the construction industry as a whole is expected to grow again by around 3.1% and 1.9% in real terms, with positive growth to be experienced in all sectors. According to Euroconstruct, this will come as the result of an expected normalisation of the inflation and interest rate environment.

# Market analysis | Expected development of the construction industry

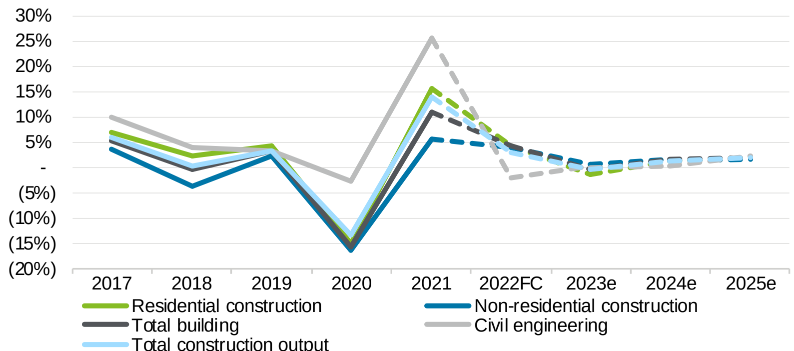
## After a sharp drop in output of around -13.6% in in 2020, the UK construction industry experienced an offsetting effect of around 13.8% in 2021. For the following years, Euroconstruct expects moderate growth in the construction industry, in line with the overall economic development.

**Development of construction industry and macroeconomic factors by country - United Kingdom**




Source: Economist Intelligence Unit, Euroconstruct

**Output volume growth of the construction industry (real) - UK**




Source: Euroconstruct

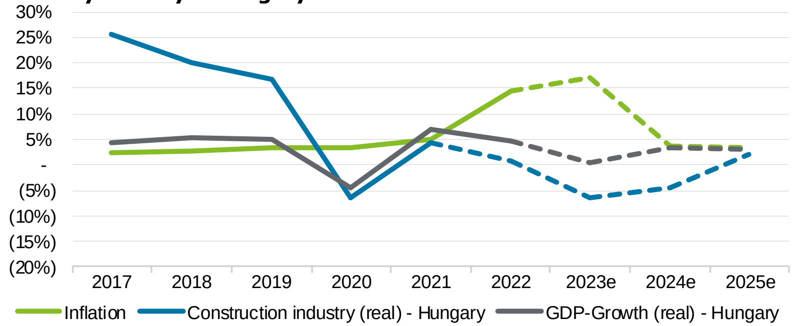
### United Kingdom

- After real GDP had plummeted by as much as almost -11.0% in 2020, the UK economy registered a visible recovery in 2021 and grew by around 7.5%. While real GDP growth in 2022 was around 4.1% (EIU), the EIU and Euroconstruct economy expect the UK economy to contract by around -0.3% in real terms in 2023. According to EIU and Euroconstruct, this expected recession will mainly be driven by a decline in private consumption as a result of high inflation and monetary policy developments. In 2024 and 2025, the UK economy is expected to grow again by around 1.1% and 1.7% respectively.
- In the UK, too, the increased cost of energy and raw materials imports led to a high inflation rate of around 7.9% in 2022. Despite the government's decision to cap energy prices for households, inflation is expected to be around 6.0% in 2023. This is attributable, among other factors, to higher input costs and a tight labour market, as a result of which the prices of certain products and services are expected to rise. For the years 2024 to 2025, the EIU expects inflation to hover at an average of around 2.2%.
- After the UK's construction industry experienced a more pronounced real decline of around -13.6% in 2020 compared with the economy as a whole, it recovered by 13.8% in real terms in 2021. The civil engineering sector in particular grew very strongly (by around 25.6%), partly due to the fact that Covid-19 prevention measures were easier to implement on larger and open construction sites. For 2022, Euroconstruct forecasts growth of around 2.8% for the construction industry as a whole. While the other sectors experienced growth, the civil engineering sector declined by around -2.1%. According to Euroconstruct, this is mainly the result of a decline in the air and road transport sectors and lower government spending on infrastructure.
- While the output of the entire construction industry is expected to decline by around -0.4% in 2023, it is expected to increase by an average of around 1.5% in 2024 and 2025, with very similar developments in the individual sectors of the construction industry.

# Market analysis | Expected development of the construction industry

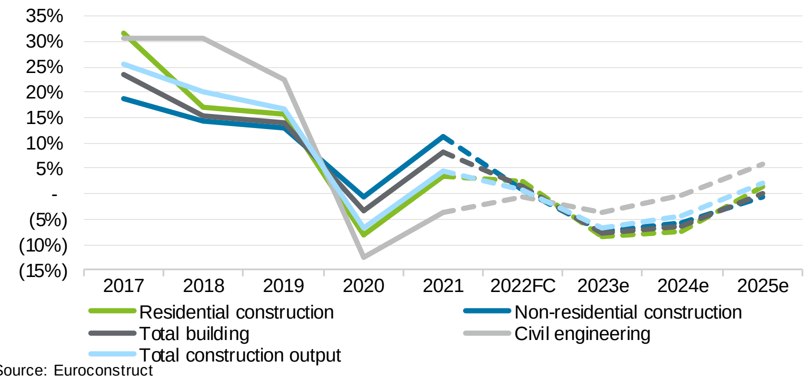
## After a decline in 2020, both the Hungarian economy as a whole and the construction industry recovered in 2021. However, Euroconstruct expects a decline in output in the construction industry in the following years, which is expected to affect all sectors.

**Development of construction industry and macroeconomic factors by country - Hungary**




Source: Economist Intelligence Unit, Euroconstruct

**Output volume growth of the construction industry (real) - Hungary**




Source: Euroconstruct

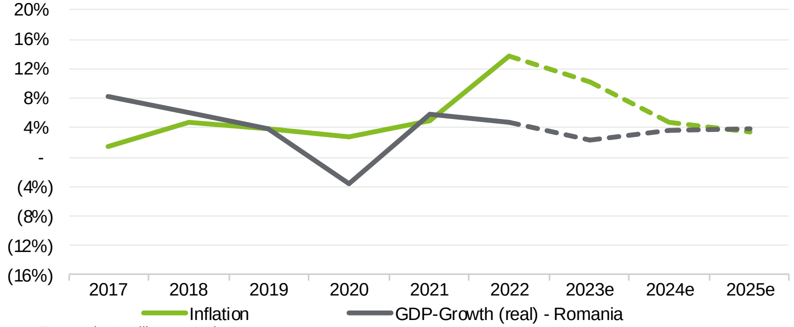
### Hungary

- After the Hungarian economy contracted by around -4.6% in 2020, real GDP growth rose to around 7.1% in 2021. In 2022, growth was around 4.6% according to the EIU. This post-pandemic development is mainly driven by a strong export performance. In 2023, growth is expected to decrease to around 0.5% according to the EIU and Euroconstruct. The main reasons for this are high inflation and rising interest rates, which will impact both private consumption and corporate investment spending. In the two subsequent years, growth is expected to average around 3.5%.
- In Hungary, too, the rate of inflation increased significantly to around 14.6% in 2022. Unlike most other European countries, the EIU expects inflation to rise by a further 17.2% in 2023. This is mainly due to the fact that a temporary price cap for vehicle fuels introduced in the wake of the energy price shock was lifted as of December 2022, causing headline inflation to rise to over 25% at the beginning of 2023. Inflation is expected to decline from 2024 onwards, with the rate of inflation being expected to average around 3.4% by 2025.
- According to Euroconstruct, the Hungarian construction industry recorded significant growth averaging around 20.8% in the years from 2017 to 2019, before declining by around -6.6% in 2020. While an increase of around 4.4% was achieved in 2021, a drop to around 0.7% in the growth of the entire construction industry is estimated for 2022, with the civil engineering sector experiencing a negative development.
- In 2023 and 2024, the Hungarian construction industry is expected to contract by around 6.6% and 4.5% respectively. The sharpest decline is expected in residential and building construction, with the civil engineering sector recording the highest negative deviation. While, according to Euroconstruct, the downturn in residential and building construction is mainly attributable to shrinking demand as a result of the changed market environment, civil engineering will face challenges in the wake of the suspension of EU subsidies. In 2025, the construction industry as a whole is forecast to return to growth again, with an increase of around 2.0%.

# Market analysis | Expected development of the construction industry

After declining in 2020, the Romanian economy returned to its pre-crisis level in 2021. Stable growth at an average of around 3.4% p.a. is forecast for the following years.

**Development of macroeconomic factors by country - Romania**




Source: Economist Intelligence Unit

## Romania

- Following average growth of around 5.2% in the years from 2016 to 2019, the Romanian economy recorded decline in real GDP of around -3.7% in 2020.
- In 2021 and 2022, GDP grew again by around 5.9% and 4.7% respectively, thus returning to the pre-crisis level. For the years 2023 to 2025, the EIU forecasts average real GDP growth of around 3.3%, although the growth rate in the first forecast year, 2023, is expected to be below average at around 2.4% (real GDP growth), mainly due to a decline in export growth as a result of high energy prices and interest rates. While private consumption will experience a slight slowdown, investment will be positively influenced by EU subsidies.
- After average inflation in Romania hovered at around 2.2% p.a. in the period between 2016 and 2020, an increase to around 5.0% was seen in 2021. In 2022, the inflation rate spiralled to around 13.8%, particularly as a result of higher energy and food costs. In addition, there was also a significant increase in core inflation. According to the EIU, overall inflation is expected to remain at a very high level of around 10.2% in 2023, but from 2024 onward it is expected to recover and decline to around 4.8% in 2024 and 3.3% in 2025.
- The Euroconstruct market report of November 2022 does not contain a separate analysis of the Romanian construction industry. It was therefore not possible to provide an analysis of the Romanian construction industry that is consistent with the previous market analyses.

# Plausibility assessment of the business plan

# Plausibility assessment of the business plan | Data basis

STRABAG SE provided us with a consolidated medium-term plan consisting of planned consolidated income statements and planned consolidated balance sheets for the years 2023 to 2026.

**Significant documents with relevance for the valuation**

- The valuation was mainly based on the following documents and sources of information:
  - Audited consolidated financial statements of STRABAG SE for financial years 2014 to 2022;
  - Supplementary information regarding the annual reports for 2021 and 2022 available on the STRABAG SE website;
  - Forecast for the 1st quarter of FY 2023 ending 31 March 2023 of the consolidated balance sheet and consolidated income statement;
  - Consolidated business plan of STRABAG SE for the financial years from 2023 to 2026, consisting of planned consolidated income statements and planned consolidated balance sheets, representing the stage of the planning process as of April 2023;
  - Performance and earnings plans for each company and region for the years 2023 to 2026, representing the stage of the planning process as of January 2023;
  - Details of the calculation of assets from concession projects and non-recourse liabilities relating to the construction and operation of the German A8 motorway;
  - Details of the calculation of the concession receivable and the non-recourse liability relating to the construction and operation of the Hungarian M5 motorway;
  - Monthly development of Group cash and cash equivalents from December 2015 to March 2023;
  - market values and carrying amounts of non-operating assets as of 31 December 2021 and 31 December 2022;
  - List of Investments of STRABAG SE as of 31 December 2022;
  - Statement of other financial assets as of 31 December 2022;
  - European construction industry market study until 2025 (94th Euroconstruct Summary Report & Country Report, November 2022);
  - Draft of the proposed resolution for the Annual General Meeting on 16 June 2023 on the planned capital measures dated 9 May 2023;
  - Publications on the anticipatory mandatory takeover offer dated 29 September 2022;
  - Publications on the result of the anticipatory mandatory takeover offer dated 29 September 2022;
  - Analyst reports on STRABAG SE and its peer group companies.
- In addition, several conference calls and email correspondences took place.

# Plausibility assessment of the business plan | Planning process

## The planning process of STRABAG SE is based on a bottom-up planning of the parameters "output" and "earnings" by the individual Group companies, which are aggregated at Group level using top-down adjustments.

### Planning process

- The consolidated business plan of STRABAG SE, which was prepared by its management, was approved by the Management Board at the end of January 2023 and comprises the 2023 budget year and the medium-term business plan for the years 2024 to 2026. At the Supervisory Board meeting held on 28 February 2023, the Supervisory Board took note of the medium-term plan from 2024 to 2026 and unanimously approved the 2023 budget year. In April, in the course of preparing the forecast for the first quarter of 2023, the existing budget for 2023 and the medium-term plan for 2024 to 2026 were updated accordingly.
- The planning process is based on a bottom-up planning approach, supplemented by top-down adjustments (hereinafter referred to as "contingencies") after consolidation at Group level.
- The basis for the Group's planning is formed by the reported budgets of the individual Group companies on a cost centre basis, limited to the planning parameters "output" and "earnings". Output is a common term in the construction industry and, in the STRABAG Group, comprises the value of all goods and services produced and also includes (on a pro-rata basis) companies that are not fully consolidated and the so-called joint ventures of the STRABAG Group.
- Results from investments accounted for using the at-equity method and subsidiaries are treated as operating results and are therefore included (on a pro-rata basis) in the respective income statement planning.
- According to the information provided, services and results are planned over the detailed planning period on the basis of historically realised values and based on project calculations. The results represent the respective earnings before taxes (EBT).
- The bottom-up planning is reconciled with the planning at STRABAG SE Group level by aggregating the company-level planning calculations, taking into account top-down adjustments (contingencies).
- As only "output" and "earnings" are planned, the remaining items of the income statement are planned on the basis of the ratio to the last actual year's output/sales figures, taking into account any efficiency improvements.
- Forecasted efficiency and margin improvements of STRABAG SE are included in the planned cost of materials and purchased services, irrespective of the item in which they can actually be realised.
- In addition to "output" and "earnings before taxes", EBIT or, respectively, the EBIT margin is one of the most important financial management parameters within the STRABAG SE Group. Accordingly, as part of the planning analysis, particular focus was placed on the planned figures for output and EBIT, and on the development of the EBIT margin.
- Drawing on the output and earnings planning, the balance sheet planning is carried out top-down by the management of STRABAG SE. The main planning parameters are net working capital and non-current assets. Net working capital is planned overall as a function of revenue. Based on the development of revenues, individual items of working capital are adjusted in accordance with the assumptions about economic development and predictable changes in the planning period. The items within property, plant and equipment are carried forward on the basis of investments in the amount of depreciation plus a defined sales-to-investment ratio. The added investment ratio is intended to reflect measures that are incorporated in the business strategy.

# Plausibility assessment of the business plan | Plausibility assessment

## The planning plausibility assessment was carried out in accordance with to KFS/BW 1 on the basis of the development of the company itself, comparison with market data and on the basis of selected KPIs of listed peer group companies.

### Plausibility assessment of the business plan

- KFS/BW 1 requires an assessment of both the formal and the material plausibility of the business plan premises. We carried out the plausibility assessment on the basis of historical analyses of STRABAG SE, against the backdrop of industry studies (Euroconstruct) and macroeconomic data (e.g. GDP forecasts) available as of 2 May 2023, and on the basis of benchmarks derived from the historical and expected future development of the peer group companies. The historical planning accuracy was also analysed on the basis of target/actual comparisons.
- In the opinion of the Management Board of STRABAG SE, the valuation report contains information which, according to reasonable business judgment, is capable of causing a significant disadvantage to STRABAG SE or any of its subsidiaries (analogous application of § 118 (3) AktG). For this reason, we have prepared the present summarised version of the report ("Summary").
- The following chapters therefore comprise a description of the analyses and work carried out exclusively in terms of content.

### KPI analysis

- In addition to analysing the development of the company itself, the plausibility of STRABAG SE's business plan was checked on the basis of selected key performance indicators (KPIs) of listed comparable (peer group) companies.
- The peer group companies were selected, in the first instance, on the basis of the business model and subsequently on the basis of their geographical focus and the share of construction output in total sales. For a detailed presentation of the peer group selection, we refer to page 47.
- The KPIs defined for the analysis were revenue growth, EBITDA margin, EBIT margin, net working capital ratio, current asset ratio, CAPEX to revenue ratio and cash ratios. The data of the peer group companies were collected using Capital IQ and published financial reports. The forecast figures of the respective peer group companies represent the average of the analyst forecasts available for the respective company. Our analysis only includes planning data from companies if at least two analyst forecasts are available.
- The data of the peer group companies are only available to a sufficient extent up to the year 2025 to assess the plausibility of STRABAG SE's business plan.

### Analysis of historical planning accuracy

- We have analysed the historical planning accuracy of STRABAG SE. In the process, we compared the budgets of the last three planning cycles in terms of the key performance indicators output, revenue, EBIT, EBIT margin and EBT with the actual figures realised in each case. We also compared the development of the 4-year business plan over time on the basis of the key performance indicators output and EBIT with the actual figures realised in each case.
- The resulting plan/actual deviations were analysed. During our analyses, we found STRABAG SE to have a high planning accuracy.

# Plausibility assessment of the business plan | Plausibility assessment

The planned output development was analysed for the most important markets of STRABAG SE at country level. A benchmark was established using Euroconstruct market reports and analyst forecasts for the peer group companies.

### Analysis of output development

- We assessed the plausibility of the planned development of STRABAG SE's output volume, in a first step, by taking the historical development of the output volume and the order backlog as of 31 December 2022 and 31 March 2023 as a basis. With the current order backlog, STRABAG SE covers significantly more than the output volume of one entire year.
- The order backlog thus indicates a high degree of diversification due to the large number of projects and the high level of coverage of the planned services for the first three planning years by orders already contracted. According to STRABAG SE, the diversification has a positive impact on the achievability of the planned output in the context of the current inflation and interest rate environment.
- In a second step, the planned output volume for the most important markets of STRABAG SE was analysed in terms of the share of planned output and planned earnings and in relation to major projects. The countries included in this analysis were Germany, Austria, Poland, the Czech Republic, the UK, Hungary, Romania and Chile. The planned output was compared with the historical output development of these countries in the period since 2018 and compared with the order backlog and major projects.
- In addition, the output development was benchmarked for the most important markets of STRABAG SE by means of the market assessment of the latest available Euroconstruct market reports from November 2022 and the expected development of macroeconomic parameters (e.g. expected inflation development, expected development of real GDP).
- Furthermore, the planned sales growth at Group level was compared with analysts' estimates for the peer group companies.

### Analysis of EBIT and EBT development

- EBIT and EBT are the most important financial management indicators of STRABAG SE. For this reason, STRABAG pursues the aim of maintaining and, if possible, improving the Group's EBIT margin/EBT margin. Specifically, this is to be achieved through efficiency improvements in the context of several ongoing projects.
- The plausibility of STRABAG SE's planned EBIT was checked on the basis of the historical development since 2018. Significant efficiency enhancement measures and planned projects were taken into account and the resulting effects analysed.
- In addition, the planned EBITDA and EBIT margins at Group level were compared with analysts' estimates for the peer group companies.

# Plausibility assessment of the business plan | Plausibility assessment

## The asset situation was analysed with particular regard to the planned development of property, plant and equipment, the planned capital investments and the planned development of working capital. A benchmark was established based on analyst forecasts for the peer group companies.

### Analysis of the financial position

- The financial position was analysed with particular regard to property, plant and equipment, planned capital investments and the planned development of working capital.
- Property, plant and equipment comprises land & buildings, technical equipment & machinery, other equipment & operating and office equipment, as well as advance payments made and assets under construction.
- According to information provided by management, annual capital investments are mainly planned on the basis of the previous year's depreciation and amortisation and on the basis of the planned revenues. In addition, investments that are necessary to achieve the climate targets of STRABAG SE are taken into account (see page 16). Among other aspects, these include necessary adaptations for the climate-neutral operation of the administration buildings and investments for the climate-neutral operation of plants for the production of building materials.
- The planned development of property, plant and equipment and the planned capital investments in property, plant and equipment were checked for plausibility based on the historical development since 2018. In addition, the non-current asset ratio, i.e. the ratio of property, plant and equipment to total assets, of STRABAG SE and the CAPEX to revenue ratio were compared with the analyst forecasts for the peer group companies.
- Working capital mainly includes inventories, trade accounts receivable and other receivables and assets, less trade accounts payable, other provisions and other liabilities. The planned working capital takes into account expected changes resulting from the current increase in interest rates in the most important markets of STRABAG SE.
- The planned development of working capital was compared with the historical development, and the working capital ratio (net working capital to revenues) was also analysed in comparison with the development of the interest rate environment over the long term. In addition, the working capital ratio was benchmarked against analyst forecasts for the peer group companies.
- The development of cash and cash equivalents was compared with the data of the peer group companies using key indicators (cash and cash equivalents as a percentage of revenues, cash and cash equivalents as a percentage of total assets).
- In the peer group companies, as in STRABAG SE, above-average cash holdings at year-end can be observed, which is primarily the result of the (intra-year) cyclicality of the construction sector. For reasons of data availability, we performed our analyses using year-end cash balances. The construction sector sometimes exhibits high intra-year fluctuations in working capital and, consequently, fluctuations in cash balances. As a result, it cannot be assumed that the cash holdings would be fully distributable as excess cash.
- With regard to the AKA and PANSUEVIA concession projects, we have obtained the planned income and expense figures as well as the planned development of assets and (non-recourse) liabilities until the respective end of the term of the concession agreements and have taken these into account in the valuation.
- Finally, we benchmarked the overall financial position and results of operations by comparing the (planned) development of Invested Capital as a percentage of revenues and the Return on Invested Capital (ROIC) with the development of the respective indicators of the peer group companies.

# Plausibility assessment of the business plan | Summary

## Based on the analyses performed, we consider the planning and the assumptions made by STRABAG SE's management to be consistent and plausible from an overall perspective and in the context of all forecast parameters.

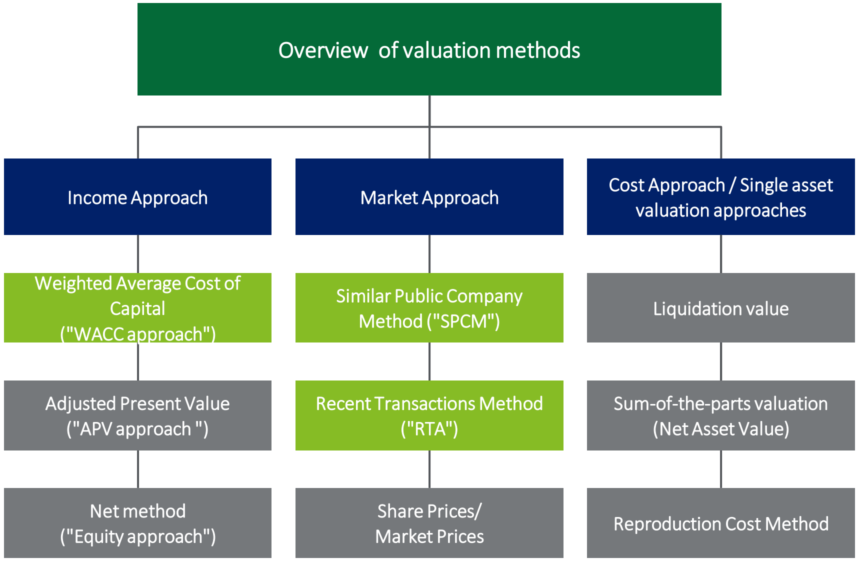
**Summary plausibility assessment of the business plan**

- According to expert opinion KFS/BW 1, both the formal and the material plausibility of the planning premises need to be assessed.
- Consistent with this requirement, we subjected the business plan prepared by the management of STRABAG SE to a plausibility assessment. Our plausibility assessment of the consolidated business plan according to formal criteria did not result in any objections. The business plan calculations are correct, and the planning premises are reasonable.
- The assessment for material planning plausibility was based on information provided by the management of STRABAG SE, a historical analysis, general economic development forecasts (e.g. projected economic growth) and industry-specific growth expectations (Euroconstruct report) based on external studies.
- On the basis of market analyses (particularly Euroconstruct forecasts), the planned output development of STRABAG SE appears plausible, taking into account the expected macroeconomic factors.
- However, according to management, the development of output and earnings is subject to a high degree of uncertainty, driven, in particular, by the high level of inflation prevailing at the cut-off date, the increased interest rate environment and the effects of the war in Ukraine. This may lead to deviations in the expected cost structures and public and private investment in the planning period. However, in addition to the more cautious business plan assumptions at country level, there is also a solid order backlog and a high degree of diversification of orders. Furthermore, cost increases resulting from rising inflation were mostly passed on, all of which are contributing factors to managing and overcoming individual risks.
- According to information provided by the management of STRABAG SE, measures required to achieve the targets set out in the climate strategy – climate-neutral operation of administrative buildings and plants for the production of building materials – are taken into account in the planning process at project team level. These measures are therefore represented bottom-up by additional investments in the business plan. STRABAG SE does not expect climate change to result in any significant risks to the business model on which the business plan is based. This is mainly due to the technological expertise already available, which is capable of accommodating potential changes in order requirements. STRABAG SE did not provide us with indicators for checking the material plausibility of the planning premises with regard to climate-related aspects.
- Based on the analyses performed with due professional diligence and care and presented in this report, we consider the business plan and the assumptions made by STRABAG SE's management to be consistent and plausible from an overall perspective and in the context of all forecast parameters.

# Valuation methodology

# Valuation methodology | Methods of valuation

For company valuations , there are essentially three principal valuation methods available: income approach, market approach and cost approach.




## General remarks

- For valuation purposes, it is generally assumed that a company comprises a potential of future output, which determines the value of the company. To determine that potential, theory and practice provide different methods of company valuation. None of them can be pronounced as absolutely correct, not least due to the fact that the individual components of a company's value derive from different roots that are either social, legal or technical in nature, and also from different economic roots, such as market position, product design, quality of the management, etc. For this reason, no valuation method is compulsorily stipulated by law, court rulings or professional associations.

## Methods applied

- In light of the current state of opinion on company valuations we consider it appropriate, in view of the reason for and the purpose of the valuation, to determine a future earnings value for STRABAG SE. In the present case, the DCF method, following a WACC approach, was used as the primary valuation method.
- To account for a plurality of methods, we carried out a comparative analysis using the multiples method in the form of the Similar Public Company Method (SPCM) and the Recent Transactions Method (RTA) to assess the plausibility of the business value determined using the DCF method.
- As the determined business value is significantly higher than the carrying amount of equity and it is not to be expected that a significant positive balance will arise from hidden reserves and hidden charges of the individual assets and liabilities, it was not necessary to determine a liquidation value as a lower value limit in accordance with the recommendation on the liquidation value as a lower value limit issued by the Expert Committee on Business Administration of the Institute for Business Economics, Tax Law and Organization of the Austrian Chamber of Public Accountants on 16 January 2019 (KFS/BW 1 E8).

# Valuation methodology | Methods of valuation

The discounted cash flow method dominates in teaching and practice and accordingly represents our primary valuation method.

## Income Approach

- The decision to buy, sell, merge, invest, etc. is fundamentally an investment decision. For this reason, the company valuation must be structured as an investment calculation.
- Expert opinion KFS/BW 1 issued by the Expert Committee on Business Administration of the Institute for Business Economics, Tax Law and Organization of the Austrian Chamber of Public Accountants on 26 March 2014, and standard IDW S1 issued by Institut der Wirtschaftsprüfer in Deutschland e.V. on 2 April 2008 also define the business value as a future-related metric.
- In the case of income approach, the business value is derived from the present value of cash flows from running the business and disposing of any non-operating assets. The lower limit for the business value is the liquidation value, provided that liquidation is not precluded by legal or factual circumstances.
- The present value is calculated using the discount rate that corresponds to the return required by the investors. Income approach include discounted cash flow ("DCF") methods and the capitalised earnings method. In practice, the gross method (WACC and APV approach) and the net method (equity approach) are most commonly used for DCF-based analyses.
- The valuation considerations presented below are based on the WACC approach. This is in compliance with the requirements of the expert opinion KFS/BW 1 (KFS/BW 1, ref (31) et seq.).

## Market capitalisation

- According to the expert opinion KFS/BW 1, the result determined on the basis of an income approach must be assessed for plausibility. For listed companies, stock market prices are to be used to assess the plausibility of the business value determined in accordance with the principles contained in the expert opinion. Significant deviations are to be analysed and the plausibility of the valuation result rationalised (e.g. low proportion of shares traded on the stock exchange, lack of marketability). Deviations that cannot be objectively justified should prompt a critical review of the underlying data and premises on which the valuation is based.
- STRABAG SE is a listed company and is listed in the Prime Market segment of the Vienna Stock Exchange. The STRABAG SE share has a small free float and the trading volume is low.
- In line with the principles contained in the expert opinion, we have compared the value of STRABAG SE calculated using the DCF method with its market capitalisation.

## Multiples method

- Price determinations using multiples based on results, sales or product quantities can provide indications for a plausibility assessment of the valuation results.
- In the present case, we compared the business value calculated using the WACC approach with stock market multiples of comparable companies and with multiples resulting from transactions of comparable companies and performed a plausibility check on this basis.

# Valuation methodology | WACC approach

## Under the DCF method using the WACC approach, the equity value is derived from the present value of free cash flows plus the market value of non-operating assets and less net debt.

### Multiphase model

| Calculation of the market value of equity (general approach) | |
|---|---|
| + | Present value of FCF of the detailed planning phase (Phase I) |
| + | Present value in perpetuity (phase II) |
| **=** | **Present value of operating FCF** |
| + | Market value of non-operating assets (incl. financial assets) |
| **=** | **Market value of total capital (enterprise value)** |
| - | Market value of net debt |
| **=** | **Market value of equity (equity value)** |

### Free Cash Flow Calculation

| | |
|---|---|
| | Operating earnings before interest and taxes (EBIT) |
| + | Interest income from cash and cash equivalents required for operations |
| **=** | **Adjusted operating result** |
| - | Tax |
| **=** | **NOPLAT (Net operating profit less adjusted taxes)** |
| +/- | Depreciation/write-ups |
| +/- | Increase/decrease in long-term provisions* |
| +/- | Change in net working capital |
| -/+ | Investments/disinvestments |
| **=** | **Free Cash Flow (FCF)** |

* unless included in net working capital

### WACC concept

- In the WACC-based DCF approach, the value of equity is generally derived from the present value of operating free cash flows plus the market value of any non-operating assets and less interest-bearing net financial liabilities ("net debt") – see the adjacent illustration.
- Non-operating assets are assets that are not required for the core business operations and the continuation of the valuation object. The non-operating assets of STRABAG SE comprise real estate and buildings as well as cash and cash equivalents not required for operations.
- For the calculation of non-operating assets and net financial liabilities, we refer to the following pages.

### Calculation of free cash flows (FCF)

- The WACC approach is based on financing-neutral cash flows. The capital structure and its tax implications are captured exclusively by the discount rate or net financial debt. In order to achieve the desired financing neutrality of the free cash flows, corporate taxes are calculated without taking into account the tax deductibility of debt interest, which is included in the discount rate under the WACC approach ("tax shield").
- The free cash flows of the individual periods are discounted using a weighted average cost of capital (WACC).

# Valuation methodology | WACC approach

The free cash flows are planned in two stages derived from the business plan: the detailed planning period and the terminal value (multi-stage approach).

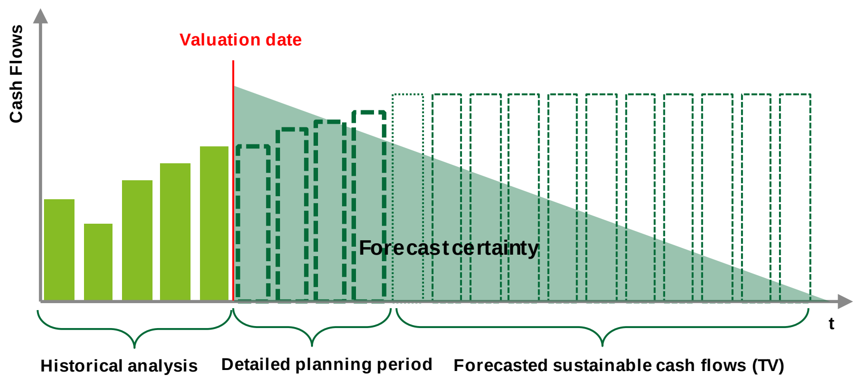
### Planning and forecasting (multi-stage approach)

- According to KFS/BW 1, the valuation of a company using the DCF method is to be based on a business plan prepared by management that is as comprehensive as possible and is summarised in the form of integrated planned balance sheets, planned income statements and planned cash flow statements. The plan is to present the estimated operating and financial performance of the entity in the context of the expected conditions in the market and the business environment. Taking into account the information obtained and the findings from past- and present-based business analyses, future financial surpluses, i.e. free cash flows in the present case, are to be derived from this business plan. As the degree of forecast certainty declines with increasing distance from the valuation date, the financial surpluses are usually planned and forecast in several stages (multi-stage approach – see KFS/BW 1 ref (59) et seq.). The individual stages can vary in length depending on the size, structure and sector of the company being valued.
- As the business plan prepared by STRABAG SE for the period from 1 April 2023 to 31 December 2026 does not include any future restructuring plans or expansion investments, the business plan was used as the basis for determining the objectified business value according to KFS/BW 1. Organisational changes and improvements in risk management, which have already led to an improvement in the EBIT margin, have already been implemented and are therefore incorporated in the existing business plan.

### Detailed planning period (stage I)

- According to KFS/BW 1, the detailed planning period (close/first stage up to the planning horizon) for which a period-specific forecast of financial surpluses can be made is generally limited to three to five years, depending on the size, structure and industry of the company. The detailed planning period must be extended if the forecast of sustainable surpluses does not (yet) appear plausible due to investment cycles or different growth phases.
- In the present case, our valuation is based on the planning calculation prepared by the valuation object for the period from 1 April 2023 to 31 December 2026.

**Multi-stage approach (schematic illustration)**



# Valuation methodology | WACC approach

## For the terminal value, general assumptions are made on the basis of the last business plan year. Profit retentions in order to achieve the targeted growth are considered in the terminal value.

### Terminal value (Stage II)

- Stage II takes into account the fact that an infinite lifetime of the object being valued is assumed. In most cases, it is only possible to make global or generalised assumptions for the time following after the detailed planning period. As a rule, a development of the company with constant or constantly growing financial surpluses is assumed (terminal value). Because the financial surpluses in this stage often carry a strong weight, a critical review of the underlying assumptions is of particular importance.
- Accordingly, our valuation model is based on the assumption that the company's earnings can be achieved on a sustainable basis as a perpetual annuity on the basis of the existing business plan. In this stage, investments are made in the amounts required to preserve the company's assets or to finance constant growth. The present value of the perpetual annuity is generally calculated using the so-called value driver formula:

$$Terminal\,Value = \frac{NOPLAT_{t+1} * (1-q)}{WACC - g}$$

| | |
|---|---|
| $NOPLAT_{t+1}$ | Net Operating Profit Less Adjusted Taxes |
| q | Retention rate |
| WACC | Weighted Average Cost of Capital |
| g | Growth rate for the terminal value |

- Net investments in non-current assets and working capital must be deducted from the earnings estimate for the base year of the terminal value in order to determine the sustainable cash flow. The retention rate (q) depends on the growth rate for the terminal value (g) and the return on new invested capital (RONIC):

$$q = \frac{g}{RONIC}$$

- We have derived the growth rate considered to be sustainable, taking into account the long-term inflation targets of the respective central banks of the countries in which STRABAG SE operates, weighted on the basis of the respective distribution of sales. We assume that the valuation object is able to pass on around half of the respective long-term expected inflation rates on the market side. This results in a weighted growth rate of around 1.05% p.a. for STRABAG SE, which is estimated to be sustainable.
- Expert opinion KFS/BW 1 (ref (64) et seq.) requires explicit assumptions about the expected long-term development of the profitability level of the company being valued in the perpetual annuity. Returns on capital (e.g. return on invested capital in the entity approach or return on equity in the equity approach) or returns on sales are generally used to estimate the long-term profitability level of the company being valued.

# Valuation methodology | WACC approach

## KFS/BW 1 requires explicit assumptions about the expected long-term development of the profitability level of the valuation object.

### Terminal value (Stage II) (cont.)

- In this context, economic theory assumes that no sustainable excess returns can be achieved in a competitive market environment and that the return on investment assumed in the terminal value must therefore be set at the level of the cost of capital.
- If, in accordance with the recommendation on the simplified planning phase and the terminal value issued by the Expert Committee on Business Administration and Organization of the Chamber of the Tax Advising, Auditing and Accounting Professions on 4 November 2015, ref (27), the return generated at the beginning of the terminal value is higher than the cost of capital and if the excess return is expected to decrease to the level of the cost of capital over time, the convergence process for the terminal value as described in ref (64) of KFS/BW 1 can be assumed. This convergence process is based on the assumption that the return (after corporate taxes) on net investments financed from retained earnings is only equal to the cost of capital. Since the net present value of investments that generate a return (after corporate taxes) in exactly the amount of the cost of capital is zero, this assumption means that net investments in the perpetuity stage do not increase the value of the company, i.e. leave the value of the company unchanged. As a result, growth assumptions do not entail any added value.
- Accordingly, the return on the investment of retained amounts is equal to the cost of capital in the long term (convergence assumption: RONIC=WACC).
- Under this premise, the so-called "convergence" formula can be written as follows:

$$Terminal\ Value = \frac{NOPLAT_{t+1}}{WACC}$$

- We carried out extensive analyses in order to derive a revenue and earnings level considered sustainable for the purposes of the terminal value. In the process, we analysed the EBIT margin of STRABAG SE and compared it with the historically realised EBIT margins of the peer group companies. The average median of the EBIT margins of the peer group (based on revenues) is around 3.0% in the period from 2011 to 2022. The average EBIT margin of STRABAG SE over the same period is around 3.2%. To derive a sustainable earnings level for STRABAG SE in perpetuity, we adjusted the EBIT margin to the average historical level of the peer group bases on our analyses in order to appropriately map economic industry cycles.
- Furthermore, the so-called convergence assumption (RONIC=WACC) was used in the context of deriving the terminal value, since at the beginning of the annuity stage the return generated by STRABAG SE is higher than the cost of capital and we do not assume that STRABAG SE will generate excess returns on a sustainable basis. For this reason, we accounted for the necessary net investment when deriving the free cash flows in the terminal value.

# Valuation methodology | WACC approach

## The dividend distributions were made according to KFS/BW 1. Taking relevant indicators as a basis, no insolvency risk that would impact the valuation can be identified.

### Dividend distribution and insolvency risk

- Pursuant to KFS/BW 1, when determining the objectified business value, it must be assumed that only those financial surpluses are distributed which, according to the planning calculation, are neither required for investments nor for debt servicing and which are available for distribution, taking into account legal restrictions. In the present case, the amount of the annual distribution corresponds to the cash flow remaining after the build-up of net working capital, investment activities and any debt servicing payments.
- According to KFS/BW 1, the extent to which the company is exposed to insolvency risks must be examined when determining the expected values of the financial surpluses to be discounted. As stated in the recommendation on considering the insolvency risk issued by the Expert Committee for Business Management and Organisation of the Chamber of Tax Advisors and Certified Public Accountants on 30 May 2017, a separate consideration of the insolvency risk in the context of company valuations is only required if this is relevant for the purposes of the valuation.
- On the basis of pertinent indicators (interest coverage ratio, equity ratio, etc.) and their development in the recent past and in the planning period, no insolvency risk that would be relevant for the valuation can be identified. We have therefore not taken any insolvency risk into account.

# Valuation methodology | WACC approach

## The financial liabilities of STRABAG SE, as well as its non-operating assets and excess cash, are derived from the forecast as of 31 March 2023.

**(Net) financial liabilities and non-operating assets**

- The market value of equity (shareholder or equity value) is calculated using the gross method by deducting the net debt from the market value of total capital (entity value).
- According to the prevailing opinion of business valuation, the net financial liabilities have to be calculated by deducting all non-operating cash and cash equivalents and interest bearing non-current assets from the market value of the interest bearing debt. At customary market interest rates, the market value of interest-bearing debt corresponds to the debt's carrying amount. If the debt interest rate is lower or higher, the market value of the debt is derived from the debt financing payments capitalised at the customary market interest rate.
- Distributable cash (excess cash) was derived from the balance of cash and cash equivalents as of 31 March 2023, on the basis of simplified historical working capital analyses based on the monthly time series for cash and cash equivalents provided from March 2015 to March 2023. Non-distributable/pledged cash and cash equivalents were taken into account. The minimum operating level of cash and cash equivalents is necessary to fund working capital fluctuations that arise during the year due to the seasonality of the business.
- The market values of other non-operating assets were provided to us as of 31 December 2022. According to information provided by the management of STRABAG SE, there was no significant change in the market values as of 31 March 2023. The relevant asset items include securities and non-operating real estate.

- As of 31 March 2023, the financial liabilities of STRABAG SE mainly comprise interest-bearing financial liabilities, lease liabilities in accordance with IFRS 16 and provisions for pensions and severance payments. The non-recourse liabilities in connection with the AKA and Pansuevia concession projects were not included in financial liabilities, because they are fully recognised in the enterprise value.

# Valuation methodology | Capitalisation rate

The free cash flows of the individual periods are discounted to 16 June 2023 using the weighted average cost of capital (WACC). The WACC is composed of the cost of debt and the cost of equity and depends on the debt-equity ratio.

## Weighted average cost of capital (WACC)

- Under the WACC approach, free cash flows are discounted using the weighted average cost of capital (WACC) after taxes.
- The WACC is a weighted interest rate, which is calculated by taking a company's cost of debt and equity financing weighted by the percentages of debt and equity in a company's capital structure. The weighting is based on the market values of equity and debt:

$$WACC = r(EK)_j * EK/GK + r(FK)_j * (1 - s_k) * FK/GK$$

$r(EK)_j$ Return required by equity providers for the indebted company

$r(FK)_j$ Return required by lenders

$s_k$ Corporate tax rate

EK Market value of equity

FK Market value of debt

GK Market value of total capital or GK = EK + FK

- The WACC thus depends on the cost of debt and equity and on the valuation object's debt-equity ratio.

## Cost of equity

- The cost of equity represents the return on an alternative investment that is adequate for investment in the company in question and must be equivalent to the relevant cash flow in terms of maturity, risk and taxation. In particular, capital market returns on equity investments (in the form of a share portfolio) are used as a starting point for determining alternative returns. These returns, which are observable on the market, can basically be separated into a risk-free base rate and a risk premium demanded by shareholders to compensate for the entrepreneurial risk taken on.
- In economics, capital market theory models have been developed to estimate the cost of equity – the most prevalent of these is the Capital Asset Pricing Model (CAPM). The basic assumption behind the CAPM is that there is a linear relationship between the risk and the expected return of an asset. Risk is measured by means of the covariance of the asset's returns with the returns on the overall portfolio – the so-called beta factor.
- Based on the CAPM, the cost of equity of a company can be estimated using the following formula:

$$r(EK)_j = i_r + \beta_j * [\mu(r_m) - i_r]$$

$r(EK)_j$ Return required by equity providers for the indebted company

$i_r$ Return on risk-free investments (= base rate)

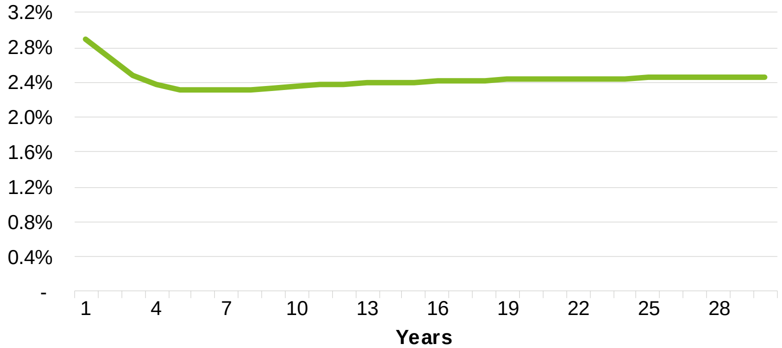
$\beta_j$ Measure of the systematic risk of the security

$\mu(r_m)$ Expected return on market portfolio

# Valuation methodology | Risk-free rate

## The risk-free rate as of 30 April 2023 is estimated at around 2.46% using the Svensson yield curve, taking German federal bonds as a basis.

**Svensson Yield Curve as of 28 April 2023**




Source: Deutsche Bundesbank

**Svensson Yield Curve as of 28 April 2023**

**Svensson Yield Curve**

$$z(n,\beta,\tau)=\beta_0+\beta_1\left(\frac{1-e^{-n/\tau_1}}{n/\tau_1}\right)+\beta_2\left(\frac{1-e^{-n/\tau_1}}{n/\tau_1}-e^{-n/\tau_1}\right)+\beta_3\left(\frac{1-e^{-n/\tau_2}}{n/\tau_2}-e^{-n/\tau_2}\right)$$

| Maturity | Parameter | | | |
|---|---|---|---|---|
| **n** | **$\beta_0$** | **$\beta_1$** | **$\beta_2$** | **$\beta_3$** |
| 30 | 2.521 | 0.168 | -29.807 | 30.000 |
| | **$\tau_1$** | **$\tau_2$** | | |
| | 1.21935 | 1.14745 | | |
| **z(30)** | **2.46%** | | | |

Source: Deutsche Bundesbank

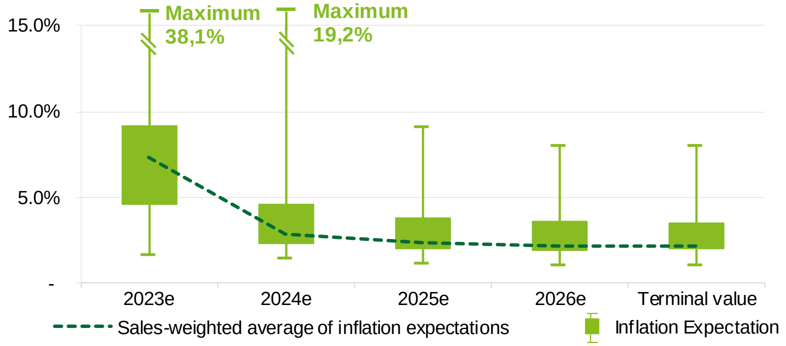
### Risk-free rate

- In conceptual terms, the risk-free rate represents the return that the valuation object can achieve from a maturity-equivalent investment in risk-free securities at the valuation date. In theory, this ideally corresponds to the return on a securities portfolio whose default risk and correlation with returns on other investments is zero. Given that a business can generally be assumed to have an infinite or at least an indefinite life and that a risk-free investment with equal maturity does not exist in the market, the recommendation of the Expert Committee on Business Administration of the Institute for Business Economics, Tax Law and Organization of the Austrian Chamber of Public Accountants is that the risk-free rate should be derived from the interest rate yield curve using the data published by the Deutsche Bundesbank.
- In principle, there are various ways of estimating yield curves. In the working group's view, estimating the yield curve using the Svensson method and taking federal bonds as a basis is the most suitable procedure for operationalising the base rate. The parameter vectors required for modelling the yield curve are published daily by Deutsche Bundesbank (but not by OeNB or OeKB).
- Since, from an Austrian point of view, German federal bonds do not carry a currency risk nor a default or maturity risk that exceeds that of Austrian government bonds and the liquidity of German federal bonds is higher compared to Austrian government bonds, the working group recommends using the data published by Deutsche Bundesbank. If an indefinite life is assumed for the company being valued, the applicable spot rate for a term of 30 years can be used as an acceptable approximation.
- This results in a risk-free rate of 2.46% as of 28 April 2023.

# Valuation methodology | Base rate

## The inflation differential between Germany and the respective revenue-generating countries was taken into account by adjusting the risk-free rate using the Fisher equation.

**Inflation development in revenue-generating countries with foreign currencies**




Source: EIU, Central Banks

### Inflation adjustment

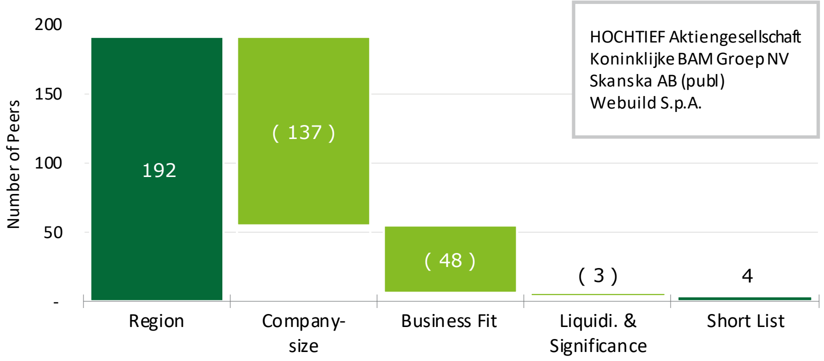
- The previously referenced risk-free rate is a nominal, risk-free interest rate, i.e. it consists of a real discount rate and an inflation component.
- As this interest rate was derived from the parameters of German federal bonds, the inflation component obviously only includes German inflation expectations.
- In cases where the business plans were prepared in local currency (this applies for all non-EUR countries in the present case) and the business plans prepared in local currency were translated into the reporting currency EUR using constant reporting date exchange rates, differences between the German and the respective local inflation expectations must be taken into account in order to comply with the principles of currency and monetary value equivalence.
- The adjacent chart illustrates the annual ranges of inflation expectations in all revenue-generating countries.
- We therefore added the inflation differential between the forecast inflation trend in the respective countries (foreign currency) and the forecast inflation trend in Germany (EUR) to the base rate used.
- The weighting of inflation expectations was based on the distribution of sales by countries of the respective year.
- The Fisher equation was used to take this into account:

$$k_{FW} = \left[(1 + k_{EUR}) * \frac{1 + Inflation_{FW}}{1 + Inflation_{EUR}} - 1\right]$$

# Valuation methodology | Peer group & beta factor

The estimation of the beta factor was preceded by a comprehensive analysis of listed peer group companies. The peer group identified comprises 7 companies, with statistically significant beta factors only being derivable for 4 companies.

**Peer Group Selection**




Source: S&P Global Market Intelligence LLC

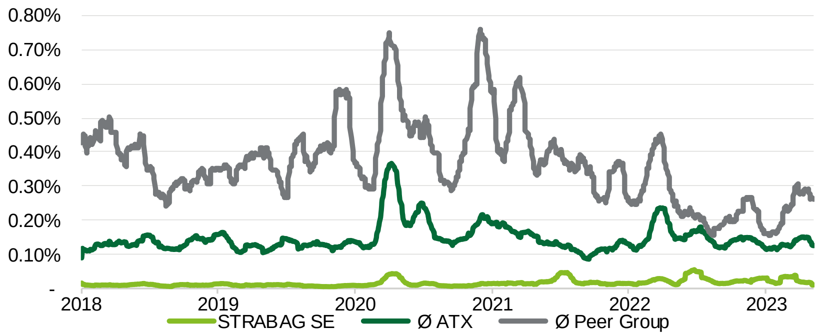
## Peer group selection

- The starting point for selecting the peer group was the database of the data provider Capital IQ.
- The following selection steps were used in order to identify the peer group:
  - A search query for listed companies with industry classifications US SIC 1520 ("General Building Contractors-residential buildings"), US SIC 1522 ("Residential construction"), US SIC 1540 ("General Building Contractors-non-residential buildings"), US SIC 1600 ("Heavy Construction Other than Building Construction - Contractors"), US SIC 1611 ("Highway and Street Construction"), US SIC 1622 ("Bridge, Tunnel, and Elevated Highway Construction") and US SIC 1629 ("Heavy Construction") based in Europe resulted in a long list with a total of 192 hits.
  - In a first selection step, this result was reduced by all companies with a market capitalisation of less than EURm 350, as we assume that these companies are not comparable in terms of size. Based on this selection, 137 companies were eliminated.
  - For the remaining companies, a detailed analysis of the business model was performed. As a result, 48 companies were not taken into further consideration due to a lack of comparable business focus.
  - Because they did not fulfil statistical significance criteria (measured using the coefficient of determination $R^2$ and the t-test) and share trading liquidity characteristics (including relative bid-ask spread, relative trading volume and free float share), 3 companies were eliminated from the selection process. However, due to their comparability in terms of business fit, these companies were nevertheless included in the KPI analysis to check the plausibility of the business plan.
- The selection process outlined above resulted in a peer group of 4 comparable companies for determination of the beta factor, which we assume are largely comparable with the business model of STRABAG SE.

# Valuation methodology | Peer group & beta factor

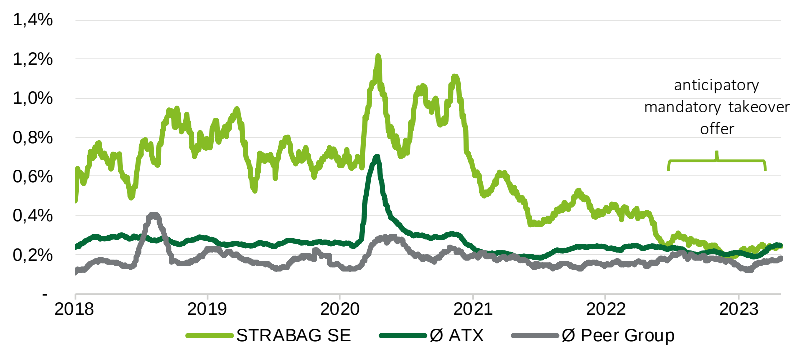
## Compared to the peer group and to the ATX, the STRABAG SE share has a relatively low trading volume and a relatively high bid-ask spread.

**Trading volume* in % (30-day moving average)**
**STRABAG SE vs. ATX Members and Peer Group**




Source: S&P Global Market Intelligence LLC; *Number of shares traded in relation to number of shares outstanding

**Relative bid-ask spreads (30-day moving average)**
**STRABAG SE vs. ATX Members and Peer Group**




Source: S&P Global Market Intelligence LLC

### Beta factor

- A key factor in determining company-specific equity costs is the assessment of the company's risk situation compared with the market as a whole. This assessment is expressed by the so-called beta factor.
- The beta factor indicates the extent to which the return of a particular stock changes in response to a change in the return of the market portfolio. The beta factor is thus a measure of the systematic risk of a particular stock and is expressed mathematically as a measure of covariance.
- In practice, the beta factor for listed companies is determined by performing a linear regression of the returns of the company in question to the return of the respective market portfolio (broadly diversified index). Accordingly, the beta factor of a given company is the ratio of the covariance between the return of that company and the return of the market portfolio in a given period to the variance of the return of the market portfolio in the same period.
- Since the STRABAG SE share is listed in the Prime Market of the Vienna Stock Exchange, we started with a closer analysis of the beta factor of the STRABAG SE share. In order to assess the trading depth of the STRABAG SE shares, we compared the trading volume and the bid-ask spread of STRABAG SE with the trading volume of the ATX member companies and the peer group.
- With the exception of the period from June 2022, which is close to the announcement of the anticipatory mandatory takeover offer in August 2022, the bid-ask spreads of the STRABAG SE share over the observation period are significantly higher than those of average ATX member companies and the peer group companies, and its trading volumes over the entire period are below those of average ATX member companies and the peer group companies. In view of this relative illiquidity of share trading, it can be assumed that the observable (historical) STRABAG SE beta factor reflects the systematic risk only to a limited extent.

# Valuation methodology | Peer group & beta factor

The beta factor derived from the peer group was adjusted to the capital structure of STRABAG SE. The estimate of the beta factor from the past was based on long-term averages.

### Beta factor (cont.)

- For the purpose of the valuation of STRABAG SE, the beta factor was therefore estimated using the average beta factor of the peer group. We believe that deriving the beta factor from the peer group is a better estimator of the relevant systematic risk expected for the future.

### Adjustment to the capital structure

- When using published beta factors of comparable companies, it must be noted, however, that these represent the systematic risk of the respective peer group companies or the industry average. The relevant systematic risks may include both industry risks and financial risks. Since the financing structure of STRABAG SE does not necessarily correspond to that of the peer group companies, the industry risk must be recorded on a separate basis. This can be achieved by abstracting from the financing structure of the peer group companies. In order to identify only the industry risk, unlevered betas – i.e. betas adjusted for the capital structure risk – are derived from the published levered betas.
- According to KFS/BW 1, the calculated unlevered beta factor must then be re-levered with the capital structure of the valuation object to obtain a company-specific beta factor, which then includes both the operating (industry) risk and the financial (leverage) risk of the valuation object.

### Calculation based on the past and estimation for the future

- However, the determination of beta factors from historical data can only provide an indication of the systematic risk that existed in the past. Since company valuations are forward-looking, it is therefore also important to establish whether or to what extent the risk factors that were relevant in the past will also apply in the future.
- We consider the use of long-term average beta factors to be more suitable for estimating stable future beta factors than current beta factors (that are close to the reference date) – particularly in light of the fluctuations on the capital markets that are currently observable and the resulting volatile developments in prices and indices. In this context, we assume that the average risk factors relevant in the past at the valuation date are also representative of the expected future development. This is also in line with the approach recommended by the Chamber of Tax Advisors and Certified Public Accountants in its technical note published on 15 April 2020.

# Valuation methodology | Peer group & beta factor

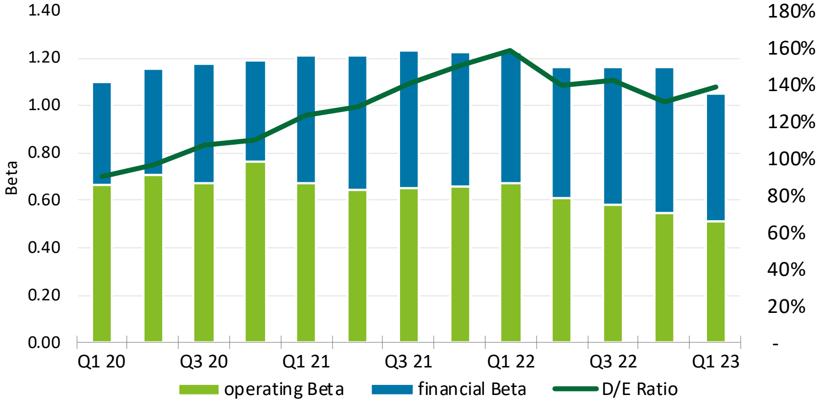
## Based on a historical analysis of listed peer group companies, the unlevered beta factor is 0.64.

**Overview of Peer Group Beta coefficients**

| Company | Country | Ø unlevered Beta-Coefficient* | Ø D/E-Ratio* |
|---|---|---|---|
| HOCHTIEF Aktiengesellschaft | Germany | 0.67 | 1.14 |
| Koninklijke BAM Groep nv | Netherlands | 0.62 | 1.39 |
| Skanska AB (publ) | Sweden | 0.92 | 0.29 |
| Webuild S.p.A. | Italy | 0.41 | 2.33 |
| **Median** | | **0.64** | **1.27** |
| Average | | 0.66 | 1.25 |
| Min | | 0.41 | 0.19 |
| Max | | 0.91 | 2.35 |
| Standard Deviation | | 0.23 | 0.83 |
| Coefficient of variation | | 0.35 | 0.66 |

Source: S&P Global Market Intelligence LLC; Beta coefficients and D/E-Rations for both peer group companies and key figures refer to the average of the medians over the period under review Q1 2020 to Q1 2023.

**Peer Group Beta**




Source: S&P Global Market Intelligence LLC

### Beta factor

- In line with the foregoing deliberations, the beta factors of the selected peer group companies were collected and analysed in detail on a quarterly basis for the period from Q1 2020 to Q1 2023 (inclusive). The individual beta factors are taken from the database provider Capital IQ. They are determined by regressing the weekly return of the share on the respective national index over a two-year observation period.
- The beta analysis of the listed peer group companies yields an unlevered beta of 0.64 based on the average medians over the entire observation period.



This is a convenience translation from the German valuation report made by STRABAG SE. The only binding document is the German valuation report.

# Valuation methodology | Market risk premium

To estimate the market risk premium, an implied nominal market return for established capital markets was calculated, and a market risk premium of 6.79% derived therefrom.

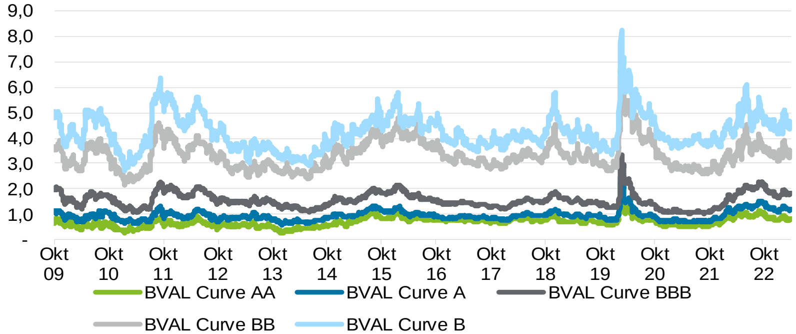
## Market risk premium

- The market risk premium compensates investors for the higher risk associated with an investment in a company over risk-free assets. It is calculated as the difference between the expected return on the market portfolio, which represents the portfolio of a typical, fully diversified investor, and the risk-free return. Although the true market portfolio is not available on the capital market, a weighted index (e.g. S&P 500) can be used as an approximation for simplification purposes.
- The market risk premium does not cover the entire risk of a security, but only the systematic risk (market risk), which is the part of a security's total risk that cannot be eliminated by diversification. Factors influencing the level of systematic risk include, among others, the level of the risk-free interest rate, economic forecasts, expectations about the behaviour of the tariff partners and tax policy measures. According to the theory of the capital asset pricing model (CAPM), unsystematic risk, contrary to systematic risk, can be fully eliminated through sufficient diversification of the market portfolio. Unsystematic risk includes, in particular, risks arising from the immediate situation of a company, such as the quality of management and workforce, the age and suitability of the company's assets, or the individual competitive situation. The premise behind the CAPM is that unsystematic risk is not attributable to capital market influences, which is why it is not compensated by the market and is therefore not taken into account when determining a company's cost of equity.
- According to the CAPM, the market risk premium is to be determined on a forward-looking basis as the expected market risk premium. According to the recommendation of the Expert Committee for Business Management and Organisation of the Chamber of Tax Advisors and Certified Public Accountants (KFS/BW 1 E7), indications for the amount of the expected market risk premium in the current market environment can be obtained, inter alia, from studies on implicit market risk premiums and/or implicit market returns.
- Regarding the level of the market risk premium for various capital markets, several empirical studies are available. The Expert Committee considers it appropriate to base current determinations of the expected market risk premium (before personal taxes) for the Austrian capital market on a range of 7.5% to 9.0% for the expected nominal market return. However, in the opinion of the Expert Committee (application recommendation of 5 October 2022 on the range for the expected nominal market return), current developments on the capital markets as well as increased inflation forecasts may justify a market return exceeding the upper limit of the recommended range (KFS/BW1 E7 ref (5)). In accordance with the recommendation in KFS/BW1 E7, the valuer is also at liberty to undertake additional deliberations to account for the respective individual assessment case.
- Based on current studies on the implied market return for Austria, we consider a market return of 9.25% and a derived market risk premium of 6.79% to be appropriate and plausible. This market risk premium is intended to cover the risk of investing in the Austrian capital market, i.e. in a market portfolio of a developed capital market in a country with a top credit rating.
- As STRABAG SE does not operate exclusively in countries with developed capital markets, the market risk premium of 6.79% was adjusted in a further step to take account of the associated country risk.

# Valuation methodology | Market risk premium

The country-specific risk premiums for STRABAG SE were determined on the basis of the yield difference between corporate bonds of the respective rating class and risk-free government bonds.

**Spreads USD US Composite BVAL-Curves**




Quelle: Bloomberg

**Spreads and country risk premium per rating class**

| Rating | Bond Spreads 28.04.2023 | Volatility Adjustment | Country risk premium (Equity)** |
|---|---|---|---|
| AA | *0.81%* | 1.55x | *1.25%* |
| AA- | *0.94%** | 1.55x | *1.46%* |
| A+ | *1.08%** | 1.55x | *1.67%* |
| A | *1.21%* | 1.55x | *1.88%* |
| A- | *1.41%** | 1.55x | *2.19%* |
| BBB+ | *1.61%** | 1.55x | *2.50%* |
| BBB | *1.81%* | 1.55x | *2.81%* |
| BBB- | *2.36%** | 1.55x | *3.67%* |
| BB+ | *2.91%** | 1.55x | *4.52%* |
| BB | *3.46%* | 1.55x | *5.38%* |
| BB- | *3.82%** | 1.55x | *5.93%* |
| B+ | *4.18%** | 1.55x | *6.48%* |
| B | *4.53%* | 1.55x | *7.03%* |
| B- | *6.40%** | 1.55x | *9.94%* |

Source: Bloomberg; Deloitte; * Interpolated value, as no Bloomberg benchmark is available for this rating class
** For the country risk premium included in the cost of debt, the value without volatility adjustment is used.

## Determination of country-specific risk premiums

- Risks associated with investments in less developed markets (country risks) should generally be captured in the forecast of financial surpluses through scenarios weighted with probabilities of occurrence. If these risks are not factored into the forecast of financial surpluses, e.g. for reasons of practicability or complexity, a corrective approach in the denominator of the valuation calculation in the form of an additional risk premium applied on the cost of capital calculated according to the CAPM can be considered as an alternative.
- The additional country-specific risk premiums to be applied were calculated using a bond spread model. In practice, this model is the most widely used tool for estimating international capital costs and country risk premiums and forms the basis for a variety of published data (e.g. Ibbotson, Damodaran, etc.).
- According to this model, the yield difference between bonds with the same default risk as the country in question (expressed by the rating) and the yield of a risk-free investment is calculated at the outset. In a next step, to account for the different volatility of equity and bond markets, the calculated yield difference is adjusted by a volatility factor.
- To take account of STRABAG SE's country risk, a country risk premium, weighted according to the share of revenue generated by the countries in the respective planning years, was calculated for the planning period. This premium, considering a volatility adjustment, was added to the market risk premium. The weighted premium for the country risk to be reflected in the cost of equity, as determined on the basis of the spreads, is between 0.75% and 0.84%.
- The country-specific risk premium was calculated on the basis of yield differences between 10-year US bonds of various rating classes and risk-free 10-year US Treasury bonds as of 30 April 2023.

# Valuation methodology | WACC

## The cost of debt was determined on the basis of STRABAG SE's BBB rating, as historically observable interest rates reflect the existing conditions in the current interest rate environment only to a limited extent.

### Cost of debt

- Interest on debt is calculated on the basis of the risk-free interest rate plus a premium to compensate for the systematic and non-systematic risk borne by the lenders (credit spread). The credit spread is defined as the difference between the interest on debt with an equivalent maturity and the risk-free interest rate.
- For the purpose of deriving the credit spread in accordance with KFS/BW 1, the terms and conditions of STRABAG SE's various forms of debt capital (interest-bearing provisions, liabilities to banks and leasing liabilities) were determined in a first step. As the interest rates for liabilities to banks and lease liabilities are largely based on interest rate conditions from the low interest rate environment prevailing until mid-2022, the interest rates for these forms of borrowed capital were close to the risk-free interest rate applicable on the valuation date.
- To calculate the recognised cost of debt, the yield differences between 10-year US bonds with a rating of BBB, the same as that of STRABAG SE, and risk-free 10-year US Treasury bonds were determined to amount to 1.81%. The credit spread determined after deducting the country risk premium for the borrowed capital is in a range between 1.27% and 1.33% in the planning period.
- To determine the maturity-equivalent interest on debt, this credit spread was then added to the inflation-adjusted base rate, adjusted for the country risk premium.

### Debt beta

- According to KFS/BW 1, a beta factor for debt capital (debt beta) must be taken into account if the company's costs of debt with an equivalent maturity deviate significantly from the base rate and thus have a material impact on the valuation result. Based on the recommendation on debt beta of the "company valuation" working group of the Expert Committee for Business Management and Organisation (KFS/BW 1 E3), it can be assumed, for the sake of simplicity, that if a credit spread of less than 200 basis points or a debt beta of less than 0.1 is not taken into account, this will generally only have an insignificant impact on the valuation result. According to the recommendation, only the systematic risk is to be taken into account in the credit spread.
- Since the credit spread from the interest on debt capital determined according to KFS/BW 1 is below the above-referenced limit recommended by the Expert Committee for the entire planning period, no beta factor for debt capital was taken into account in the valuation.

# Valuation methodology | WACC

## The period-specific weighted average cost of capital (WACC) according to KFS/BW 1 ranges from around 7.22% to 8.16% until 2026. For the Terminal Value the WACC (before deducting the terminal value growth rate) is around 7.44%.

**STRABAG SE - WACC derivation acc. to KFS/BW1**

| | Q2-Q4 2023e | 2024e | 2025e | 2026e | Base year TV | Terminal Value |
|---|---|---|---|---|---|---|
| Market risk premium (developed capital markets) | 6.79% | 6.79% | 6.79% | 6.79% | 6.79% | 6.79% |
| + Country risk premium (equity) | 0.84% | 0.75% | 0.77% | 0.76% | 0.76% | 0.76% |
| x re-levered Beta* | 0.77x | 0.76x | 0.73x | 0.74x | 0.75x | 0.79x |
| **Company specific market risk premium** | **5.89%** | **5.73%** | **5.54%** | **5.58%** | **5.66%** | **5.95%** |
| + Risk-free rate | 2.46% | 2.46% | 2.46% | 2.46% | 2.46% | 2.46% |
| + Inflation adjustment | 1.12% | 0.34% | 0.28% | 0.17% | 0.11% | 0.11% |
| **Cost of equity (unweighted)** | **9.47%** | **8.53%** | **8.28%** | **8.21%** | **8.24%** | **8.53%** |
| x Equity ratio | 77.94% | 79.80% | 82.98% | 82.33% | 81.17% | 80.87% |
| **Cost of equity (weighted)** | **7.38%** | **6.81%** | **6.87%** | **6.76%** | **6.68%** | **6.90%** |
| + Risk-free rate | 2.46% | 2.46% | 2.46% | 2.46% | 2.46% | 2.46% |
| + Inflation adjustment | 1.12% | 0.34% | 0.28% | 0.17% | 0.11% | 0.11% |
| + Country risk premium (debt) | 0.54% | 0.49% | 0.49% | 0.49% | 0.49% | 0.49% |
| + Credit spread | 1.27% | 1.33% | 1.32% | 1.32% | 1.32% | 1.32% |
| **Cost of debt before taxes** | **5.40%** | **4.62%** | **4.56%** | **4.45%** | **4.39%** | **4.39%** |
| - Corporate tax rate | 35.00% | 35.00% | 35.00% | 35.00% | 35.00% | 35.00% |
| **Cost of debt after taxes (unweighted)** | **3.51%** | **3.00%** | **2.96%** | **2.89%** | **2.85%** | **2.85%** |
| x Debt ratio | 22.06% | 20.20% | 17.02% | 17.67% | 18.83% | 19.13% |
| **Cost of debt after tax (weighted)** | **0.77%** | **0.61%** | **0.50%** | **0.51%** | **0.54%** | **0.55%** |
| **Weighted average cost of capital (WACC)** | **8.16%** | **7.42%** | **7.38%** | **7.27%** | **7.22%** | **7.44%** |

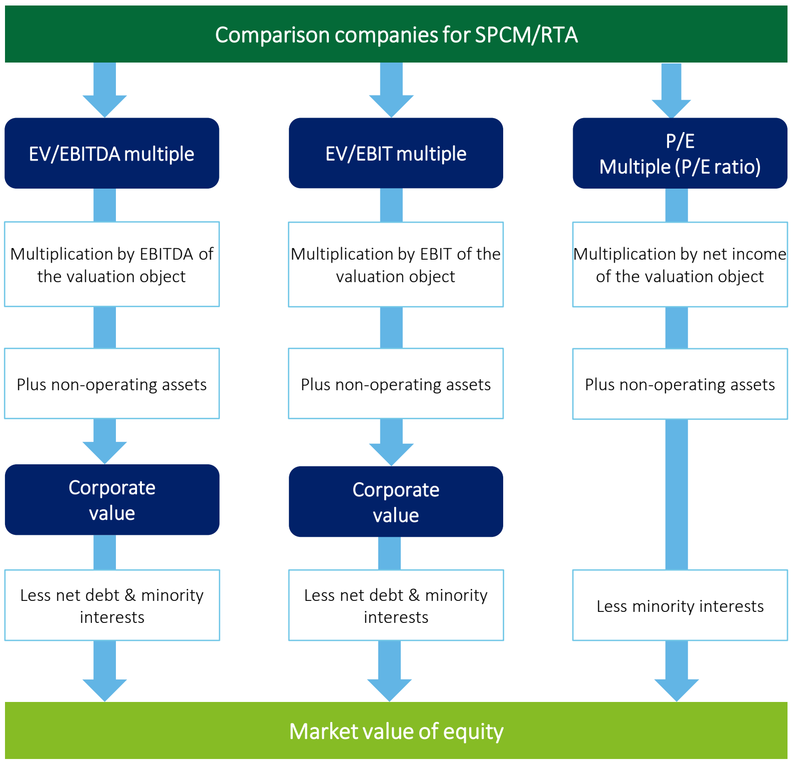
Source: Capital IQ, Bloomberg, Deloitte; *un-levered Beta coefficient amounting to 0.64

### Discount rate of STRABAG SE according to KFS/BW 1

- According to KFS/BW 1, under the WACC-based DCF method, the discount rate is a weighted interest rate comprising the cost of equity and the cost of debt. The weighting is based on the ratio of the market values of equity and debt capital of the company being valued.
- The credit spread for compensating the systematic and non-systematic risk to be borne by the lenders was derived from the terms of BBB-rated corporate bonds.
- The country-specific risk premium to be borne by the lenders is not included in the credit spread for systematic and unsystematic risk and is therefore shown separately and added to the credit spread.
- For the derivation of the discount rate, the unlevered beta of the peer group was adjusted to the period-specific capital structure of STRABAG SE (re-levering of the beta factor).
- Based on the approach outlined above, the weighted cost of capital for STRABAG SE in the detailed planning period ranges from around 7.22% to 8.16%. In the terminal value, the WACC before deducting the terminal value growth rate is around 7.44%.

# Valuation methodology | Multiples method

The multiples method is based on the assumption that companies that are similar in terms of their key framework conditions should also have the same value.




### Basic considerations

- A valuation by multiples is based on the assumption that companies that are similar in terms of their key framework conditions (business purpose, size, earnings situation, etc.) should also have the same value.
- Formally, a ratio is determined from a reference value and the corresponding value of comparable companies, which – multiplied by the reference value of the valuation object – results in the value of the valuation object. The reference values can be earnings figures (e.g. sales, EBITDA, EBIT, net income), asset figures (e.g. carrying amount of equity) and operating figures (e.g. number of clients). As a general principle, current or future values are preferable over historical values.
- Depending on the reference value used, the corresponding value is generally either the enterprise value or the equity value.
- This respective value can be determined either by reference to the market capitalisation of comparable companies (Similar Public Company Method) or by reference to the transaction value of recent and successfully completed transactions of comparable companies (Recent Transactions Method).
- In addition to frequent problems in connection with the procurement and quality of data, the selection of the comparable companies ("peer group") is of essential importance in the context of these methods.
- Principally, it should be noted that no company is fully comparable with another. The result of a valuation by multiples is therefore generally presented in the form of a range of possible values which adequately depicts the remaining room for interpretation.
- In addition, it should be noted that the results of these types of valuation must always be viewed in the light of the prevailing mood on the capital markets at the valuation date and/or the specifics and context of the individual transaction.

# Valuation results

# Valuation result | DCF analysis - KFS/BW 1

## According to KFS/BW 1, the expected value for the objectified business value of STRABAG SE as of 16 June 2023 is around EURm 4,519.1 or around EUR 45.27 per share carrying distribution rights.

**Sensitivity analysis prior to capital measures - WACC and EBIT-Margin (in EURm)**

| EBIT-Margin | WACC +40.0 bp | +20.0 bp | +0.0 bp | -20.0 bp | -40.0 bp |
|---|---|---|---|---|---|
| -40.0 bp | 3,597.0 | 3,712.1 | 3,834.2 | 3,964.2 | 4,098.9 |
| -20.0 bp | 3,946.4 | 4,070.9 | 4,189.6 | 4,314.9 | 4,447.1 |
| +/-0 | 4,270.8 | 4,391.7 | 4,519.1 | 4,653.5 | 4,795.4 |
| +20.0 bp | 4,583.4 | 4,712.6 | 4,848.6 | 4,992.1 | 5,143.6 |
| +40.0 bp | 4,896.1 | 5,033.4 | 5,178.1 | 5,330.7 | 5,491.9 |

Source: Deloitte

**Sensitivity analysis prior to capital measures - WACC and EBIT-Margin (in EUR per share)**

| EBIT-Margin | WACC +40.0 bp | +20.0 bp | +0.0 bp | -20.0 bp | -40.0 bp |
|---|---|---|---|---|---|
| -40.0 bp | 36.03 | 37.19 | 38.41 | 39.71 | 41.06 |
| -20.0 bp | 39.53 | 40.78 | 41.97 | 43.23 | 44.55 |
| +/-0 | 42.78 | 44.00 | 45.27 | 46.62 | 48.04 |
| +20.0 bp | 45.92 | 47.21 | 48.57 | 50.01 | 51.53 |
| +40.0 bp | 49.05 | 50.42 | 51.87 | 53.40 | 55.02 |

Source: Deloitte

### Valuation aspects (1/2)

- In line with our engagement, we have determined an objectified business value as of the valuation date of 16 June 2023.
- The derivation of free cash flows is based on the business plan provided by STRABAG SE for the period Q2 2023-2026.
- According to KFS/BW 1, both the formal and the material plausibility of the business plan are to be assessed. On our part, the plausibility assessment was carried out on the basis of historical analyses of STRABAG SE, against the backdrop of industry studies (Euroconstruct) and macroeconomic data (e.g. GDP forecasts) available as of 2 May 2023, and on the basis of benchmarks derived from the historical and expected future development of the peer group companies. The historical planning accuracy was also analysed on the basis of plan/actual comparisons. After completing our plausibility assessment, which we performed with due professional diligence and care, we consider the business plan and the assumptions made by STRABAG SE's management to be consistent and plausible from an overall perspective and in the context of all forecast parameters.
- For details on the derivation of a sustainable sales and earnings level for the terminal value, we refer to pages 40 and 41.
- In the context of the terminal value, we applied a growth rate of around 1.05% p.a., which is estimated to be sustainable and is derived from long-term inflation targets.
- Due to the finite term of the AKA and PANSUEVIA concession projects, we extracted the cash flow from these two concession projects from the values derived from consolidated operating profit and presented it separately.
- Since the term of the concession agreements extends beyond the detailed planning period, the cash flows resulting after this date were included in the terminal value in the form of a present-value-equivalent infinite series of payments (annuity).

# Valuation results | Valuation result before capital measures

## The objectified business value (KFS/BW 1) for 100% of the equity of STRABAG SE is calculated as of 16 June 2023, before the capital reduction, in a range of around EURm 4,070.9 and EURm 4,992.1 (around EUR 40.78 to EUR 50.01 per share).

### Valuation aspects (2/2)

- Non-operating assets were added with value-increasing effect and comprise non-operating cash and cash equivalents (excess cash), securities and non-operating real estate. For valuation purposes, we estimated the excess cash on the basis of simplified working capital analyses during the year. According to STRABAG SE, the cash required for operations is subject to an average credit interest rate of around 2.8% in the current interest rate environment. For the sake of simplicity, we assumed that this credit interest rate will remain unchanged over the planning period.
- In the context of determining the market value of equity, financial liabilities were deducted as well, which include provisions for pensions and severance payments, liabilities to banks, and lease liabilities in accordance with IFRS 16. In addition, liabilities relating to company acquisitions and ongoing squeeze-out proceedings were deducted at their respective carrying amounts, and the existing dividend liability from the 2021 financial year towards MKAO Rasperia Trading Limited, which is affected by the sanctions imposed by the European Union against Oleg Deripaska, was deducted as well. Furthermore, the proposed dividend for the 2022 financial year was taken into account with value-reducing effect for the valuation date of 16 June 2023.

### Determination of proportionate share

- The share capital of STRABAG SE consists of 102.6 million shares as of 2 May 2023. Under the anticipatory mandatory takeover offer triggered by the amendment of the syndicate agreement, approximately 2.8 million shares of STRABAG SE were acquired as treasury shares for approximately EURm 108.2. As the treasury shares, among other characteristics, do not carry voting or dividend rights, they were deducted from the total number of shares when determining the business value per share.

### Valuation result

- The point estimate (= expected value) for the objectified business value for 100% of the equity of STRABAG SE as of 16 June 2023 before capital measures is calculated as

  **around EURm 4,519.1**

  **(around EUR 45.27 per share).**

- We examined the calculated business value with regard to sensitivity to changes in key value drivers.
- The key determinants identified were the weighted average cost of capital and the EBIT margin.
- In the overview presented on the foregoing pages, the extent to which the value of equity/the value per STRABAG SE share is sensitive to changes in these parameters was analysed in detail. According to these analyses, the objectified business value (KFS/BW 1) for 100% of the equity of STRABAG SE as of 16 June 2023 before capital measures is calculated in a range of

  **around EURm 4,070.9 to EURm 4,992.1**

  **(around EUR 40.78 to EUR 50.01 per share).**

# Valuation results | Valuation result after capital reduction

## The objectified business value (KFS/BW 1) for 100% of the equity of STRABAG SE is calculated as of 16 June 2023, after implementation of the capital reduction, in a range of around EURm 3,167.5 to EURm 4,088.7 (around EUR 31.73 to EUR 40.96 per share).

**Value reconciliation - Capital reduction**

| EURm | Market value (MV) total (100%) | Value per share |
|---|---|---|
| MV of equity before capital reduction per 16.06.2023 | 4,519.1 | 45.27 |
| Capital reduction | (903.4) | (9.05) |
| **MV of equity after capital reduction per 16.06.2023** | **3,615.8** | **36.22** |

Source: Deloitte

**Sensitivity analysis post planned capital reduction - WACC and EBIT-Margin (in EURm)**

| EBIT-Margin | WACC +40.0 bp | +20.0 bp | +0.0 bp | -20.0 bp | -40.0 bp |
|---|---|---|---|---|---|
| -40.0 bp | 2,693.6 | 2,808.7 | 2,930.9 | 3,060.8 | 3,195.5 |
| -20.0 bp | 3,043.0 | 3,167.5 | 3,286.3 | 3,411.5 | 3,543.7 |
| +/-0 | 3,367.4 | 3,488.4 | 3,615.8 | 3,750.1 | 3,892.0 |
| +20.0 bp | 3,680.0 | 3,809.2 | 3,945.3 | 4,088.7 | 4,240.2 |
| +40.0 bp | 3,992.7 | 4,130.1 | 4,274.7 | 4,427.3 | 4,588.5 |

Source: Deloitte

**Sensitivityanalysis post planned capital reduction - WACC and EBIT-Margin (in EUR per share)**

| EBIT-Margin | WACC +40.0 bp | +20.0 bp | +0.0 bp | -20.0 bp | -40.0 bp |
|---|---|---|---|---|---|
| -40.0 bp | 26.98 | 28.14 | 29.36 | 30.66 | 32.01 |
| -20.0 bp | 30.48 | 31.73 | 32.92 | 34.18 | 35.50 |
| +/-0 | 33.73 | 34.95 | 36.22 | 37.57 | 38.99 |
| +20.0 bp | 36.87 | 38.16 | 39.52 | 40.96 | 42.48 |
| +40.0 bp | 40.00 | 41.37 | 42.82 | 44.35 | 45.97 |

Source: Deloitte

### Planned capital reduction

- Based on the current deliberations of STRABAG SE, an ordinary capital reduction in the amount of EURm 903.4 or EUR 9.05 per share carrying distribution rights is to be proposed at the Annual General Meeting on 16 June 2023.
- As the planned amount of the capital reduction is covered by the excess cash, which was recognised with value-increasing effect, the calculated business value can be reconciled, for simplification purposes, to a value after the capital reduction.
- This reconciliation results in the point estimate (= expected value) for the objectified business value for 100% of the equity of STRABAG SE as of 16 June 2023 after the planned capital reduction in the amount of

  around EURm 3,615.8

  (around EUR 36.22 per share).

- The analogous value range of the objectified business value after the planned capital reduction is calculated to amount, as of the valuation date 16 June 2023, to

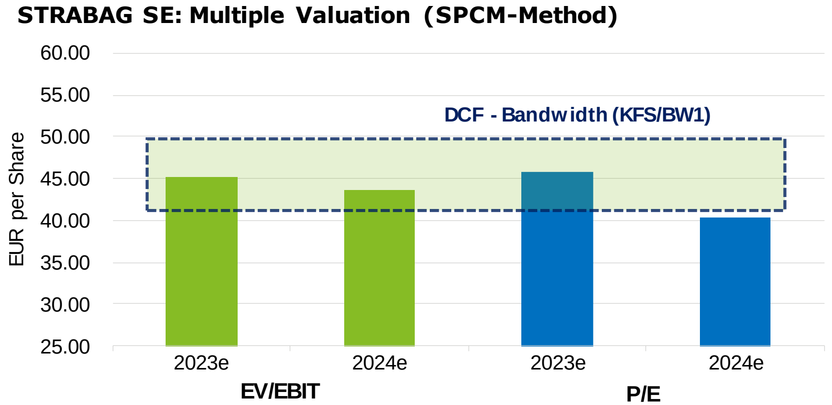
  around EURm 3,167.5 to EURm 4,088.7

  (around EUR 31.73 to EUR 40.96 per share).

# Plausibility assessment of the valuation results

# Plausibility assessment of the valuation results | SPCM analysis

The comparative analysis carried out for plausibility purposes using capital market-based multiples results in a value range of around EUR 40.27 to EUR 45.84 per share.




Source: S&P Global Market Intelligence LLC, Deloitte

## Plausibility assessment using capital market-based multiples

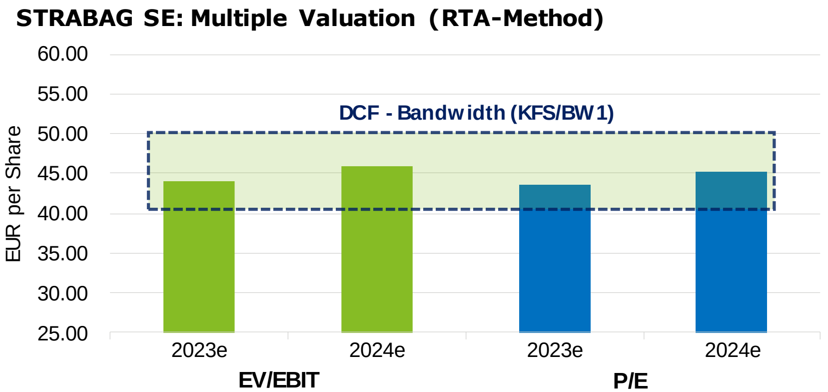
- According to KFS/BW 1, the value range determined using the DCF method must be checked for plausibility using the multiples methods. Multiples methods determine the business value as a potential market price by multiplying the multiple by a reference value (excess value).
- The number of multiples from the comparable companies (peer group) generally produces a range that can be condensed to a single multiple. The arithmetic mean or median is generally used for this purpose. We have checked the plausibility of the earnings ranges determined using DCF methods on the basis of capital market-based multiples – Similar Public Company Method (SPCM) – to the extent that this is meaningful and possible.
- For the plausibility check of the valuation results using the multiples method, the peer group companies we had selected in the course of determining the beta factor were taken as a basis. In addition, we included the companies that were not taken into account in the context of determining the beta factor due to the statistical significance criterion (coefficient of determination $R^2$ ), but which fulfil liquidity criteria that generally indicate active pricing, in the multiples analysis.
- STRABAG SE is only comparable with the peer group companies to a limited extent in terms of its capital structure and tax expenditure. The EBIT multiple derived from the peer group is therefore only of limited significance for STRABAG SE. For this reason, the observable EBIT multiple was adjusted to reflect the specific net cash level and the effective tax rate of STRABAG SE.
- The comparative values for 100% of the equity of STRABAG SE calculated on the basis of this SPCM analysis range between

  around EURm 4,020.2 and EURm 4,575.9

  (around EUR 40.27 and EUR 45.84 per share).

# Plausibility assessment of the valuation results | RTA analysis

## The comparative analysis carried out for plausibility purposes using transaction-based multiples results in a value range of around EUR 43.47 to EUR 45.94 per share.




Source: Mergermarket, Deloitte

### Plausibility assessment by means of transaction-based multiples

- To check the plausibility of the business values determined using the DCF method, we performed a comparative analysis using the recent transactions method. Under this method comparative values are determined on the basis of the transaction value of recent and successfully completed transactions.
- As part of identifying comparable transactions via the database provider Mergermarket, a selection was made with regard to regional and operational focus as well as the availability of transaction values and comparative data. The results of this method must always be considered in the light of the prevailing mood on the capital markets at the time of acquisition and the specifics and context of the individual transaction. Transactions that were as closely comparable as possible were identified for the period from January 2018 to April 2023. Within the set of transactions observed that contain available multiples data, there is no transaction with targets of a size that compares to that of STRABAG SE. For this reason, the suitability of the results of the transactions-based multiples analysis for checking the plausibility of the determined objectified business value is limited.
- The comparative values calculated on the basis of this RTA analysis for 100% of the equity of STRABAG SE for 2 May 2023 range between

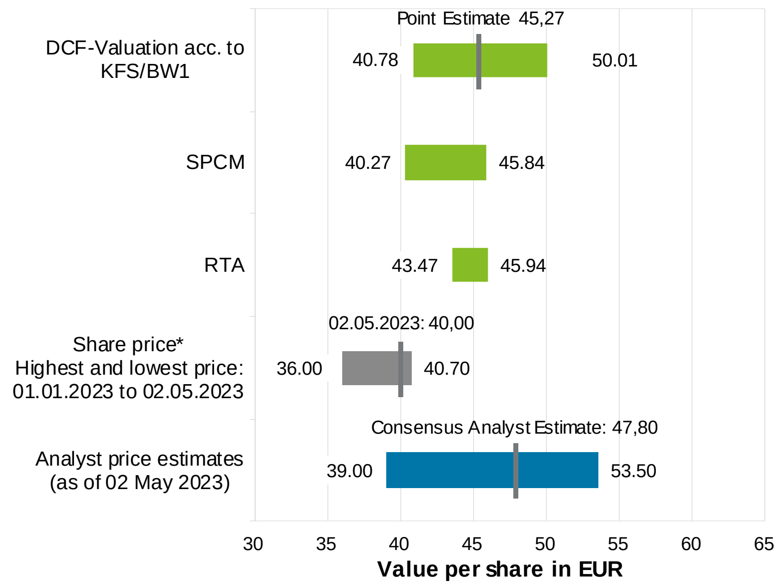
**around EURm 4,339.4 and EURm 4,585.6**

**(around EUR 43.47 and EUR 45.94 per share).**

# Plausibility assessment of the valuation results | Conclusion

## The result of the analysis carried out for plausibility purposes using capital market and transaction-based multiples supports the results of the DCF valuation according to KFS/BW 1.

**Value of equity STRABAG SE in EUR per share as of 16 June 2023**




Source: Deloitte, S&P Global Market Intelligence LLC; *Due to the low trading depth of the shares of STRABAG SE and the therfore limited informative value of the stock price, it cannot be used to assess the plausibility of the company value determind via the applied income approach.

### Summary of the results (1/2)

- Pursuant to the engagement letter dated 29 March 2023, we have determined the objectified business value of STRABAG SE as of the valuation date 16 June 2023 within the scope of an expert valuation performed in accordance with the principles for conducting company valuations as set out in expert opinion KFS/BW 1 "Valuation of Businesses" dated 26 March 2014, issued by the Austrian Chamber of Public Accountants.
- We subjected the planning calculations on which our work was based and the information provided to a critical analysis in the course of our plausibility checks. Overall, we did not identify any inconsistencies with regard to the business plan. On the basis of these analyses, the premises and assumptions contained in the business plan of STRABAG SE are reasonable and justified.
- The total number of shares outstanding as of the cut-off date amounts to 102,600,000 shares. Taking into account the treasury shares acquired in the course of the anticipatory mandatory takeover offer, the number of shares eligible for distribution as of the cut-off date amounts to 99,820,994 shares.
- The results of the analysis carried out for plausibility purposes using capital market-based multiples and transaction-based multiples support the results of the DCF valuation according to KFS/BW 1. The value ranges determined using the multiples approach overlap, in the lower range, with those determined using the DCF valuation according to KFS/BW 1.
- The calculated objectified business value (KFS/BW 1) for 100% of the equity of STRABAG SE as of 16 June 2023 is in a range of

**around EURm 4,070.9 to EURm 4,992.1**

**(expected value: around EURm 4,519.1) and**

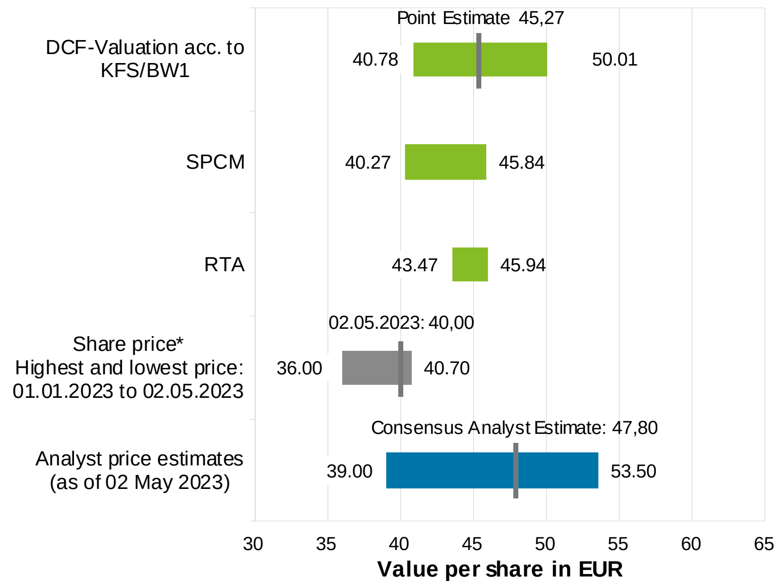
**around EUR 40.78 to EUR 50.01 per share**

**(expected value: around EUR 45.27 per share).**

# Plausibility assessment of the valuation results | Conclusion

The valuation results were additionally checked for plausibility using the current stock market price of STRABAG SE and analysts' price estimates for the STRABAG SE share. The price targets published by the analysts are significantly higher than the stock market price and coincide with the value ranges determined by us according to KFS/BW 1.

**Value of equity STRABAG SE in EUR per share as of 16 June 2023**




Source: Deloitte, S&P Global Market Intelligence LLC; *Due to the low trading depth of the shares of STRABAG SE and the therfore limited informative value of the stock price, it cannot be used to assess the plausibility of the company value determind via the applied income approach.

## Summary of the results (2/2)

- The share price of STRABAG SE stood at EUR 40.00 per share on 2 May 2023. In the period from 1 January 2023 to 2 May 2023 it ranged between around EUR 36.00 and EUR 40.70. It follows from the foregoing that the shares of STRABAG SE are trading below the value ranges determined by us according to KFS/BW 1.
- Due to the reasons for the limited informational value of the stock market price of STRABAG SE (low free float and associated low trading depth, high bid-ask spreads) described previously on page 48, the stock market price of STRABAG SE cannot be used, or can only be used to a very limited extent, to check the plausibility of the business value determined using an income approach.
- For plausibility purposes, we also used analysts' price estimates for the STRABAG SE share. The analysts' price estimates range between around EUR 39.00 and EUR 53.50 per share and average at EUR 47.80 per share (as of 2 May 2023). This range is significantly above the stock market price and coincides with the value range determined by us according to KFS/BW 1. In total, the shares of STRABAG SE are valued by five analyst firms, of which four have issued buy recommendations. Accordingly, the analysts perceive an average price potential of around 20% at the current stock market price of STRABAG SE.

# Appendix

# Appendix | A1: Peer group

## Description of peer group companies according to Capital IQ

| Company | Description |
|---|---|
| **HOCHTIEF Aktiengesellschaft** | HOCHTIEF Aktiengesellschaft engages in the construction business worldwide. The company operates through HOCHTIEF Americas, HOCHTIEF Asia Pacific, and HOCHTIEF Europe divisions. The HOCHTIEF Americas division provides building and transportation infrastructure construction services primarily in the United States and Canada. The HOCHTIEF Asia Pacific division provides construction, mineral processing, engineering, concessions, operations and maintenance, for the infrastructure, resources, and real estate markets. This division also undertakes public-private partnerships (PPP). The HOCHTIEF Europe provides infrastructure construction projects, as well as PPP in transportation, energy, and social infrastructure project. HOCHTIEF Aktiengesellschaft was founded in 1873 and is headquartered in Essen, Germany. HOCHTIEF Aktiengesellschaft operates as a subsidiary of ACS, Actividades de Construcción y Servicios, S.A. |
| **Koninklijke BAM Groep nv** | Koninklijke BAM Groep nv, together with its subsidiaries, provides products and services in the construction and property, civil engineering, and public private partnerships (PPP) sectors worldwide. The company engages in civil engineering, residential construction projects and non-residential construction activities. It is also involved in rail infrastructure and facilities management activities. In addition, the company engages in roads, education, health care, and government building construction related businesses. Koninklijke BAM Groep nv was founded in 1869 and is headquartered in Bunnik, the Netherlands. |
| **Skanska AB** | Skanska AB (publ) operates as a construction and project development company in the Nordic region, Europe, and the United States. It operates through four segments: Construction, Residential Development, Commercial Property Development, and Investment Properties. The Construction segment builds schools, hospitals, healthcare and science laboratories, rail, subways, airports, highways, bridges, tunnels, commercial offices, and homes. The Residential Development segment develops and sells residential projects, including single and multi-family housing. The Commercial Property Development segment initiates, develops, leases, and divests in commercial properties, including offices, logistics and other commercial warehouses, multifamily rental properties, and life-science. The Investment Properties segment owns and manages investment properties. It also produces asphalt, gravel, rock, concrete gravel, road construction materials, macadam, and concrete. In addition, the company engages in the construction and renovation of buildings; provision of infrastructure services, including operation, maintenance, and construction work; and rental of machines and equipment. Skanska AB (publ) was founded in 1887 and is headquartered in Stockholm, Sweden. |
| **Webuild S.p.A.** | Webuild S.p.A. operates in construction businesses worldwide. The company specializes and builds work for the mobility, hydropower, water, and green buildings. It also undertakes the construction of civil and industrial buildings, airports, stadiums, and hospitals, as well as roads and motorways, metros, railways, bridges and viaducts, ports, and sea works. In addition, the company develops and builds drinking water, desalination and wastewater management plants, hydraulic projects, drinking water, and irrigation water reservoirs. Further, it is involved in development of hydropower plants and pumped storage facilities. The company is headquartered in Lombardia, Italy. Webuild S.p.A. is a subsidiary of Salini Costruttori S.p.A. |

Quelle: S&P Global Market Intelligence LLC

# Appendix | A2: AAB

## General Conditions of Contract for the Public Accounting Professions (AAB 2018)

Recommended for use by the Board of the Chamber of Tax Advisers and Auditors, last recommended in its decision of April 18, 2018

**Preamble and General Items**

(1) Contract within the meaning of these Conditions of Contract refers to each contract on services to be rendered by a person entitled to exercise profession in the field of public accounting exercising that profession (de facto activities as well as providing or performing legal transactions or acts, in each case pursuant to Sections 2 or 3 Austrian Public Accounting Professions Act (WTBG 2017). The parties to the contract shall hereinafter be referred to as the "contractor" on the one hand and the "client" on the other hand).

(2) The General Conditions of Contract for the professions in the field of public accounting are divided into two sections: The Conditions of Section I shall apply to contracts where the agreeing of contracts is part of the operations of the client's company (entrepreneur within the meaning of the Austrian Consumer Protection Act. They shall apply to consumer business under the Austrian Consumer Protection Act (Federal Act of March 8, 1979 / Federal Law Gazette No. 140 as amended) insofar as Section II does not provide otherwise for such business.

(3) In the event that an individual provision is void, the invalid provision shall be replaced by a valid provision that is as close as possible to the desired objective.

**SECTION I**

**1. Scope and Execution of Contract**

(1) The scope of the contract is generally determined in a written agreement drawn up between the client and the contractor. In the absence of such a detailed written agreement, (2)-(4) shall apply in case of doubt:

(2) When contracted to perform tax consultation services, consultation shall consist of the following activities:

a) preparing annual tax returns for income tax and corporate tax as well as value-added tax (VAT) on the basis of the financial statements and other documents and papers required for taxation purposes and to be submitted by the client or (if so agreed) prepared by the contractor. Unless explicitly agreed otherwise, documents and papers required for taxation purposes shall be produced by the client.
b) examining the tax assessment notices for the tax returns mentioned under a).
c) negotiating with the fiscal authorities in connection with the tax returns and notices mentioned under a) and b).
d) participating in external tax audits and assessing the results of external tax audits with regard to the taxes mentioned under a).
e) participating in appeal procedures with regard to the taxes mentioned under a).
If the contractor receives a flat fee for regular tax consultation, in the absence of written agreements to the contrary, the activities mentioned under d) and e) shall be invoiced separately.

(3) Provided the preparation of one or more annual tax return(s) is part of the contract accepted, this shall not include the examination of any particular accounting conditions nor the examination of whether all relevant concessions, particularly those with regard to value added tax, have been utilized, unless the person entitled to exercise the profession can prove that he/she has been commissioned accordingly.

(4) In each case, the obligation to render other services pursuant to Sections 2 and 3 WTBG 2017 requires for the contractor to be separately and verifiably commissioned.

(5) The aforementioned paragraphs (2) to (4) shall not apply to services requiring particular expertise provided by an expert.

(6) The contractor is not obliged to render any services, issue any warnings or provide any information beyond the scope of the contract.

(7) The contractor shall have the right to engage suitable staff and other performing agents (subcontractors) for the execution of the contract as well as to have a person entitled to exercise the profession substitute for him/her in executing the contract. Staff within the meaning of these Conditions of Contract refers to all persons who support the contractor in his/her operating activities on a regular or permanent basis, irrespective of the type of underlying legal transaction.

(8) In rendering his/her services, the contractor shall exclusively take into account Austrian law; foreign law shall only be taken into account if this has been explicitly agreed upon in writing.

(9) Should the legal situation change subsequent to delivering a final professional statement passed on by the client orally or in writing, the contractor shall not be obliged to inform the client of changes or of the consequences thereof. This shall also apply to the completed parts of a contract.

(10) The client shall be obliged to make sure that the data made available by him/her may be handled by the contractor in the course of rendering the services. In this context, the client shall particularly but not exclusively comply with the applicable provisions under data protection law and labor law.

(11) Unless explicitly agreed otherwise, if the contractor electronically submits an application to an authority, he/she acts only as a messenger and this does not constitute a declaration of intent or knowledge attributable to him/her or a person authorized to submit the application.

(12) The client undertakes not to employ persons that are or were staff of the contractor during the contractual relationship, during and within one year after termination of the contractual relationship, either in his/her company or in an associated company, failing which he/she shall be obliged to pay the contractor the amount of the annual salary of the member of staff taken over.

**2. Client's Obligation to Provide Information and Submit Complete Set of Documents**

(1) The client shall make sure that all documents required for the execution of the contract be placed without special request at the disposal of the contractor at the agreed date, and in good time if no such date has been agreed, and that he/she be informed of all events and circumstances which may be of significance for the execution of the contract. This shall also apply to documents, events and circumstances which become known only after the contractor has commenced his/her work.

(2) The contractor shall be justified in regarding information and documents presented to him/her by the client, in particular figures, as correct and complete and to base the contract on them. The contractor shall not be obliged to identify any errors unless agreed separately in writing. This shall particularly apply to the correctness and completeness of bills. However, he/she is obliged to inform the client of any errors identified by him/her. In case of financial criminal proceedings he/she shall protect the rights of the client.

(3) The client shall confirm in writing that all documents submitted, all information provided and explanations given in the context of audits, expert opinions and expert services are complete.

(4) If the client fails to disclose considerable risks in connection with the preparation of financial statements and other statements, the contractor shall not be obliged to render any compensation insofar as these risks materialize.

(5) Dates and time schedules stated by the contractor for the completion of the contractor's products or parts thereof are best estimates and, unless otherwise agreed in writing, shall not be binding. The same applies to any estimates of fees: they are prepared to best of the contractor's knowledge; however, they shall always be non-binding.

(6) The client shall always provide the contractor with his/her current contact details (particularly the delivery address). The contractor may rely on the validity of the contact details most recently provided by the client, particularly have deliveries made to the most recently provided address, until such time as new contact details are provided.

**3. Safeguarding of Independence**

(1) The client shall be obliged to take all measures to prevent that the independence of the staff of the contractor be jeopardized and shall himself/herself refrain from jeopardizing their independence in any way. In particular, this shall apply to offers of employment and to offers to accept contracts on their own account.

(2) The client acknowledges that his/her personal details required in this respect, as well as the type and scope of the services, including the performance period agreed between the contractor and the client for the services (both audit and non-audit services), shall be handled within a network (if any) to which the contractor belongs, and for this purpose transferred to the other members of the network including abroad for the purpose of examination of the existence of grounds of bias or grounds for

# Appendix | A2: AAB

## General Conditions of Contract for the Public Accounting Professions (AAB 2018)

exclusion and conflicts of interest. For this purpose the client expressly releases the contractor in accordance with the Data Protection Act and in accordance with Section 80 (4) No. 2 WTBG 2017 from his/her obligation to maintain secrecy. The client can revoke the release from the obligation to maintain secrecy at any time.

### 4. Reporting Requirements

(1) (Reporting by the contractor) In the absence of an agreement to the contrary, a written report shall be drawn up in the case of audits and expert opinions.

(2) (Communication to the client) All contract-related information and opinions, including reports, (all declarations of knowledge) of the contractor, his/her staff, other performing agents or substitutes ("professional statements") shall only be binding provided they are set down in writing. Professional statements in electronic file formats which are made, transferred or confirmed by fax or e-mail or using similar types of electronic communication (that can be stored and reproduced but is not oral, i.e. e.g. text messages but not telephone) shall be deemed as set down in writing; this shall only apply to professional statements. The client bears the risk that professional statements may be issued by persons not entitled to do so as well as the transfer risk of such professional statements.

(3) (Communication to the client) The client hereby consents to the contractor communicating with the client (e.g. by e-mail) in an unencrypted manner. The client declares that he/she has been informed of the risks arising from the use of electronic communication (particularly access to, maintaining secrecy of, changing of messages in the course of transfer). The contractor, his/her staff, other performing agents or substitutes are not liable for any losses that arise as a result of the use of electronic means of communication.

(4) (Communication to the contractor) Receipt and forwarding of information to the contractor and his/her staff are not always guaranteed when the telephone is used, in particular in conjunction with automatic telephone answering systems, fax, e-mail and other types of electronic communication. As a result, instructions and important information shall only be deemed to have been received by the contractor provided they are also received physically (not by telephone, orally or electronically), unless explicit confirmation of receipt is provided in individual instances. Automatic confirmation that items have been transmitted and read shall not constitute such explicit confirmations of receipt. This shall apply in particular to the transmission of decisions and other information relating to deadlines. As a result, critical and important notifications must be sent to the contractor by mail or courier. Delivery of documents to staff outside the firm's offices shall not count as delivery.

(5) (General) In writing shall mean, insofar as not otherwise laid down in Item 4. (2), written form within the meaning of Section 886 Austrian Civil Code (ABGB) (confirmed by signature). An advanced electronic signature (Art. 26 eIDAS Regulation (EU) No. 910/2014) fulfills the requirement of written form within the meaning of Section 886 ABGB (confirmed by signature) insofar as this is at the discretion of the parties to the contract.

(6) (Promotional information) The contractor will send recurrent general tax law and general commercial law information to the client electronically (e.g. by e-mail). The client acknowledges that he/she has the right to object to receiving direct advertising at any time.

### 5. Protection of Intellectual Property of the Contractor

(1) The client shall be obliged to ensure that reports, expert opinions, organizational plans, drafts, drawings, calculations and the like, issued by the contractor, be used only for the purpose specified in the contract (e.g. pursuant to Section 44 (3) Austrian Income Tax Act 1988). Furthermore, professional statements made orally or in writing by the contractor may be passed on to a third party for use only with the written consent of the contractor.

(2) The use of professional statements made orally or in writing by the contractor for promotional purposes shall not be permitted; a violation of this provision shall give the contractor the right to terminate without notice to the client all contracts not yet executed.

(3) The contractor shall retain the copyright on his/her work. Permission to use the work shall be subject to the written consent by the contractor.

### 6. Correction of Errors

(1) The contractor shall have the right and shall be obliged to correct all errors and inaccuracies in his/her professional statement made orally or in writing which subsequently come to light and shall be obliged to inform the client thereof without delay. He/she shall also have the right to inform a third party acquainted with the original professional statement of the change.

(2) The client has the right to have all errors corrected free of charge if the contractor can be held responsible for them; this right will expire six months after completion of the services rendered by the contractor and/or – in cases where a written professional statement has not been delivered – six months after the contractor has completed the work that gives cause to complaint.

(3) If the contractor fails to correct errors which have come to light, the client shall have the right to demand a reduction in price. The extent to which additional claims for damages can be asserted is stipulated under Item 7.

### 7. Liability

(1) All liability provisions shall apply to all disputes in connection with the contractual relationship, irrespective of the legal grounds. The contractor is liable for losses arising in connection with the contractual relationship (including its termination) only in case of willful intent and gross negligence. The applicability of Section 1298 2nd Sentence ABGB is excluded.

(2) In cases of gross negligence, the maximum liability for damages due from the contractor is tenfold the minimum insurance sum of the professional liability insurance according to Section 11 WTBG 2017 as amended.

(3) The limitation of liability pursuant to Item 7. (2) refers to the individual case of damages. The individual case of damages includes all consequences of a breach of duty regardless of whether damages arose in one or more consecutive years. In this context, multiple acts or failures to act that are based on the same or similar source of error as one consistent breach of duty if the matters concerned are legally and economically connected. Single damages remain individual cases of damage even if they are based on several breaches of duty. Furthermore, the contractor's liability for loss of profit as well as collateral, consequential, incidental or similar losses is excluded in case of willful damage.

(4) Any action for damages may only be brought within six months after those entitled to assert a claim have gained knowledge of the damage, but no later than three years after the occurrence of the (primary) loss following the incident upon which the claim is based, unless other statutory limitation periods are laid down in other legal provisions.

(5) Should Section 275 Austrian Commercial Code (UGB) be applicable (due to a criminal offense), the liability provisions contained therein shall apply even in cases where several persons have participated in the execution of the contract or where several activities requiring compensation have taken place and irrespective of whether other participants have acted with intent.

(6) In cases where a formal auditor's report is issued, the applicable limitation period shall commence no later than at the time the said auditor's report was issued.

(7)If activities are carried out by enlisting the services of a third party, e.g. a data-processing company, any warranty claims and claims for damages which arise against the third party according to law and contract shall be deemed as having been passed on to the client once the client has been informed of them. Item 4. (3) notwithstanding, in such a case the contractor shall only be liable for fault in choosing the third party.

(8) The contractor's liability to third parties is excluded in any case. If third parties come into contact with the contractor's work in any manner due to the client, the client shall expressly clarify this fact to them. Insofar as such exclusion of liability is not legally permissible or a liability to third parties has been assumed by the contractor in exceptional cases, these limitations of liability shall in any case also apply to third parties on a subsidiary basis. In any case, a third party cannot raise any claims that go beyond any claim raised by the client. The maximum sum of liability shall be valid only once for all parties injured, including the compensation claims of the client, even if several persons (the client and a third party or several third parties) have sustained losses; the claims of the parties injured shall be satisfied in the order in which the claims have been raised. The client will indemnify and hold harmless the contractor and his/her staff against any claims by third parties in connection with professional statements made orally or in writing by the contractor and passed on to these third parties.

(9) Item 7. shall also apply to any of the client's liability claims to third parties (performing agents and vicarious agents of the contractor) and to substitutes of the contractor relating to the contractual relationship.

# Appendix | A2: AAB

## General Conditions of Contract for the Public Accounting Professions (AAB 2018)

### 8. Secrecy, Data Protection

(1) According to Section 80 WTBG 2017 the contractor shall be obliged to maintain secrecy in all matters that become known to him/her in connection with his/her work for the client, unless the client releases him/her from this duty or he/she is bound by law to deliver a statement.

(2) Insofar as it is necessary to pursue the contractor's claims (particularly claims for fees) or to dispute claims against the contractor (particularly claims for damages raised by the client or third parties against the contractor), the contractor shall be released from his/her professional obligation to maintain secrecy.

(3) The contractor shall be permitted to hand on reports, expert opinions and other written statements pertaining to the results of his/her services to third parties only with the permission of the client, unless he/she is required to do so by law.

(4) The contractor is a data protection controller within the meaning of the General Data Protection Regulation ("GDPR") with regard to all personal data processed under the contract. The contractor is thus authorized to process personal data entrusted to him/her within the limits of the contract. The material made available to the contractor (paper and data carriers) shall generally be handed to the client or to third parties appointed by the client after the respective rendering of services has been completed, or be kept and destroyed by the contractor if so agreed. The contractor is authorized to keep copies thereof insofar as he/she needs them to appropriately document his/her services or insofar as it is required by law or customary in the profession.

(5) If the contractor supports the client in fulfilling his/her duties to the data subjects arising from the client's function as data protection controller, the contractor shall be entitled to charge the client for the actual efforts undertaken. The same shall apply to efforts undertaken for information with regard to the contractual relationship which is provided to third parties after having been released from the obligation to maintain secrecy to third parties by the client.

### 9. Withdrawal and Cancellation („Termination")

(1) The notice of termination of a contract shall be issued in writing (see also Item 4. (4) and (5)). The expiry of an existing power of attorney shall not result in a termination of the contract.

(2) Unless otherwise agreed in writing or stipulated by force of law, either contractual partner shall have the right to terminate the contract at any time with immediate effect. The fee shall be calculated according to Item 11.

(3) However, a continuing agreement (fixed-term or open-ended contract on – even if not exclusively – the rendering of repeated individual services, also with a flat fee) may, without good reason, only be terminated at the end of the calendar month by observing a period of notice of three months, unless otherwise agreed in writing.

(4) After notice of termination of a continuing agreement and unless otherwise stipulated in the following, only those individual tasks shall still be completed by the contractor (list of assignments to be completed) that can (generally) be completed fully within the period of notice insofar as the client is notified in writing within one month after commencement of the termination notice period within the meaning of Item 4. (2). The list of assignments to be completed shall be completed within the termination period if all documents required are provided without delay and if no good reason exists that impedes completion.

(5) Should it happen that in case of a continuing agreement more than two similar assignments which are usually completed only once a year (e.g. financial statements, annual tax returns, etc.) are to be completed, any such assignments exceeding this number shall be regarded as assignments to be completed only with the client's explicit consent. If applicable, the client shall be informed of this explicitly in the statement pursuant to Item 9. (4).

### 10. Termination in Case of Default in Acceptance and Failure to Cooperate on the Part of the Client and Legal Impediments to Execution

(1) If the client defaults on acceptance of the services rendered by the contractor or fails to carry out a task incumbent on him/her either according to Item 2. or imposed on him/her in another way, the contractor shall have the right to terminate the contract without prior notice. The same shall apply if the client requests a way to execute (also partially) the contract that the contractor reasonably believes is not in compliance with the legal situation or professional principles. His/her fees shall be calculated according to Item 11. Default in acceptance or failure to cooperate on the part of the client shall also justify a claim for compensation made by the contractor for the extra time and labor hereby expended as well as for the damage caused, if the contractor does not invoke his/her right to terminate the contract.

(2) For contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, a termination without prior notice by the contractor is permissible under Item 10. (1) if the client verifiably fails to cooperate twice as laid down in Item 2. (1).

### 11. Entitlement to Fee

(1) If the contract fails to be executed (e.g. due to withdrawal or cancellation), the contractor shall be entitled to the negotiated compensation (fee), provided he/she was prepared to render the services and was prevented from so doing by circumstances caused by the client, whereby a merely contributory negligence by the contractor in this respect shall be excluded; in this case the contractor need not take into account the amount he/she obtained or failed to obtain through alternative use of his/her own professional services or those of his/her staff.

(2) If a continuing agreement is terminated, the negotiated compensation for the list of assignments to be completed shall be due upon completion or in case completion fails due to reasons attributable to the client (reference is made to Item 11. (1). Any flat fees negotiated shall be calculated according to the services rendered up to this point.

(3) If the client fails to cooperate and the assignment cannot be carried out as a result, the contractor shall also have the right to set a reasonable grace period on the understanding that, if this grace period expires without results, the contract shall be deemed ineffective and the consequences indicated in Item 11. (1) shall apply.

(4) If the termination notice period under Item 9. (3) is not observed by the client as well as if the contract is terminated by the contractor in accordance with Item 10. (2), the contractor shall retain his/her right to receive the full fee for three months.

### 12. Fee

(1) Unless the parties explicitly agreed that the services would be rendered free of charge, an appropriate remuneration in accordance with Sections 1004 and 1152 ABGB is due in any case. Amount and type of the entitlement to the fee are laid down in the agreement negotiated between the contractor and his/her client. Unless a different agreement has verifiably been reached, payments made by the client shall in all cases be credited against the oldest debt.

(2) The smallest service unit which may be charged is a quarter of an hour.

(3) Travel time to the extent required is also charged.

(4) Study of documents which, in terms of their nature and extent, may prove necessary for preparation of the contractor in his/her own office may also be charged as a special item.

(5) Should a remuneration already agreed upon prove inadequate as a result of the subsequent occurrence of special circumstances or due to special requirements of the client, the contractor shall notify the client thereof and additional negotiations for the agreement of a more suitable remuneration shall take place (also in case of inadequate flat fees).

(6) The contractor includes charges for supplementary costs and VAT in addition to the above, including but not limited to the following (7) to (9):

(7) Chargeable supplementary costs also include documented or flat-rate cash expenses, traveling expenses (first class for train journeys), per diems, mileage allowance, copying costs and similar supplementary costs.

(8) Should particular third party liabilities be involved, the corresponding insurance premiums (including insurance tax) also count as supplementary costs.

(9) Personnel and material expenses for the preparation of reports, expert opinions and similar documents are also viewed as supplementary costs.

(10) For the execution of a contract wherein joint completion involves several contractors, each of them will charge his/her own compensation.

(11) In the absence of any other agreements, compensation and advance payments are due immediately after they have been requested in writing. Where payments of compensation are made later than 14 days after the due date, default interest may be charged. Where mutual business transactions are concerned, a default interest rate at the amount stipulated in Section 456 1st

# Appendix | A2: AAB

## General Conditions of Contract for the Public Accounting Professions (AAB 2018)

and 2nd Sentence UGB shall apply.

(12) Statutory limitation is in accordance with Section 1486 of ABGB, with the period beginning at the time the service has been completed or upon the issuing of the bill within an appropriate time limit at a later point.

(13) An objection may be raised in writing against bills presented by the contractor within 4 weeks after the date of the bill. Otherwise the bill is considered as accepted. Filing of a bill in the accounting system of the recipient is also considered as acceptance.

(14) Application of Section 934 ABGB within the meaning of Section 351 UGB, i.e. rescission for laesio enormis (lesion beyond moiety) among entrepreneurs, is hereby renounced.

(15) If a flat fee has been negotiated for contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, in the absence of written agreements to the contrary, representation in matters concerning all types of tax audits and audits of payroll-related taxes and social security contributions including settlements concerning tax assessments and the basis for contributions, preparation of reports, appeals and the like shall be invoiced separately. Unless otherwise agreed to in writing, the fee shall be considered agreed upon for one year at a time.

(16) Particular individual services in connection with the services mentioned in Item 12. (15), in particular ascertaining whether the requirements for statutory social security contributions are met, shall be dealt with only on the basis of a specific contract.

(17) The contractor shall have the right to ask for advance payments and can make delivery of the results of his/her (continued) work dependent on satisfactory fulfillment of his/her demands. As regards continuing agreements, the rendering of further services may be denied until payment of previous services (as well as any advance payments under Sentence 1) has been effected. This shall analogously apply if services are rendered in installments and fee installments are outstanding.

(18) With the exception of obvious essential errors, a complaint concerning the work of the contractor shall not justify even only the partial retention of fees, other compensation, reimbursements and advance payments (remuneration) owed to him/her in accordance with Item 12.

(19) Offsetting the remuneration claims made by the contractor in accordance with Item 12. shall only be permitted if the demands are uncontested and legally valid.

### 13. Other Provisions

(1) With regard to Item 12. (17), reference shall be made to the legal right of retention (Section 471 ABGB, Section 369 UGB); if the right of retention is wrongfully exercised, the contractor shall generally be liable pursuant to Item 7. or otherwise only up to the outstanding amount of his/her fee.

(2) The client shall not be entitled to receive any working papiers and similar documents prepared by the contractor in the course of fulfilling the contract. In the case of contract fulfillment using electronic accounting systems the contractor shall be entitled to delete the data after handing over all data based thereon – which were prepared by the contractor in relation to the contract and which the client is obliged to keep – to the client and/or the succeeding public accountant in a structured, common and machine-readable format. The contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy) for handing over such data in a structured, common and machine-readable format. If handing over such data in a structured, common and machine-readable format is impossible or unfeasible for special reasons, they may be handed over in the form of a full print-out instead. In such a case, the contractor shall not be entitled to receive a fee.

(3) At the request and expense of the client, the contractor shall hand over all documents received from the client within the scope of his/her activities. However, this shall not apply to correspondence between the contractor and his/her client and to original documents in his/her possession and to documents which are required to be kept in accordance with the legal anti-money laundering provisions applicable to the contractor. The contractor may make copies or duplicates of the documents to be returned to the client. Once such documents have been transferred to the client, the contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy).

(4) The client shall fetch the documents handed over to the contractor within three months after the work has been completed. If the client fails to do so, the contractor shall have the right to return them to the client at the cost of the client or to charge an appropriate fee (Item 12. shall apply by analogy) if the contractor can prove that he/she has asked the client twice to pick up the documents handed over. The documents may also further be kept by third parties at the expense of the client. Furthermore, the contractor is not liable for any consequences arising from damage, loss or destruction of the documents.

(5) The contractor shall have the right to compensation of any fees that are due by use of any available deposited funds, clearing balances, trust funds or other liquid funds at his/her disposal, even if these funds are explicitly intended for safekeeping, if the client had to have anticipated the counterclaim of the contractor.

(6) To secure an existing or future fee payable, the contractor shall have the right to transfer a balance held by the client with the tax office or another balance held by the client in connection with charges and contributions, to a trust account. In this case the client shall be informed of the transfer. Subsequently, the amount secured may be collected either after agreement has been reached with the client or after enforceability of the fee by execution has been declared.

### 14. Applicable Law, Place of Performance, Jurisdiction

(1) The contract, its execution and the claims resulting from it shall be exclusively governed by Austrian law, excluding national referral rules.

(2) The place of performance shall be the place of business of the contractor.

(3) In absence of a written agreement stipulating otherwise, the place of jurisdiction is the competent court of the place of performance.

### SECTION II

### 15. Supplementary Provisions for Consumer Transactions

(1) Contracts between public accountants and consumers shall fall under the obligatory provisions of the Austrian Consumer Protection Act (KSchG).

(2) The contractor shall only be liable for the willful and grossly negligent violation of the obligations assumed.

(3) Contrary to the limitation laid down in Item 7. (2), the duty to compensate on the part of the contractor shall not be limited in case of gross negligence.

(4) Item 6. (2) (period for right to correction of errors) and Item 7. (4) (asserting claims for damages within a certain period) shall not apply.

(5) Right of Withdrawal pursuant to Section 3 KSchG:

If the consumer has not made his/her contract statement in the office usually used by the contractor, he/she may withdraw from the contract application or the contract proper. This withdrawal may be declared until the contract has been concluded or within one week after its conclusion; the period commences as soon as a document has been handed over to the consumer which contains at least the name and the address of the contractor as well as instructions on the right to withdraw from the contract, but no earlier than the conclusion of the contract. The consumer shall not have the right to withdraw from the contract

1. if the consumer himself/herself established the business relationship concerning the conclusion of this contract with the contractor or his/her representative,
2. if the conclusion of the contract has not been preceded by any talks between the parties involved or their representatives, or
3. in case of contracts where the mutual services have to be rendered immediately, if the contracts are usually concluded outside the offices of the contractors, and the fee agreed upon does not exceed €15.

In order to become legally effective, the withdrawal shall be declared in writing. It is sufficient if the consumer returns a document that contains his/her contract declaration or that of the contractor to the contractor with a note which indicates that the consumer rejects the conclusion or the maintenance of the contract. It is sufficient if this declaration is dispatched within one week.

# Appendix | A2: AAB

## General Conditions of Contract for the Public Accounting Professions (AAB 2018)

If the consumer withdraws from the contract according to Section 3 KSchG,

1. the contractor shall return all benefits received, including all statutory interest, calculated from the day of receipt, and compensate the consumer for all necessary and useful expenses incurred in this matter,
2. the consumer shall pay for the value of the services rendered by the contractor as far as they are of a clear and predominant benefit to him/her.

According to Section 4 (3) KSchG, claims for damages shall remain unaffected.

(6) Cost Estimates according to Section 5 Austrian KSchG:

The consumer shall pay for the preparation of a cost estimate by the contractor in accordance with Section 1170a ABGB only if the consumer has been notified of this payment obligation beforehand.

If the contract is based on a cost estimate prepared by the contractor, its correctness shall be deemed warranted as long as the opposite has not been explicitly declared.

(7) Correction of Errors: Supplement to Item 6.:

If the contractor is obliged under Section 932 ABGB to improve or complement his/her services, he/she shall execute this duty at the place where the matter was transferred. If it is in the interest of the consumer to have the work and the documents transferred by the contractor, the consumer may carry out this transfer at his/her own risk and expense.

(8) Jurisdiction: Shall apply instead of Item 14. (3)

If the domicile or the usual residence of the consumer is within the country or if he/she is employed within the country, in case of an action against him/her according to Sections 88, 89, 93 (2) and 104 (1) Austrian Court Jurisdiction Act (JN), the only competent courts shall be the courts of the districts where the consumer has his/her domicile, usual residence or place of employment.

(9) Contracts on Recurring Services:

(a) Contracts which oblige the contractor to render services and the consumer to effect repeated payments and which have been concluded for an indefinite period or a period exceeding one year may be terminated by the consumer at the end of the first year, and after the first year at the end of every six months, by adhering to a two-month period of notice.

(b) If the total work is regarded as a service that cannot be divided on account of its character, the extent and price of which is determined already at the conclusion of the contract, the first date of termination may be postponed until the second year has expired. In case of such contracts the period of notice may be extended to a maximum of six months.

(c) If the execution of a certain contract indicated in lit. a) requires considerable expenses on the part of the contractor and if he/she informed the consumer about this no later than at the time the contract was concluded, reasonable dates of termination and periods of notice which deviate from lit. a) and b) and which fit the respective circumstances may be agreed.

(d) If the consumer terminates the contract without complying with the period of notice, the termination shall become effective at the next termination date which follows the expiry of the period of notice.

# Appendix | A3: List of abbreviations

| | |
|---|---|
| AAB | Allgemeine Auftragsbedingungen (General Conditions of Contract for the Public Accounting Professions) |
| AFRAC | Austrian Financial Reporting and Auditing Committee |
| AG | Aktiengesellschaft (public limited company) |
| AGM | Annual General Meeting |
| AKA | Alföld Koncesszios Autopalya Zrt. |
| AktG | Aktiengesetz (Stock Corporation Act) |
| APV | Adjusted Present Value |
| ar. | around |
| ARGE | Arbeitsgemeinschaft (joint venture) |
| ATX | Austrian Traded Index |
| avg. | average |
| bn | billion |
| bp | Basis points |
| BRVZ | Building, Computing and Administration Centre |
| BVAL | Bloomberg Valuation Service |
| CAGR | Compund Annual Growth Rate |
| CAPEX | Capital Expenditures (investments) |
| CAPM | Capital Asset Pricing Model |
| CEE | Central and Eastern Europe |
| CEO | Chief Executive Officer |
| CF | Cash Flow |
| CFO | Chief Financial Officer |
| CDO | Chief Digital Officer |
| $CH_4$ | Methane |
| Ch. in inv. | Change in inventory |
| client | STRABAG SE |
| $CO_2$ | Carbon dioxide |
| COVID-19 | Corona Virus Disease 2019 |
| D/E ratio | Debt to Equity ratio |
| DCF | Discounted Cash Flow |
| Deloitte FA | Deloitte Financial Advisory GmbH |
| Del. & Serv. | Deliveries and services |
| Dev. | Deviation |
| e | expected |
| e.g. | exempli gratia (for example) |



This is a convenience translation from the German valuation report made by STRABAG SE. The only binding document is the German valuation report.

# Appendix | A3: List of abbreviations

| | |
|---|---|
| EBIT | Earnings before interest and taxes |
| EBITDA | Earnings before interest taxes, depreciation and amortization |
| EBT | Earnings before taxes |
| ECB | European Central Bank |
| EIU | Economist Intelligence Unit |
| EK | Market value of equity |
| ESG | Environment, Social, Governance |
| etc. | et cetera |
| EU | European Union |
| EUR | Euros |
| EURIBOR | Euro Interbank Offered Rate |
| EURm | Million euros |
| EURt | Thousand euros |
| EV | Enterprise Value |
| Exp. of purch. serv. | Expenses of purchased services |
| FC | Forecast |
| FCF | Free Cash Flow |
| ff. | the following |
| FY | Fiscal Year |
| FK | Market value of debt |
| FTE | Flow to Equity |
| g | Growth rate for the terminal value |
| GDP | Gross Domestic Product |
| GK | Market value of total capital |
| GmbH | Gesellschaft mit beschränkter Haftung (private limited company) |
| Gr. Reserv. | Group reserve |
| IAS | International Accounting Standards |
| IC | Insolvency Code |
| IDW | Institut der Wirtschaftsprüfer in Deutschland |
| IFRS | International Financial Reporting Standards |
| in connect. with | in connection with |
| in the am. of | in the amount of |
| in the sen. of | in the sense of |
| in the vers. | in the version |
| intan. non-curr. assets | intangible non-current assets |

# Appendix | A3: List of abbreviations

| | |
|---|---|
| IKS | Internes Kontrollsystem (internal control system) |
| IPO | Initial public offering |
| ISIN | International Securities Identification Number |
| KFS/BW1 | Professional Guidelines of the Expert Committee on Business Administration of the Institute for Business Economics, Tax Law and Organization of the Austrian Chamber of Public Accountants for the Valuation of Businesses |
| KPI | Key Performance Indicators |
| LLC | Limited Liability Company |
| Max | Maximum |
| Min | Minimum |
| MV | Market Value |
| n/a | not available / not applicable |
| $N_2O$ | Dinitrogen monoxide |
| non-curr. assets | non-current assets |
| NOPLAT | Net Operating Profit Less Adjusted Taxes |
| NWC | Net Working Capital |
| OeCGK | Austrian Corporate Governance Codex |
| OeKB | Oesterreichische Kontrollbank (Austrian Control Bank) |
| OeNB | Oesterreichische Nationalbank (National Bank of Austria) |
| OePR | Oesterreichische Prüfstelle für Rechnungslegung (Austrian Financial Reporting Enforcement Panel) |
| Oper. And Bus. Equipm. | Operating and Business Equipment |
| p.a. | per annum |
| P/E | Price-Earnings Multiple |
| P&L | Profit and Loss |
| PANSUEVIA | PANSUEVIA GmbH & Co. KG |
| prov. | Provisions |
| q | Retention rate |
| RMS | Risikomanagementsystem (risk management system) |
| ROIC | Return on Invested Capital |
| RONIC | Return on New Invested Capital |
| RTA | Recent Transaction Method |
| S&P | Standard & Poor's |
| SE | Societas Europaea (European society) |
| sh. term | short term |
| SPCM | Similar Public Company Method |

# Appendix | A3: List of abbreviations

| | |
|---|---|
| Stdev | Standard Deviation |
| Summary | Present summarised version of the report |
| tan. non-curr. assets | tangible non-current assets |
| to aff. comp. | to affiliated companies |
| UGB | Unternehmensgesetzbuch (Austrian Commercial Code) |
| UK | United Kingdom |
| UNIQA | UNIQA Insurance Group AG |
| USD | US dollar |
| valuation object | STRABAG SE |
| Var. Coeff. | Coefficient of variation |
| WACC | Weighted Average Cost of Capital |
| WBI | Wiener Börse Index |
| WC | Working Capital |
| YoY | year over year |

Deloitte.